

Bank Dhofar Morning Market Update



Date: 14/01/25

Global Update

Chinese stocks led Asia higher while the dollar weakened on news that members of President-elect Donald Trump's economic team discussed a gradual approach to ramping up tariffs. A dollar gauge fell for the first day in six, with New Zealand's currency leading gains among the Group-of-10 peers. Shares in China and Hong Kong led gains in the region, with those in Sydney and Taiwan also climbing. US contracts climbed, extending the slight gains seen in the S&P 500 on Monday. The possibility of gradually-implemented US tariffs is stirring a note of optimism, given that Trump's threats to impose levies of as much as 60% on Chinese goods have loomed over markets in Asia. Such a plan may ease inflation concerns and roll back higher Treasury yields as the Federal Reserve gets room to reduce interest rates. Traders also will monitor US inflation data this week that could provide more clues on the Fed's rate trajectory. Elsewhere in Asia, China's top securities regulator said it will work on building a mechanism to stabilize the market, vowing to anchor expectations in 2025 after a disappointing start to the new year. Investors will also be on the watch for a briefing Tuesday afternoon by officials from the central bank and State Administration of Foreign Exchange on financial support for high-quality economic development. Oil fell slightly Tuesday after rallying to the highest level in five months in the previous session. Copper extended this year's rally. West Texas Intermediate crude fell 0.2% to \$78.69 a barrel. Spot gold rose 0.3% to \$2,670.70 an ounce.

Oil held near a five-month high on threats to global supplies posed by harsher US sanctions against Russian flows and potential trade tariffs from the incoming Trump administration. Brent steadied near \$81 a barrel, after surging by more than 5% over the previous two sessions. The US imposed its most aggressive sanctions yet on Russia's oil industry on Friday, targeting key exporters, insurance companies and more than a 150 tankers. At the same time, 10 European nations are also pushing for tougher curbs.



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Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0245	1.0277	1.0239	O/N SOFR	4.300	4.300
GBPUSD	1.2201	1.2250	1.2192	1 month SOFR	4.306	4.303
USDJPY	157.48	158.0200	157.12	3 month SOFR	4.302	4.287
USDINR	86.52	86.55	86.47	6 months SOFR	4.279	4.245
USDCNY	7.3306	7.3309	7.3280	12 month SOFR	4.245	4.178
USDCHF	0.9170	0.9175	0.9152	3 years IRS	4.252	4.252

AUDUSD	0.6177	0.6203	0.6171	5 years IRS	4.280	4.280
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The Bloomberg Dollar Spot Index fell 0.3%. The euro was little changed at \$1.0252. The Japanese yen was little changed at 157.60 per dollar. The offshore yuan was little changed at 7.3441 per dollar. EUR/JPY pair pauses its three-day winning streak, trading around 161.50 during the Asian session on Tuesday. The pair gains support as the Japanese Yen (JPY) faces pressure amid uncertainty over the timing of the Bank of Japan's (BoJ) next rate hike.

In Japan, the 40-year yield rose to the highest since its debut in 2007 amid a global debt selloff and expectations that the Bank of Japan will raise policy rates in the future. The yield on 10-year Treasuries fell one basis point to 4.77%. Australia's 10-year yield declined one basis point to 4.62%. S&P 500 futures rose 0.3% as of 12:41 p.m. Tokyo time. Hong Kong's Hang Seng rose 1.5%. The Shanghai Composite rose 1.7%. Euro Stoxx 50 futures rose 0.8%.

	Current Levels
CBO Repo Rate	5
O/N OMIBOR	4.25
*Bank Deposit Rates for 1 years	4.25
Bank Deposit Rates for 5 years	4.00

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
BOR Gold and Forex Reserve	17:00	-	\$618.2b
PPI Final Demand YoY	17:30	2.6%	2.4%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5836	0.157	-0.77
Euro Stoxx 600	509	-0.551	0.21
ShanghaiComposite Index	3216	1.748	-4.05
MSX-30	4597	-0.010	0.46
NIFTY-50	23172	0.372	-2.00
Brent Crude (\$/bbl)	80.69	-0.383	8.12
Gold (\$/oz.)	2670	0.249	1.73
		-0.330	
DXY	110		1.02
Silver(\$/oz.)	30	0.119	2.58

For any Treasury related requirement, please contact:

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