

Bank Dhofar Morning Market Update



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Global Update

In recent weeks, investors have been cautiously optimistic after some tariff reprieves and speculation the Federal Reserve will cut interest rates to prevent a recession. In the latest pivot in Trump’s trade strategy, the president signed an executive order easing the impact of his auto tariffs, preventing duties on foreign-made vehicles from stacking on top of other levies and lessening charges on parts from overseas used to make vehicles in the US. Trump also renewed criticism of Fed Chairman Jerome Powell as he championed his economic policies and tariff regime during an event on Tuesday to mark his 100th day in office. Trump said China deserved the steep tariffs he imposed on their exports and predicted Beijing could find a way to reduce their impact on American consumers.

Intraday bias in GBP/USD remains on the upside for the moment. Firm break of 1.3433 key resistance will confirm larger up trend resumption. Next near term target is 61.8% projection of 1.2706 to 1.3422 from 1.3232 at 1.3674. However, break of 1.3232 support will indicate rejection from 1.3433, and bring deeper decline back to 55 D EMA (now at 1.2978) and possibly below. In the bigger picture, price actions from 1.3433 are seen as a corrective pattern to the up trend from 1.3051 (2022 low). Rise from 1.2099 could either be resuming the up trend, or the second leg of a consolidation pattern. Overall, GBP/USD should target 1.4248 key resistance (2021 high) on break of 1.3433 at a later stage.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1387	1.1396	1.1355	O/N SOFR	4.360	4.290
GBPUSD	1.3409	1.3415	1.3382	1 month SOFR	4.322	4.322
USDJPY	142.33	142.6800	142.17	3 month SOFR	4.280	4.280
USDINR	85.16	85.23	85.05	6 months SOFR	4.131	4.131
USDCNY	7.2738	7.2769	7.2624	12 month SOFR	3.855	3.855
USDCHF	0.8238	0.8247	0.8227	3 years IRS	3.351	3.342
AUDUSD	0.6384	0.6418	0.6379	5 years IRS	3.398	3.394

USD/JPY consolidates near mid 142-143, while EUR/USD drifts lower to remain under 1.14. GBP/USD falls below 1.34. NZD/USD is steady to hold

US 2-year yields are up 1bp to 3.65% while 10-year yields decline 1bp to 4.17%. In Tuesday’s US trading session 2- and 10-year yields ended down

aoover 0.59.AUD/USD rises to hover around 0.64. The Australian dollar is advancing on short-position unwinds after a better-than-expected CPI print.Australia’s core inflation came in hotter-than-expected in the first three months of the year, damping expectations of a rapid series of interest-rate cuts and sending the currency higher.

4bps.Aussie 3-year yield steady at 3.32%. That on 10-year note slips 3bps to 4.16%.A lower inflation backdrop, still poor GDP growth, sluggish consumers, downside risks to global trade and growth from Trump tariffs and a potential deflationary impulse on Australia means the RBA should cut the cash rate again by 0.25% to 3.85% at its May meeting, according to AMP Capital in note

		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
MBA Mortgage Applications	15:00		-12.7%
ADP Employment Change	16:15	115k	155k

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5561	0.580	-5.45
Euro Stoxx 600	525	0.363	3.44
ShanghaiComposite Index	3283	-0.125	-2.06
MSX-30	4298	0.135	-6.09
NIFTY-50	24340	0.017	2.94
Brent Crude (\$/bbl)	63.42	-1.339	-13.83
Gold (\$/oz.)	3309	-0.260	26.07
DXY	99	0.009	-8.52
Silver(\$/oz.)	33	-0.216	13.71

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