

Bank Dhofar Morning Market Update



Date: 28/01/25

Global Update

Most Asian shares fell after concern about the potential overvaluation of artificial-intelligence companies hammered US equities. The dollar gained as US President Donald Trump said he wanted higher universal tariffs. The MSCI Asia Pacific Index slipped as much as 0.6% with Japan's largest technology firms dropping for a second day. The tech-heavy Nasdaq 100 had slumped 3% Monday after a cheap AI model from Chinese startup DeepSeek sparked fears about lofty valuations of the US technology sector. Many Asian markets, including China and South Korea, are shut for the start of the Lunar New Year holidays. There were at least some signs Asian markets are stabilizing. While the Nikkei 225 Stock Average slipped 0.6%, the broader Topix reversed its earlier decline. Among major tech firms, Advantest Corp. tumbled as much as 11% and SoftBank Group Corp. slumped 6%. The Hang Seng Index edged higher in Hong Kong. US equity futures were little changed in Asia after Monday's selloff. Treasuries edged lower with the 10-year yield rising one basis point to 4.55% after sinking nine basis points on Monday. The dollar strengthened versus all of its Group-of-10 peers as Trump said he wanted tariffs "much bigger" than 2.5%. This came after his remarks to soon put tariffs on foreign-produced semiconductors, pharmaceuticals and some metals to compel producers to manufacture in the country. In commodities, copper declined after Trump said he planned to impose import tariffs on the metal, as well as aluminum and steel, raising fears of trade wars. West Texas Intermediate crude was little changed. Spot gold was little changed. The three-month LME copper contract is 0.1% lower at \$9,083.50/ton as of 10:55 a.m. in Singapore, following a 2% drop on Monday. Copper declines in early Asian trade. There is broader risk-off sentiment across base metals triggered by the selloff in the technology space, the ANZ Research said. The metal edged lower as President Donald Trump said he planned to impose import tariffs on the metal.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0492	1.0494	1.0425	O/N SOFR	4.350	4.350
GBPUSD	1.2498	1.2499	1.2436	1 month SOFR	4.313	4.311
USDJPY	154.51	155.9500	154.49	3 month SOFR	4.294	4.300
USDINR	86.51	86.58	86.50	6 months SOFR	4.246	4.263
USDCNY	7.2560	7.2675	7.2444	12 month SOFR	4.180	4.206
USDCHF	0.9018	0.9057	0.9013	3 years IRS	4.023	4.023

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AUDUSD	0.6293	0.6294	0.6246	5 years IRS	4.028	4.028
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The Bloomberg Dollar Spot Index climbed 0.4%, extending gains after Trump's latest tariff comments. The risk-sensitive Australian and New Zealand dollars fell almost 0.7%, while the Thai baht tumbled 0.8%, leading losses in emerging Asia. China's offshore yuan weakened more than 0.3% to 7.2813 per dollar. The euro fell 0.5% to \$1.0435. The Japanese yen fell 0.7% to 155.56 per dollar. USD/CHF appreciates as Trump announced plans to impose tariffs on imports of multiple products.

The yield on 10-year Treasuries advanced two basis points to 4.55%. Japan's 10-year yield declined 1.5 basis points to 1.200%. Australia's 10-year yield declined five basis points to 4.43%. S&P 500 futures were little changed as of 12:07 p.m. Tokyo time. Hang Seng futures rose 0.3%. Australia's S&P/ASX 200 was little changed. Euro Stoxx 50 futures were little changed. In the corporate world, shares of China Vanke Co. rose as much as 14% in Hong Kong after the authorities vowed to support the developer, which reported a record loss on Monday.

	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 Services Activity	19:30	-	9.8
Richmond Fed Manufacturing Index	19:00	-10	-14

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6012	-1.458	2.22
Euro Stoxx 600	530	-0.072	4.35
ShanghaiComposite Index	3251	-0.062	-3.02
MSX-30	4561	0.170	-0.34
NIFTY-50	22891	0.271	-3.19
Brent Crude (\$/bbl)	77.33	0.324	3.60
Gold (\$/oz.)	2741	0.004	4.44
DXY	108	0.552	-0.51
Silver(\$/oz.)	30	-0.462	4.07

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716

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