

Bank Dhofar Morning Market Update



Date: 04/03/25

Global Update

A selloff in equities spread to Asia after President Donald Trump’s pledge to impose tariffs on trading partners raised concerns about a worsening trade war hurting global economic growth. Treasury yields tumbled to the lowest in more than four months. Asian shares sank to the lowest level in a month after the S&P 500 saw its worst selloff this year as the US president said Mexico and Canada couldn’t negotiate a reprieve from tariffs set to take effect Tuesday. Trump also signed an order doubling a levy on China to 20%. Investors are seeking safer havens as they become wary about rising geopolitical tensions and the prospect of tit-for-tat tariffs worsening the global trade spat. US Treasuries are now outperforming stocks since Trump’s win. Canada announced a sweeping package of levies in response and China’s Ministry of Commerce reiterated countermeasures against US tariffs on Tuesday. Trump said he would plow ahead with new tariffs on Canada and Mexico starting Tuesday, a broadside against the two biggest US trading partners that underscores his push to remake global trade. The long-promised duties would easily be among the most sweeping of the Trump era, applying to around \$1.5 trillion in annual imports. Trump also said Monday that the US would impose tariffs on “external” agricultural products starting on April 2, adding another layer of threats to impose trade barriers on imported goods. In commodities, oil extended losses from the lowest in almost three months as OPEC+ said it will proceed with plans to revive halted production. Gold steadied after having advanced the previous day.

Bullion traded near \$2,892 an ounce — following a 1.2% increase on Monday — as the US leader said Mexico and Canada couldn’t negotiate a reprieve from tariffs set to take effect Tuesday and then signed an order doubling levies on China to 20%. After reaching a record high of just over \$2,950 an ounce on Feb. 24, gold had its first weekly decline of 2025 at the end of February, mainly driven by profit taking.



XAU Curncy (Gold Spot \$/Oz) Daily 04MAR2024-04MAR2025

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Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0487	1.0496	1.0471	O/N SOFR	4.390	4.360
GBPUSD	1.2701	1.2710	1.2679	1 month SOFR	4.325	4.325
USDJPY	149.50	149.6500	148.60	3 month SOFR	4.317	4.317
USDINR	87.37	87.41	87.33	6 months SOFR	4.257	4.257
USDCNY	7.2878	7.2889	7.2768	12 month SOFR	4.127	4.127
USDCHF	0.8968	0.8976	0.8946	3 years IRS	3.694	3.718

AUDUSD	0.6225	0.6226	0.6187	5 years IRS	3.664	3.681
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The Bloomberg Dollar Spot Index was steady. The Canadian dollar and Mexican peso slipped. The outlook for emerging Asian currencies is worsening again after the new tariffs on China. Regional currencies have tumbled over the past week, with the Thai baht and South Korean won both sliding about 2%. The euro fell 0.1% to \$1.0472. The Japanese yen rose 0.3% to 149.06 per dollar. The offshore yuan rose 0.2% to 7.2861 per dollar.

The S&P 500 fell 1.8% on Monday, and a gauge of the Magnificent Seven megacaps sank 3.1%. Australia's S&P/ASX 200 fell 0.7%. Hong Kong's Hang Seng fell 0.5%. The Shanghai Composite was little changed. Euro Stoxx 50 futures fell 0.9%. The yield on 10-year Treasuries declined one basis point to 4.14%. Japan's 10-year yield advanced 1.5 basis points to 1.425%. Australia's 10-year yield declined five basis points to 4.27%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.25	S&P 500	5850	-1.760	-0.54
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	563	1.066	10.94
Bank Deposit Rates for 5 years			4.50	Shanghai Composite Index	3326	0.269	-0.77
<small>*Amount>500k OMR</small>				MSX-30	4425	-0.360	-3.31
				NIFTY-50	22069	-0.230	-6.67
Calendar				Brent Crude (\$/bbl)	71.12	-0.698	-3.74
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	2893	0.024	10.25
Eurozone Unemployment Rates	14:00	6.3%	6.3%			-0.159	
France Budget Balance	11:45	-	-172.5b	DXY	107		-1.76
				Silver(\$/oz.)	32	0.179	9.82

For any Treasury related requirement, please contact:

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