

Bank Dhofar Morning Market Update



Date: 22/01/26

Global Update

Gold rose above \$5,000 for the first time on haven demand and US stock futures fell. The Bloomberg Dollar Spot Index slid to the lowest level since September after a rate check Friday by the Federal Reserve Bank of New York spurred speculation the US may assist Japan in efforts to weaken the greenback versus the yen. The Japanese currency surged as much as 1.2% versus the dollar. Asian currencies benefited from the weak dollar with the Malaysian ringgit rising to the strongest level since 2018, and the South Korean won climbing to its highest level in about three weeks. Singapore's currency advanced to its strongest level since 2014. The volatility in foreign-exchange markets comes as Japan's top currency chief Atsushi Mimura said authorities in Tokyo will respond in close coordination with their counterparts in Washington. Earlier, Japan's Prime Minister Sanae Takaichi warned markets that the government is ready to take action. Traders interpreted the New York Fed's actions as an indication the central bank was preparing to assist Japanese officials in intervening directly in the currency market to prop up the yen. The dollar fell the most since May last week amid unpredictable US policymaking, tariff tensions between the US and Europe, and attacks on the Federal Reserve's independence.

EUR/USD rapidly reverses course and hits fresh YTD tops near 1.1780 at the end of the week. The pair's U-turn comes on the back of the intense sell-off in the Greenback amid the generalised risk-on context. In the 4-hour chart, EUR/USD trades at 1.1734. The 20-period Simple Moving Average (SMA) rises above the 100- and 200-period SMAs, while the 50-period SMA remains below them, framing a mixed but improving bias as price holds above all four averages. The Relative Strength Index (14) prints 61, above the midline, reinforcing bullish momentum. Measured from the 1.1800 high to the 1.1592 low, price trades above the 61.8% retracement at 1.1721, suggesting the prior bearish leg is losing traction. Upside would face a cap at the 78.6% retracement at 1.1756, and a close above it could open the way toward the 1.1800 area.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1840	1.1898	1.1834	O/N SOFR	3.640	0.000
GBPUSD	1.3646	1.3683	1.3637	1 month SOFR	3.671	3.671
USDJPY	154.92	155.3400	153.81	3 month SOFR	3.670	3.670

USDINR	91.52	91.97	91.42	6 months SOFR	3.637	3.637
USDCNY	6.9575	6.9578	6.9544	12 month SOFR	3.535	3.535
USDCHF	0.7791	0.7794	0.7741	3 years IRS	3.455	3.461
AUDUSD	0.6896	0.6935	0.6892	5 years IRS	3.564	3.571
NZDUSD	0.5938	0.5975	0.5926	Bond investors will also turn their focus to leadership change at the central bank after Trump said last week he will soon reveal a successor to Chair Jerome Powell. The yield on 10-year Treasuries was little changed at 4.22%. Japan's 10-year yield declined three basis points to 2.225%. Australia's 10-year yield advanced two basis points to 4.82%.		

The Japanese currency surged as much as 1.2% versus the dollar. The Japanese yen rose 1% to 154.22 per dollar. The euro rose 0.3% to \$1.1860. The offshore yuan was little changed at 6.9524 per dollar.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6916	0.033	1.40
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	608	-0.085	2.73
				Shanghai Composite Index	4141	0.117	4.34
Bank Deposit Rates for 5 years			4.00	MSX-30	6191	-0.372	5.53
*Amount>500k OMR				NIFTY-50	25049	-0.954	-4.14
Calendar				Brent Crude (\$/bbl)	65.95	0.121	8.40
				Gold (\$/oz.)	5073	1.708	17.44
Key Data Watch	Time (GST)	Expected	Prior	DXY	97	-0.539	-1.27
Chicago Fed Nat Activity Index	17:30	-0.2	-0.21				
Durable Goods Orders	17:30	3.8%	-2.2%	Silver(\$/oz.)	108	4.672	50.72

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