

# Bank Dhofar Morning Market Update



Date: 17/12/25

## Global Update

Stocks in Asia posted a modest gain after sluggish US jobs data did little to bolster bets on further interest-rate cuts by the Federal Reserve. MSCI's regional equities gauge erased earlier losses to edge up 0.2%, with advancers and decliners almost evenly matched. Technology shares gained after a two-day selloff, while Chinese chipmaker MetaX Integrated Circuits Shanghai Co. jumped as much as 755% on its trading debut. The latest US labor data signaled a cooling jobs market — but not one rapidly weakening — prompting traders to hold off on increasing bets for near-term rate cuts. Following Tuesday's report, markets priced in roughly a 20% chance of a January reduction. Attention will now turn to Thursday's inflation numbers for clues on whether the narrative may shift in the final full trading week of the year. Nonfarm payrolls increased 64,000 in November after declining 105,000 in October amid a contraction in federal employment. The unemployment rate was 4.6% last month, up from 4.4% in September and the highest since 2021. A separate report out Tuesday showed retail sales were little changed in October as a decline at auto dealers and weaker gasoline receipts offset stronger spending in other categories. Figures from S&P Global showed US business activity expanded in December at the slowest pace in six months, while a measure of input prices jumped to a more than three-year high. Gold is not far off the record high above \$4,381 set in October. The precious metal has jumped about two-thirds this year and is on track for its best annual performance since 1979. The scorching rally has been driven by elevated central-bank buying, as well as a broader pullback by investors from government debt and key currencies. Geopolitical tensions have also enhanced its haven appeal.

Gold price extends its upside to near seven-week highs above \$4,300 during the Asian trading hours on Wednesday. The precious metal gains momentum as the US labor market remains relatively resilient but shows signs of slowing. In the near term, XAU/USD maintains its modest bullish bias. The 4-hour chart shows that the pair is currently above all its moving averages, with the 20-period Simple Moving Average (SMA) climbing above the 100- and 200-period SMAs, and all three sloping higher. The pair is currently battling to remain above the 20-period SMA, while the 100-period SMA, which is further below, provides support at \$4,215. Meanwhile, the Momentum indicator ticks higher within neutral levels, while the Relative Strength Index (RSI) indicator sits at 55, heading lower and hinting at limited gains ahead in the near term. In the daily chart, XAU/USD is well above a bullish 20-day (SMA), which advances above the 100- and 200-day SMAs, all of which reinforce the bullish bias. The 20-day SMA at \$4,195.66 offers nearby dynamic support. At the same time, the Momentum indicator holds above its midline but has eased, signaling that buying pressure is losing some steam, while the RSI stands at 69 with a modest upward slope.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1747	1.1752	1.1728	O/N SOFR	3.750	0.000

GBPUSD	1.3423	1.3427	1.3393	1 month SOFR	3.736	3.736
USDJPY	154.72	155.1400	154.52	3 month SOFR	3.705	3.705
USDINR	91.08	91.08	90.10	6 months SOFR	3.636	3.636
USDCNY	7.0413	7.0461	7.0412	12 month SOFR	3.488	3.488
USDCHF	0.7952	0.7963	0.7948	3 years IRS	3.333	3.319
AUDUSD	0.6632	0.6635	0.6616	5 years IRS	3.443	3.425
NZDUSD	0.5782	0.5789	0.5771			

USD/JPY rose on short-covering only to stall at large 155 option strikes AUD/USD eased as markets mulled the impact of deep budget deficits. GBP/USD and EUR/USD slipped amid dollar strength.

US 2-year yields are up 1bp to 3.5% while 10-year yields gain 1.5bps to 4.16%, as did 30-year yields to 4.83%. Japan's 10-year yield advanced two basis points to 1.975%. Australia's 10-year yield advanced two basis points to 4.74%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6800	-0.238	15.62
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	580	-0.470	14.22
Bank Deposit Rates for 5 years			4.00	ShanghaiComposite Index	3831	0.173	14.31
*Amount>500k OMR				MSX-30	5928	-0.959	29.53
				NIFTY-50	25832	-0.110	9.25
Calendar				Brent Crude (\$/bbl)	59.65	1.239	-16.33
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4330	0.650	64.99
MBA Mortgage Applications	16:00		4.8%			0.234	
Housing Starts	12/17-12/22	1328k	1307k	DXV	98		-9.32
				Silver(\$/oz.)	66	3.499	128.31

**For any Treasury related requirement, please contact:**

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