

# Bank Dhofar Morning Market Update



Date: 06/05/24

## Global Update

Asian equity benchmarks gained as risk sentiment improved after softer-than-expected US payroll data revived bets the Federal Reserve will cut interest rates this year. China's stock market climbed as it reopened after a holiday break. Global stock markets have been given a fillip after data showing US employers scaled back hiring fueled investor expectations that a data-dependent Fed might start easing policy later this year. Saudi Arabia lifted the price it sells crude to Asia as it attempts to tighten the oil market. Traders will be mindful of a swath of central bank meetings this week, led by a likely hawkish Reserve Bank of Australia on Tuesday following stronger-than-expected inflation data last month. Chinese activity data as well as inflation readings in key emerging markets are also due.

EUR/USD's rise from 1.0601 resumed last week and the strong break of 55 D EMA argues that fall from 1.1138 might have completed. Initial bias stays on the upside this week. Firm break of 100% projection of 1.0601 to 1.0752 from 1.0648 at 1.0799 will pave the way to 161.8% projection at 1.0892. For now, risk will stay on the upside as long as 1.0648 support holds, in case of retreat. In the bigger picture, price actions from 1.1274 are viewed as a corrective pattern. Fall from 1.1138 is seen as the third leg and could have completed.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0760	1.0775	1.0751	O/N SOFR	5.310	5.320
GBPUSD	1.2549	1.2557	1.2537	1 month SOFR	5.322	5.323
USDJPY	152.96	154.01	152.78	3 month SOFR	5.328	5.336
USDINR	83.43	83.46	83.42	6 months SOFR	5.307	5.328
USDCNY	7.2100	7.2165	7.2066	12 month SOFR	5.209	5.257

USDCHF	0.9090	0.9090	0.9044	3 years IRS	4.578	4.578
AUDUSD	0.6597	0.6627	0.6597	5 years IRS	4.340	4.340
NZDUSD	0.6018	0.6033	0.5996			

European Central Bank Chief Economist Philip Lane said recent euro-area data have made him more certain that inflation is returning to the 2% goal, raising the likelihood of a first interest-rate cut in June. The euro was little changed at \$1.0766. The Japanese yen fell 0.3% to 153.55 per dollar. The offshore yuan slipped 0.3%, more than any closing loss since April 10.

US bond futures edge lower in the absence of cash trading in Asia and Europe on Monday due to a holidays in Tokyo and London. Australian bonds gain ahead of the RBA's policy decision on Tuesday. New Zealand 10-year yields fall 5bps while similar-dated Australian yields slip 2bps, as bonds from both nations largely hold gains observed during the morning session. Australia's 10-year yield declined one basis point to 4.41%.

OMR Money Markets	
	Current Levels
CBO Repo Rate	6
O/N OMIBOR	5.645
*Bank Deposit Rates for 1 years	5.25
Bank Deposit Rates for 5 years	5.00

\*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
Industrial Production YoY(ES)	9:00		-5.7%
Unemployment Rate(ES)	10:00		7.4%

Source: Reuters, Bloomberg

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5128	1.256	7.50
Euro Stoxx 600	506	0.461	5.54
Shanghai Composite Index	3137	1.048	5.46
MSX-30	4805	0.669	3.29
NIFTY-50	22446	-0.133	6.45
Brent Crude (\$/bbl)	83.22	0.326	8.90
Gold (\$/oz.)	2309	0.336	11.95
DXY	105	0.135	3.79
Silver(\$/oz.)	27	1.232	12.99

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