

Bank Dhofar Morning Market Update



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Global Update

Stocks in Asia slid following a sluggish US session, with investors seeking firm evidence of an earnings recovery before taking this month's rally further. The dollar pushed higher for a third session, helped by a steadying in Treasury yields. The greenback was also supported by comments from Federal Reserve Bank of Minneapolis President Neel Kashkari, who said it's likely the central bank will keep rates where they are "for an extended period of time." The yen extended losses despite warnings from the central bank governor. Bank of Japan Governor Kazuo Ueda fired a clear warning shot to financial markets about a potential policy move as he beefed up his language on the weak yen. Finance Minister Shunichi Suzuki said the government stands ready to take all possible measures as needed. In Asia, the focus is on President Xi Jinping's trip to Europe and how trade relations will develop from here. In another sign of geopolitical tensions between China and the West, the US has revoked licenses allowing Huawei Technologies Co. to buy semiconductors from Qualcomm Inc. and Intel Corp., according to people familiar with the matter. Contracts for US stocks were little changed in Asia trading after the S&P 500 eked out a fourth session of advance. Stocks across the world have been trying to make a comeback after April's rout, with gains fueled by prospects of Fed rate cuts and solid earnings. Treasury 10-year yields gained two basis points, They fell Tuesday on solid demand in a sale of three-year notes.

Intraday bias in USD/JPY remains neutral for the moment. On the upside, firm break of 55 4H EMA (now at 154.79) will bring stronger rebound towards 157.98 resistance. On the downside, below 151.86 will resume the fall from 160.20. But strong support should be seen from 150.87 resistance turned support to bring rebound. In the bigger picture, a medium term top might be formed at 160.20. But as long as 150.87 resistance turned support holds, fall from there is seen as correcting rise from 150.25 only.



Source: Reuters, Bloomberg

Currencies			Rates			
Open	High	Low			08-00 GST	Previous Day Close

EURUSD	1.0755	1.0756	1.0738	O/N SOFR	5.310	5.310
GBPUSD	1.2509	1.2516	1.2484	1 month SOFR	5.320	5.321
USDJPY	154.69	155.2700	154.55	3 month SOFR	5.287	5.321
USDINR	83.50	83.51	83.49	6 months SOFR	5.323	5.282
USDCNY	7.2221	7.2249	7.2221	12 month SOFR	5.145	5.137
USDCHF	0.9084	0.9094	0.9080	3 years IRS	4.495	4.494
AUDUSD	0.6598	0.6600	0.6569	5 years IRS	4.233	4.233
NZDUSD	0.6002	0.6007	0.5983			

Bank of Japan Governor Kazuo Ueda fired a clear warning shot to financial markets about a potential policy move as he beefed up his language on the weak yen. The euro fell 0.1% to \$1.0741

The Japanese yen fell 0.3% to 155.12 per dollar. The offshore yuan was little changed at 7.2308 per dollar. The Australian dollar fell 0.4% to \$0.6573

Federal Reserve Bank of Minneapolis President Neel Kashkari, said it's likely the central bank will keep rates where they are "for an extended period of time." Treasury U.S. 2-year yields climb 1bp to 4.84% and 10-year Treasuries advanced two basis points to 4.47%. Japan's 10-year yield was unchanged at 0.870%. Australia's 10-year yield declined one basis point to 4.29%.

OMR Money Markets

	Current Levels
CBO Repo Rate	6
O/N OMIBOR	5.4975
*Bank Deposit Rates for 1 years	5.25
Bank Deposit Rates for 5 years	5.00

*Amount>500k OMR

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	5188	0.134	8.76
Euro Stoxx 600	514	1.141	7.31
Shanghai Composite Index	3135	-0.413	5.37
MSX-30	4779	-0.273	5.86
NIFTY-50	22273	-0.131	2.49
Brent Crude (\$/bbl)	82.73	-0.505	8.26
Gold (\$/oz.)	2319	0.219	12.42
DXY	106	0.125	4.16
Silver(\$/oz.)	27	0.558	15.12

Calendar

Key Data Watch	Time (GST)	Expected	Prior
MBA Mortgage Applications	15:00		-2.3%
Wholesale Trade Sales MoM	18:00	0.8%	2.3%

Source: Reuters, Bloomberg

For any Treasury related requirement, please contact:

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