

Bank Dhofar Morning Market Update



Date: 21/01/25

Global Update

The dollar rallied and Asian stocks trimmed their opening gains after US President Donald Trump said he was considering enacting previously threatened tariffs on Canada and Mexico starting next month. The US currency strengthened against all its Group-of-10 peers except the yen and Treasuries rose after Trump said he was planning to implement tariffs of as much as 25% on Mexico and Canada by Feb. 1. Chinese markets were whipsawed after the president opted against announcing any new Chinese tariffs on his first day in office. US stock futures were little changed. The jitters seen in Asian trading came after US stock futures had rallied Monday when Trump had appeared to be holding off from using executive orders to impose higher global tariffs. The president plans to issue a broad memorandum that directs federal agencies to study existing trade policies and relationships with China, Canada and Mexico, the Wall Street Journal had reported. Trump refrained from unveiling any China-specific tariffs on his first day, instead ordering his administration to address unfair trade practices globally and investigate whether Beijing had complied with a deal signed during his first term. In commodities, oil slid as traders digested a slew of pledges and executive orders from Trump including plans to boost domestic production. West Texas Intermediate crude fell 1.5% to \$76.74 a barrel.

Bullion added to a modest gain on Monday by 0.5% to \$2,721.76 an ounce, as traders weighed the potential implications of US tariffs of as much as 25% against its neighbors. If enacted, the move threatens to spark a trade war among the nations. Nevertheless, the possibility of gold being caught up in the sweeping tariff measures has whipsawed the market in recent weeks, driving premiums for futures deliverable in New York to elevated levels as traders bought out of their short positions. The precious metal may yet receive a further boost from demand for haven assets.



XAU Currency (Gold Spot \$/Oz) Daily 22JAN2024-21JAN2025

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Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0416	1.0435	1.0353	O/N SOFR	4.290	4.280
GBPUSD	1.2328	1.2345	1.2249	1 month SOFR	4.300	4.299
USDJPY	155.62	156.2300	154.78	3 month SOFR	4.290	4.293
USDINR	86.29	86.44	86.27	6 months SOFR	4.254	4.262
USDCNY	7.2699	7.2831	7.2646	12 month SOFR	4.194	4.208
USDCHF	0.9067	0.9098	0.9052	3 years IRS	4.068	4.131

AUDUSD	0.6275	0.6289	0.6209	5 years IRS	4.059	4.133
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The Canadian dollar and Mexican peso both tumbled as much as 1.4% following Trump's tariff threats, while Bloomberg's dollar gauge climbed 0.7% after sliding 1.1% on Monday. The yen bucked the weakness in other Asian currencies as traders positioned for a possible Bank of Japan interest-rate hike at a policy decision due Friday. The euro fell 0.2% to \$1.0390. The Japanese yen rose 0.3% to 155.15 per dollar. The offshore yuan fell 0.2% to 7.2791 per dollar.

The yield on 10-year Treasuries declined nine basis points to 4.54%. Japan's 10-year yield declined one basis point to 1.180%. Australia's 10-year yield declined six basis points to 4.42%. S&P 500 futures rose 0.1% as of 12:09 p.m. Tokyo time. Australia's S&P/ASX 200 rose 0.6%. Hong Kong's Hang Seng rose 0.4%. The Shanghai Composite fell 0.2%. Euro Stoxx 50 futures fell 0.2%. Japan sold 699.5 billion yen (\$4.51 billion) of bonds due March 20, 2064 on Jan. 21. The bonds were sold at a price of 90.9, have a yield of 2.57% and will settle on Jan. 22.

	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
UK Jobless Claims Change	11:00	-	26.7K
Philadelphia Fed Non-Manufacturing Activity	17:30	-2.4	-5.9

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5997	0.999	1.96
Euro Stoxx 600	524	0.048	3.20
ShanghaiComposite Index	3250	0.169	-3.04
MSX-30	4617	0.033	0.88
NIFTY-50	23343	-0.009	-1.28
Brent Crude (\$/bbl)	80.07	-0.087	7.29
Gold (\$/oz.)	2726	0.669	3.88
		-1.038	
DXY	108		-0.25
Silver(\$/oz.)	31	0.269	5.96

For any Treasury related requirement, please contact:

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