

Bank Dhofar Morning Market Update



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Global Update

Asian shares fell to a five-week low Tuesday after the Nasdaq 100 had its worst day since 2022. The markets later stabilized, with equity-index futures for the S&P 500 gaining as much as 0.3% after losing more than 1% in early Asian trading. Contracts for Nasdaq 100 and European stocks both advanced as well. Shares in Hong Kong and China also trimmed their declines. Yields on 2-year Treasuries recovered after slumping to the lowest level since October and a gauge of the dollar slipped. Despite the global risk-off mood, mainland Chinese investors bought an unprecedented amount of Hong Kong stocks on Monday, continuing to boost their holdings amid a tech-driven rally this year. The stocks have been on a tear this year, thanks to the emergence of an artificial-intelligence model from startup DeepSeek that was considered a game-changer in the industry. In the US Monday, the S&P 500 dropped 2.7%. The Nasdaq 100 lost 3.8%. In the megacap space, Tesla Inc. sank 15% while Nvidia Corp. drove a closely watched gauge of chipmakers to the lowest since April. About 10 high-grade companies delayed US bond sales. USD/JPY's fall from 151.89 extends to as low as 148.00 so far, and there is no sign of bottoming yet. Intraday bias stays on the downside for medium term channel support at 145.80 next. On the upside, break of 149.97 resistance is needed to indicate completion of the decline. Otherwise, risk will stay on the downside in case of recovery. Decisive break of 145.06 resistance turned support will confirm that this second leg has completed, after rejection by 151.93. Deeper fall would be seen through 38.2% retracement of 127.20 to 151.89 at 142.45 to 61.8% retracement at 136.63.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0834	1.0862	1.0830	O/N SOFR	4.340	4.340
GBPUSD	1.2879	1.2898	1.2873	1 month SOFR	4.322	4.322
USDJPY	147.27	147.3000	146.54	3 month SOFR	4.292	4.292
USDINR	87.37	87.39	87.29	6 months SOFR	4.184	4.184
USDCNY	7.2571	7.2599	7.2435	12 month SOFR	3.999	3.999
USDCHF	0.8810	0.8816	0.8773	3 years IRS	3.633	3.654
AUDUSD	0.6278	0.6288	0.6259	5 years IRS	3.630	3.661

Most Group-of-10 currencies rose against the greenback on Tuesday, with only the Australian and New Zealand dollars down in the session. The Swiss franc and Japanese yen, traditional havens, outperformed. The euro continues to attract buyers with its surge in the region's growth prospects. The euro rose 0.2% to \$1.0857. The Japanese yen was little changed at 147.17 per dollar. The offshore yuan rose 0.2% to 7.2466 per dollar. GBP/USD edged back towards 1.29. AUD/USD consolidated under 0.63.

US 2-year yields are down 1bp to 3.87% while 10-year yields fall 3bps to 4.18%. In Monday's US trading session, 2-year yields ended down 11bps while 10-year fell 9bps amid safe haven flows out of equities and into bonds. Japan's economy expanded in the last quarter of 2024 at a slower pace than reported in preliminary data, a result that may give the Bank of Japan added incentive to hold policy settings steady when authorities gather next week.

	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	4.50

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
NFIB Small Business Optimism	14:00	101	102.8
JOLTS Job Openings	18:00	7600k	7600k

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5615	-2.697	-4.54
Euro Stoxx 600	546	-1.292	7.60
Shanghai Composite Index	3350	-0.472	-0.04
MSX-30	4406	-0.321	-3.72
NIFTY-50	22415	-0.203	-5.20
Brent Crude (\$/bbl)	69.22	-0.072	-6.29
Gold (\$/oz.)	2898	0.310	10.41
		-0.154	
DXY	104		-4.38
Silver(\$/oz.)	32	0.284	11.41

For any Treasury related requirement, please contact:

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