

Bank Dhofar Morning Market Update



Date: 13/02/25

Global Update

A gauge of equities in the region rose for a second day, with both Japanese and Hong Kong stocks advancing. Markets in Asia looked past the higher-than-expected US inflation figures — which eroded bets on rate cuts — with traders focusing on US President Donald Trump’s Ukraine peace talks with Russia. The CPI data had spurred a Treasuries rout on Wednesday. The reversal in risk appetite came after the Asian regional stock gauge underperformed its global peers so far this year as Trump’s tariff threats, a stronger dollar and China’s lack of domestic policy stimulus weighed on the market. Chinese markets though have been lifted in recent weeks by an artificial intelligence breakthrough with a gauge of technology shares poised for the highest close since February 2022. On Wednesday, Treasury prices fell across the curve as investors adjusted expectations for Fed cuts following the inflation reading. The moves were mainly centered upon the higher-than-expected rise in US prices, which led traders to adjust bets on US rate cuts to now project the first and only reduction this year to come in December. Fed Chair Jerome Powell said that the inflation data showed that while the central bank has made substantial progress toward taming inflation, there is still more work to do. Gold price (XAU/USD) trades with a mild positive bias during the Asian session on Thursday and looks to build on the previous day’s goodish bounce from the \$2,864 area touched in reaction to hotter US consumer inflation figures. From a technical perspective, the daily Relative Strength Index (RSI) remains in the overbought territory and warrants some caution before positioning for any further gains. Bulls are more likely to take a brief pause near the \$2,942-2,943 area, or the all-time peak touched on Tuesday, which should now act as an immediate strong barrier for the Gold price. On the flip side, weakness back below the \$2,900 round figure might expose the overnight swing low, around the \$2,864 area.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0383	1.0434	1.0383	O/N SOFR	4.340	4.360
GBPUSD	1.2446	1.2492	1.2440	1 month SOFR	4.314	4.314
USDJPY	154.42	154.6700	154.13	3 month SOFR	4.318	4.318
USDINR	86.80	86.87	86.77	6 months SOFR	4.292	4.292
USDCNY	7.3081	7.3084	7.2844	12 month SOFR	4.244	4.244
USDCHF	0.9136	0.9140	0.9116	3 years IRS	4.178	4.195

AUDUSD	0.6280	0.6297	0.6274	5 years IRS	4.179	4.197
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USD/JPY eases 0.1% to 154.26 with traders seeing leveraged buying on the dip that came after a better-than-expected PPI print. EUR/USD rose 0.4% to 1.0425 with traders reporting that large offers attached to 1.0400 option strikes expiring Feb. 13/14 were taken out as euro shorts began unwinding on US-Russia talks. The offshore yuan rose 0.2% to 7.2974 per dollar. AUD/USD gains 0.3% to 0.6297

The monthly gauge of the US consumer price index rose 0.5% in January, the most since August 2023. Core CPI increased 0.4% in January, also more than anticipated, Bureau of Labor Statistics figures showed Wednesday. Year-over-year gauges for both headline and core inflation also rose more than expected. The yield on 10-year Treasuries declined two basis points to 4.61%. Australia's 10-year yield advanced two basis points to 4.48%

	Current Levels
CBO Repo Rate	5
O/N OMIBOR	4.25
*Bank Deposit Rates for 1 years	4.20
Bank Deposit Rates for 5 years	4.50

*Amount > 500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
PPI Final Demand MoM	17:30	0.3%	0.2
Initial Jobless Claims	17:30	216k	219k

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6052	-0.272	2.90
Euro Stoxx 600	548	0.110	7.91
Shanghai Composite Index	3342	-0.124	-0.28
MSX-30	4486	-0.799	-1.97
NIFTY-50	23170	0.539	-2.01
Brent Crude (\$/bbl)	74.41	-1.024	0.23
Gold (\$/oz.)	2919	0.508	11.21
DXY	108	-0.283	-0.79
Silver (\$/oz.)	32	0.244	11.82

**For any Treasury related requirement, please contact:
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