

Bank Dhofar Morning Market Update



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Global Update

Asian stocks advanced following a rally on Wall Street after the Federal Reserve signaled it still sees room to cut interest rates later this year because any increase in inflation due to tariffs will be brief. MSCI's regional stock benchmark climbed to its highest level since early November as equities in Taiwan, Australia and South Korea all rallied. US equity futures rose in Asia after the Financial Times reported Nvidia Corp. aims to spend several hundred billion dollars to procure US-made chips and electronics over the next four years. Japanese markets are shut for a holiday. Australia's dollar dropped after a report showed employment in the nation fell by 52,800 last month, compared with a forecast increase of 30,000. Copper climbed above \$10,000 a ton amid the threat of higher tariffs, while gold rose to another record. The Fed kept its benchmark on hold Wednesday as economists expected, and Chair Jerome Powell was measured in his assessment of how the President Donald Trump's actions might shape the economy. Powell's calibrated tone on recession risk – stating it was “not high” – soothed nerves among stock investors. The central bank's move to trim growth assessments also added fuel to the bond rally, with traders and the Fed now aligned on the rate-cut outlook this year. The GBP/USD pair remains in positive territory for the fourth successive session, trading around 1.3010 during the Asian hours on Thursday. Technical analysis of the daily chart indicates a continued bullish bias, with the pair moving upwards within an ascending channel pattern. The Relative Strength Index (RSI) indicator on the 4-hour chart declines toward 50 and GBP/USD retreats toward the mid-point of the ascending regression channel, pointing to a loss of bullish momentum. GBP/USD could face interim support at 1.2950 ahead of 1.2910-1.2900 and 1.2870 (static level). On the upside, 1.3000 aligns as immediate resistance before 1.3040 and 1.3120 .



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0903	1.0917	1.0894	O/N SOFR	4.310	4.300
GBPUSD	1.3003	1.3015	1.2993	1 month SOFR	4.319	4.319
USDJPY	148.69	148.8700	148.18	3 month SOFR	4.305	4.305
USDINR	86.41	86.41	86.19	6 months SOFR	4.217	4.217
USDCNY	7.2273	7.2363	7.2251	12 month SOFR	4.065	4.065
USDCHF	0.8778	0.8786	0.8756	3 years IRS	3.741	3.741

AUDUSD	0.6357	0.6364	0.6329	5 years IRS	3.736	3.741
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The Australian dollar fell versus the greenback after the nation's employment surprisingly dropped in February. USD index weakened after Federal Reserve Chair Jerome Powell downplayed growth concerns and the impact of President Donald Trump's trade war on inflation. AUD/USD falls but remains above 0.63. USD/JPY declines under mid 148-149 while EUR/USD edges higher to stay above 1.09. GBP/USD hovers near 1.30 ahead of BOE's interest rate decision.

Federal Reserve Chair Jerome Powell downplayed growth concerns and the impact of President Donald Trump's trade war on inflation, calling the inflationary effect "transitory." The Federal Reserve will start shrinking its balance sheet at a slower pace starting next month, reducing the amount of bond holdings it lets roll off every month. US 2-year yields ended Wednesday down 7bps to 3.98% while 10-year yields fell 4bps to 4.24%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.25	S&P 500	5675	1.080	-3.51
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	555	0.193	9.41
Bank Deposit Rates for 5 years			4.50	Shanghai Composite Index	3423	-0.097	2.13
<small>*Amount > 500k OMR</small>				MSX-30	4386	0.556	-4.16
				NIFTY-50	23048	0.611	-2.53
Calendar				Brent Crude (\$/bbl)	71.17	0.551	-3.67
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3049	0.044	16.18
Initial Jobless Claims	16:30	224k	220k			0.064	
Continuing Claims	16:30	1887k	1870k	DXY	103		-4.60
				Silver (\$/oz.)	34	0.049	16.99

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Telephone: +968 2265 2721/2722/2731/2716

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