

Bank Dhofar Morning Market Update



Date: 18/04/24

Global Update

Equities in China, Japan, Australia and South Korea all rose. A global stocks gauge ticked higher. US equity futures were higher after the S&P 500 fell for a fourth day Wednesday, the longest losing streak since January. The benchmark has now dropped more than 4% from last month's record high. The tech-heavy Nasdaq 100 declined 1.2% Wednesday with Nvidia Corp. leading losses among US megacaps. Traders will be closely watching Asian chipmakers such as Taiwan Semiconductor Manufacturing Co., which reports earnings later Thursday, and Tokyo Electron Ltd. Europe's most valuable tech firm ASML Holding NV said Wednesday that orders tumbled in the first quarter, and its China sales are likely to be hampered by US export control measures. Elsewhere, oil held most of Wednesday's 3% decline, weighed by weaker Chinese industrial data and a swelling in US crude inventories, while gold edged higher.

Intraday bias in USD/CHF remains neutral as consolidation from 0.9151 is extending. Further rally is expected as long as 0.8996 support holds. Firm break of 0.9151 will target 161.8% projection of 0.8550 to 0.8884 from 0.8728 at 0.9268. In the bigger picture, price actions from 0.8332 medium term bottom as tentatively seen as developing into a corrective pattern to the down trend from 1.0146. Further rise would be seen as long as 0.8728 support holds. But upside should be limited by 0.9243 resistance, at least on first attempt. However, decisive break of 0.9243 will argue that the trend has already reversed and turn medium term outlook bullish.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0673	1.0680	1.0664	O/N SOFR	5.310	5.320
GBPUSD	1.2454	1.2472	1.2448	1 month SOFR	5.319	5.319
USDJPY	154.39	154.41	153.96	3 month SOFR	5.327	5.327

USDINR	83.50	83.55	83.50	6 months SOFR	5.302	5.305
USDCNY	7.2347	7.2372	7.2332	12 month SOFR	5.210	5.220
USDCHF	0.9108	0.9110	0.9096	3 years IRS	4.615	4.616
AUDUSD	0.6435	0.6457	0.6432	5 years IRS	4.367	4.367
NZDUSD	0.5917	0.5929	0.5906			

The yen and won climbed against the dollar following a joint statement from US Treasury Secretary Janet Yellen alongside the finance ministers of Japan and South Korea that noted “serious concerns” about the depreciation of the two Asian currencies. The offshore yuan was steady after the People’s Bank of China reiterated that it wants to prevent risk of the exchange rate overshooting. The euro was little changed at \$1.0677. The Japanese yen was little changed at 154.28 per dollar.

Treasuries were little changed after a Wednesday rally that wiped eight basis points from the 10-year yield. Just a day after Jerome Powell threw cold water on rate-cut bets, dip buyers emerged in the Treasury market on Wednesday, with two-year yields dropping further below 5% and a \$13 billion sale of 20-year bonds drawing solid demand. The yield on 10-year Treasuries declined two basis points to 4.57%. Australia’s 10-year yield declined eight basis points to 4.30%

OMR Money Markets

	Current Levels
CBO Repo Rate	6
O/N OMIBOR	5.37
*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
Initial Jobless Claims	16:30	215k	211k
Continuing Claims	16:30	1818k	1817k

Source: Reuters, Bloomberg

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	5022	-0.578	5.29
Euro Stoxx 600	499	0.062	4.08
Shanghai Composite Index	3088	0.552	3.81
MSX-30	4723	-0.309	4.63
NIFTY-50	22200	0.235	2.16
Brent Crude (\$/bbl)	87.56	0.321	14.26
Gold (\$/oz.)	2376	0.655	15.20
DXY	106	-0.093	4.46
Silver(\$/oz.)	28	0.738	19.48

For any Treasury related requirement, please contact:

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

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G (“Bank Dhofar S.A.O.G”), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G’s prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.