

Bank Dhofar Morning Market Update



Date: 27/01/25

Global Update

Asian shares rose partly on optimism about artificial intelligence in China, shrugging off Donald Trump's imposition of tariffs on Colombia that cut risk appetite elsewhere. Shares advanced in Japan and Hong Kong, with those in mainland China turning flat after early gains. Chinese tech firms linked to DeepSeek's business model rallied after the AI startup gained traction. In contrast, US futures slid in Asia amid concerns that the Chinese app may disrupt US technological leadership. The dollar edged higher while Treasuries also increased, reflecting caution after Trump ordered tariffs on Colombia for refusing to allow deported migrants to land in the country. Elsewhere, China's factory activity unexpectedly contracted in January as production wound down ahead of China's Lunar New Year holiday. The official manufacturing purchasing managers' index was 49.1, versus 50.1 in December, the National Bureau of Statistics said Monday. Markets in Taiwan, South Korea, and Australia are closed for a holiday Monday. In commodities, oil fell after Trump's trade curbs against Colombia highlighted risks to the global economy, as well as trade. Global crude benchmark Brent was more than 1% lower, after posting its first weekly loss of 2025. West Texas Intermediate crude fell 1.2% to \$73.76 a barrel. Spot gold fell 0.5% to \$2,757.08 an ounce. Later this week, the US central bank is widely expected to hold interest rates steady at the end of its two-day meeting on Wednesday, marking the first pause in the rate-cutting cycle it kicked off in September.

USD/MXN rises as much as 1.2% to 20.5035. Mexican peso leads emerging-market currencies lower after US President Donald Trump ordered tariffs and sanctions on Colombia hours after its president refused to allow two military planes carrying deported migrants to land. Moves pare last week's rally in emerging market currencies following Trump's initial go-slow approach to trade tariffs.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0497	1.0503	1.0459	O/N SOFR	4.350	4.300
GBPUSD	1.2474	1.2478	1.2442	1 month SOFR	4.315	4.311
USDJPY	155.85	155.9400	155.29	3 month SOFR	4.300	4.300
USDINR	86.36	86.40	86.36	6 months SOFR	4.259	4.263
USDCNY	7.2560	7.2661	7.2537	12 month SOFR	4.199	4.206
USDCHF	0.9051	0.9072	0.9047	3 years IRS	4.088	4.101

AUDUSD	0.6320	0.6322	0.6283	5 years IRS	4.096	4.114
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The Bloomberg Dollar Spot Index rose 0.3%. The euro fell 0.3% to \$1.0462. The Japanese yen rose 0.2% to 155.62 per dollar. The offshore yuan fell 0.3% to 7.2659 per dollar. The Swiss franc sank to its weakest level versus the euro in four months, after European PMI data saw traders scale back bets on European Central Bank interest-rate cuts. EUR/CHF rose as much as 0.5% to 0.95002, highest since Sept. 25.

The yield on 10-year Treasuries declined four basis points to 4.58%. Nasdaq futures slide on concerns over challenge from DeepSeek. S&P 500 futures fell 0.9% as of 11:33 a.m. Tokyo time. Hong Kong's Hang Seng rose 0.7%. The Shanghai Composite rose 0.2%. Euro Stoxx 50 futures fell 0.9%. The US economy remains strong with robust employment growth and the decline in inflation has slowed, "there is therefore no need to cut interest rates urgently," ANZ Group Holdings Ltd.

	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
Dallas Fed Manufacturing Activity	19:30	-3.0	-2.7
Chicago Fed National Activity Index	17:30	-0.15	-0.4

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6101	-0.285	3.73
Euro Stoxx 600	530	-0.051	4.42
ShanghaiComposite Index	3262	0.299	-2.67
MSX-30	4553	-1.098	-0.51
NIFTY-50	22995	-0.421	-2.75
Brent Crude (\$/bbl)	78.00	-0.624	4.52
Gold (\$/oz.)	2758	-0.465	5.08
		0.242	
DXY	108		-0.72
Silver(\$/oz.)	30	-0.819	4.96

For any Treasury related requirement, please contact:

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