

Bank Dhofar Morning Market Update



Date: 02/05/24

Global Update

Most Asian equities rose after Federal Reserve chair Jerome Powell downplayed the prospect of further interest-rate hikes. The yen resumed losses after a sudden jump Wednesday that hinted at intervention. Benchmark equity indexes advanced in Australia, Japan and Hong Kong, while falling in South Korea. Futures contract for US shares also rallied, suggesting a reversal from the previous session, when the S&P 500 closed lower. Mainland China markets remain shut for a holiday. The Fed downplayed the potential for imminent rate hikes as officials unanimously decided to leave the target range for the benchmark federal funds rate at 5.25% to 5.5% following a slew of data that pointed to sticky inflation pressures. In commodities, oil recovered some of its losses from Wednesday when a big jump in US crude inventories that added to concerns about weakening demand. Gold advanced as investors found comfort in the Fed's signals it will still pivot to lowering borrowing costs after gaining enough confidence price gains are cooling. Intraday bias in USD/CHF remains on the upside for 0.9243 resistance. Decisive break there will carry larger bullish implications. Next target will be 61.8% projection of 0.8728 to 0.9151 from 0.9009 at 0.9270. For now, near term outlook will stay bullish as long as 0.9087 support holds, in case of retreat. Further rise would be seen as long as 0.8884 resistance turned support holds. But upside should be limited by 0.9243 resistance, at least on first attempt.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0712	1.0721	1.0707	O/N SOFR	5.310	5.320
GBPUSD	1.2527	1.2540	1.2517	1 month SOFR	5.320	5.316
USDJPY	154.58	156.28	154.25	3 month SOFR	5.333	5.328

USDINR	83.42	83.46	83.42	6 months SOFR	5.326	5.312
USDCNY	7.2377	7.2445	7.2377	12 month SOFR	5.263	5.235
USDCHF	0.9156	0.9174	0.9156	3 years IRS	4.668	4.668
AUDUSD	0.6523	0.6539	0.6516	5 years IRS	4.421	4.421
NZDUSD	0.5929	0.5935	0.5914			

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US central bankers have admitted persistent inflation is the top financial risk. Fed doves are talking up the need to recalibrate policy. Powell said it's unlikely the central bank's next move would be to raise rates, saying authorities would need to see persuasive evidence that policy isn't tight enough to bring inflation back toward the 2% target. The yield on 10-year Treasuries declined one basis point to 4.62%. Australia's 10-year yield declined five basis points to 4.46%.

OMR Money Markets	
	Current Levels
CBO Repo Rate	6
O/N OMIBOR	5.606
*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
Challenger Job Cuts YoY	15:30		0.7%
Nonfarm Productivity	16:30	0.5%	3.3%

Source: Reuters, Bloomberg

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5018	-0.343	5.21
Euro Stoxx 600	504	-0.115	5.29
Shanghai Composite Index	3105	-0.264	4.37
MSX-30	4767	-0.355	4.28
NIFTY-50	22662	0.255	5.61
Brent Crude (\$/bbl)	84.05	0.743	9.98
Gold (\$/oz.)	2319	-0.044	12.39
DXY	106	-0.033	4.33
Silver(\$/oz.)	27	-0.342	11.62

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