

Bank Dhofar Morning Market Update



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Global Update

Asian shares fell 1.1% and contracts for the S&P 500 index retreated 0.2% — both gauges well off the session's low — after tech shares were hit the hardest on Wall Street. Although sentiment got better as the trading session progressed, it was weak at the start after Super Micro Computer Inc. shares slumped in late trading and Advanced Micro Devices Inc. failed to impress investors with its revenue forecast. South Korea's Kospi — a poster child for the artificial intelligence boom and one of this year's top-performing markets — dropped 2.9% after AI-fueled gains drove its benchmark to a record earlier this week. Japan's Nikkei dipped 2.9%, having pared earlier losses. The pause in the global stock rally came after the booming outlook for AI and hopes the Federal Reserve will keep cutting rates sent the US stock benchmark up by almost 40% from its lows in April. But those gains have been confined to fewer shares as sentiment and technical indicators showed signs of overheating, leading Wall Street chiefs to note the possibility of a retreat as a healthy development.

Gold hovering near \$3,950 in Asian trades on Wednesday, following a 1.80% decline seen on Tuesday. Traders look forward to the US ADP employment data and the US ISM Services PMI report for fresh trading impetus. The daily chart suggests that the bearish potential remains intact for Gold as the 14-day Relative Strength Index (RSI) holds below the midline. Additionally, Gold closed Tuesday below the critical support at \$3,972, the 38.2% Fibonacci Retracement level of the parabolic rise to the record high that began on August 19.

If buyers manage to reclaim the latter on a sustained basis on the renewed upside, the door will open up toward the \$4,000 threshold.

The \$4,050 psychological level will offer stiff resistance further north. Conversely, the immediate support is seen at the October 28 low of \$3,887, below which the \$3,850 demand area will come into play. That zone is the confluence of the 50-day Simple Moving Average (SMA) and the 50% Fibo level of the same advance.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1482	1.1498	1.1480	O/N SOFR	4.130	0.000
GBPUSD	1.3021	1.3028	1.3010	1 month SOFR	4.007	4.007
USDJPY	153.67	153.7500	152.96	3 month SOFR	3.901	3.901
USDINR	88.39	88.67	88.39	6 months SOFR	3.804	3.804
USDCNY	7.1328	7.1333	7.1274	12 month SOFR	3.624	3.624

USDCHF	0.8102	0.8106	0.8079	3 years IRS	3.316	3.333
AUDUSD	0.6489	0.6495	0.6459	5 years IRS	3.371	3.387
NZDUSD	0.5644	0.5659	0.5631	As investors sought safety, Treasuries advanced across the curve, with the yield on the 10-year falling two basis points to 4.06%. The yield on US Treasury yields fell across the curve, with yields on benchmark 10-year bonds falling three basis points to 4.06%. US 2-year yields eased 2bps to 3.555%, and 30-year yields lost 2bps to 4.645%Japan’s 10-year yield was little changed at 1.670%.Australia’s 10-year yield declined three basis points to 4.32%.		
USD/JPY down 0.3% to 153.20 with yen bought for dollars and Aussie as stock indexes and futures are marked lower. AUD/USD fell 0.4% on leverage sales. NZD/USD traded mostly below large 0.5650 option strikes after the weaker than expected jobs data. EUR/USD rose 0.1% to 1.1493.The offshore yuan was little changed at 7.1329 per dollar						

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.75				
O/N OMIBOR			4	S&P 500	6772	-1.174	15.13
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	571	-0.297	12.40
				ShanghaiComposite Index	3962	0.047	18.21
Bank Deposit Rates for 5 years			4.00	MSX-30	5616	-1.038	22.71
*Amount>500k OMR				NIFTY-50	25598	-0.643	8.26
Calendar				Brent Crude (\$/bbl)	64.38	-0.078	-9.99
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3969	0.929	51.22
MBA Mortgage Applications	16:00		7.1%	DXY	100	-0.086	-7.70
ADP Employment Change	17:15	30k	-32k	Silver(\$/oz.)	48	1.140	65.03

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