

Bank Dhofar Morning Market Update



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Global Update

Stocks in Asia dropped after renewed concerns about higher-for-longer US interest rates fueled a selloff on Wall Street, with all eyes on the Federal Reserve’s policy decision due later Wednesday. Japan’s Nikkei 225 index slid after recording its worst month since December 2022. Australian shares also declined, with many markets in the region closed for a public holiday. The S&P 500 fell the most since January after a jump in a key gauge of US labor costs reinforced bets that officials will keep rates at a two-decade high for some time. US stock futures slipped in Asian trade. The yen was steady with an index of the dollar stabilizing after gaining the most in more than two weeks on Tuesday. Treasury two-year yields edged slightly lower after reaching the highest level since November, while Australia’s 10-year yield jumped six basis points early Wednesday. In other markets, gold steadied after extending its decline from a record high reached in mid-April.

Intraday bias in GBP/USD is turned neutral with current retreat. On the upside, above 1.2568 will resume the rebound from 1.2298 to 55 D EMA . Sustained break there will argue that fall from 1.2892 has completed already, and bring further rise to this resistance. Nevertheless, on the downside, break of 1.2448 minor support will bring retest of 1.2298 low instead. In the bigger picture, price actions from 1.3141 medium term top are seen as a corrective pattern to up trend from 1.0351.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0666	1.0673	1.0655	O/N SOFR	5.310	5.320
GBPUSD	1.2492	1.2498	1.2472	1 month SOFR	5.316	5.313
USDJPY	157.80	157.93	157.66	3 month SOFR	5.328	5.327
USDINR	83.48	83.53	83.42	6 months SOFR	5.312	5.309

USDCNY	7.2377	7.2445	7.2377	12 month SOFR	5.235	5.237
USDCHF	0.9194	0.9211	0.9183	3 years IRS	4.740	4.740
AUDUSD	0.6473	0.6483	0.6465	5 years IRS	4.484	4.484
NZDUSD	0.5888	0.5900	0.5875			

The yen was steady with an index of the dollar stabilizing after gaining the most in more than two weeks on Tuesday. The Japanese yen was little changed at 157.86 per dollar. The euro was little changed at \$1.0658. The offshore yuan was little changed at 7.2502 per dollar.

The last time Fed Chair Jerome Powell spoke, he pointed to the lack of further progress in bringing inflation down and to enduring strength in the labor market. The yield on 10-year Treasuries declined one basis point to 4.67%. Japan's 10-year yield advanced two basis points to 0.890%. Australia's 10-year yield advanced five basis points to 4.47%.

OMR Money Markets				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			6				
O/N OMIBOR			5.5225	S&P 500	5036	-1.573	5.57
*Bank Deposit Rates for 1 years			5.25	Euro Stoxx 600	505	-0.679	5.41
Bank Deposit Rates for 5 years			5.00	Shanghai Composite Index	3105	-0.264	4.37
*Amount > 500k OMR				MSX-30	4784	0.196	4.02
				NIFTY-50	22605	-0.170	5.98
				Brent Crude (\$/bbl)	85.64	-0.811	12.04
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	2285	-0.060	10.76
MBAVCHNG Index	15:00		-2.7%	DXY	106	0.197	5.03
ADP Employment Change	16:15	180k	184k	Silver (\$/oz.)	26	0.324	10.86

Source: Reuters, Bloomberg

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