

Bank Dhofar Morning Market Update



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Global Update

Asian stocks eked out gains, following Wall Street's advance on optimism the Federal Reserve will start cutting interest rates this year. The yen dropped. Japan's benchmark Nikkei 225 jumped as much as 1.6% and Australian equities also advanced on Tuesday. Markets in Hong Kong and Shanghai swung between losses and gains. The yen fell after Japan's top currency official Masato Kanda said there was no need for the government to intervene if the market is functioning properly. Global equity markets are getting a lift as investors revise their Fed policy bets due to soft US jobs data. Beijing's latest supportive policy stance is helping to boost Chinese shares and the onshore yuan. Fed Bank of Richmond President Thomas Barkin said he expects high rates to slow the economy further and cool inflation to the 2% target. His New York counterpart John Williams said eventually there will be rate cuts — but the decision on when will depend on the totality of the data. Australia's central bank is expected to keep its key interest rate on hold Tuesday, while reinstating a hawkish bias to acknowledge sticky consumer prices.

Intraday bias in GBP/USD remains mildly on the upside at this point. Fall from 1.2892 could have completed with three waves down to 1.2298. Further rise should be seen and break of 61.8% projection of 1.2298 to 1.2568 from 1.2471 will target 100% projection at 1.2741. For now, further rally will be expected as long as 1.2471 support holds, in case of retreat. In the bigger picture, price actions from 1.3141 medium term top are seen as a corrective pattern. Fall from 1.2892 is seen as the third leg which might have completed already.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0769	1.0777	1.0761	O/N SOFR	5.310	5.310
GBPUSD	1.2562	1.2571	1.2551	1 month SOFR	5.321	5.322
USDJPY	153.92	154.59	153.86	3 month SOFR	5.321	5.328

USDINR	83.48	83.49	83.47	6 months SOFR	5.282	5.307
USDCNY	7.2171	7.2188	7.2162	12 month SOFR	5.137	5.209
USDCHF	0.9063	0.9077	0.9056	3 years IRS	4.499	4.499
AUDUSD	0.6625	0.6644	0.6619	5 years IRS	4.247	4.247
NZDUSD	0.6009	0.6025	0.6005			

The dollar is marginally firmer against most FX majors; Aussie consolidates ahead of the RBA decision. The euro was little changed at \$1.0766

The Japanese yen fell 0.3% to 154.37 per dollar

The offshore yuan was little changed at 7.2209 per dollar. USD/CNH climbs 0.1% to 7.2200.

With investors now cautiously boosting their bets for Fed easing this year, the bond market has welcomed signs of a cooling US labor market. Having slipped for four straight sessions, the yield on US 10-year Treasuries stood little changed on Tuesday. Australia's 10-year yield was steady. The yield on 10-year Treasuries was at 4.49%
Australia's 10-year yield was little changed at 4.38%

OMR Money Markets				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			6				
O/N OMIBOR			5.5375	S&P 500	5181	1.033	8.61
*Bank Deposit Rates for 1 years			5.25	Euro Stoxx 600	508	0.532	6.10
Bank Deposit Rates for 5 years			5.00	Shanghai Composite Index	3137	-0.130	5.44
*Amount>500k OMR				MSX-30	4792	-0.283	3.37
				NIFTY-50	22463	0.090	6.15
				Brent Crude (\$/bbl)	83.60	0.336	9.39
				Gold (\$/oz.)	2324	-0.005	12.65
				DXY	105	0.111	3.78
				Silver(\$/oz.)	27	-0.239	15.06

Source: Reuters, Bloomberg

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716

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