

Bank Dhofar Morning Market Update



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Global Update

Investors are cautious ahead of Wednesday's CPI data even as Powell told Congress that the Fed doesn't need to rush to adjust interest rates, indicating how the economy remained strong. The Fed had left its key policy rate unchanged in January, suggesting the stalled progress toward lower inflation warranted a patient approach. The technology theme continued to impact stocks in China and Hong Kong. Alibaba Group Holding Ltd. rose as much as 8.6%, the most since September 2024, after The Information reported that Apple Inc. is partnering with the company to bring AI features to products in China. In Asia, India's rupee extended gains after rallying by the most in over two years Tuesday on suspected strong intervention by the central bank. Vietnam's dong fell to a record low against the dollar on Tuesday. Money markets continued to fully price in just one quarter-point rate cut by the central bank this year, by September. In December, two 2025 cuts were priced in. A strong January jobs report released Friday prompted reassessment of the policy outlook, and January inflation data to be released Wednesday could do the same. Intraday bias in USD/JPY stays neutral for the moment. Attention stays on 38.2% retracement of 139.57 to 158.86 at 151.49. Strong bounce from there, followed by break of 153.70 support turned resistance, will retain near term bullishness, and turn back to the upside for retesting 158.86. However, sustained trading below 151.49 will suggest that whole rise from 139.57 has completed, and bring deeper fall to 61.8% retracement at 146.32 next. In case of another fall, strong support should be seen from 38.2% retracement of 102.58 to 161.94 at 139.26 to bring rebound. However, sustained break of 139.26 would open up deeper medium term decline to 61.8% retracement at 125.25.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0361	1.0368	1.0354	O/N SOFR	4.350	4.360
GBPUSD	1.2446	1.2459	1.2433	1 month SOFR	4.317	4.317
USDJPY	152.49	153.7300	152.38	3 month SOFR	4.315	4.315
USDINR	86.44	86.92	86.42	6 months SOFR	4.283	4.283
USDCNY	7.3086	7.3089	7.3073	12 month SOFR	4.224	4.224
USDCHF	0.9133	0.9136	0.9123	3 years IRS	4.111	4.098
AUDUSD	0.6295	0.6310	0.6288	5 years IRS	4.094	4.083

The yen is on track for its longest losing streak in more than a month amid heightened concerns Japan may be included in President Donald Trump's tariff plan. The currency was the worst performer among its Group-of-10 peers on Wednesday. The Japanese government asked Trump on Wednesday to exempt the nation's companies from his fresh tariffs. The Japanese yen fell 0.7% to 153.63 per dollar. The euro was unchanged at \$1.0361. The offshore yuan was little changed at 7.3149 per dollar.

As traders await a key US inflation reading later today, prices have showed scant signs of downward momentum at the start of the year. Treasuries edged lower after falling across the curve on Tuesday, with money markets still fully pricing in one rate cut by the Fed this year. The yield on 10-year Treasuries advanced one basis point to 4.55%. Japan's 10-year yield advanced 2.5 basis points to 1.340%. Australia's 10-year yield advanced eight basis points to 4.46%

				Global Markets			
		Current Levels			Level	1-Day Change (%)	YTD (%)
CBO Repo Rate		5					
O/N OMIBOR		4.25		S&P 500	6069	0.034	3.18
*Bank Deposit Rates for 1 years		4.20		Euro Stoxx 600	547	0.231	7.79
Bank Deposit Rates for 5 years		4.50		Shanghai Composite Index	3323	0.145	-0.86
<small>*Amount>500k OMR</small>				MSX-30	4522	-0.234	-1.18
				NIFTY-50	22909	-0.706	-3.11
Calendar				Brent Crude (\$/bbl)	76.69	-0.390	3.31
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	2886	-0.407	9.97
MBA Mortgage Applications	16:00		2.2%			0.091	
CPI MoM	17:30	0.3	0.4%	DXY	108		-0.39
				Silver(\$/oz.)	32	-0.036	10.04

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