

# Bank Dhofar Morning Market Update



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## Global Update

Asian stocks advanced, tracking gains on Wall Street, as data showing the US economy grew at its fastest pace in two years improved prospects for corporate earnings. The dollar weakened to hover around levels last seen in September. MSCI's regional equities gauge extended its gains into a fourth day, rising 0.2%, with technology stocks leading. That came after the S&P 500 Index closed at a record high, amid low volume ahead of the Christmas holiday. Moves were more pronounced in commodities, with gold rallying to a record above \$4,500 an ounce before paring gains. Gold's haven appeal has been amplified recently by the US blockade of oil tankers linked to Venezuela. Platinum and silver both reached all-time highs, while copper topped \$12,000 a ton for the first time. Risk appetite has remained firm heading into year-end, with tech stocks in demand even as strong US growth data scaled back bets on near-term Federal Reserve easing. After earlier concerns over high valuations and the billions pouring into artificial intelligence, traders are regaining confidence that companies will deliver solid earnings growth in 2026. The economy maintained momentum through the middle of the year as consumers powered ahead and the most punitive of President Donald Trump's tariffs were rolled back. While the October-November US government shutdown is expected to weigh on fourth-quarter growth, economists expect a modest rebound in 2026.

Gold sustains the record-setting rally near \$4,500 in the Asian session on Wednesday. The Israel-Iran conflict and the escalating US-Venezuela tensions boost safe-haven flows into Gold. Furthermore, US Q3 GDP data fails to lift the US Dollar amid growing bets for two Fed rate cuts in 2026, underpinning the non-yielding bullion. Technically, the 4-hour chart shows XAU/USD trades at \$4,474.84, holding on to modest intraday gains. The 20-, 100-, and 200-period Simple Moving Averages (SMAs) are bullish, with the price holding above all three, usually indicating that bulls maintain the lead. The 20 SMA near \$4,398.04 offers nearby dynamic support. At the same time, the Momentum indicator eased but holds well above its midline, while the Relative Strength Index (RSI) indicator stands at 70. With the Momentum still positive and the RSI stretched, consolidation could precede another leg higher. A sustained push from current levels would extend the uptrend, while a pullback that holds above the cited SMAs would keep the bullish structure intact.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1795	1.1808	1.1786	O/N SOFR	3.680	0.000
GBPUSD	1.3518	1.3534	1.3503	1 month SOFR	3.730	3.730
USDJPY	156.23	156.2800	155.56	3 month SOFR	3.689	3.689
USDINR	89.55	89.75	89.52	6 months SOFR	3.605	3.605
USDCNY	7.0265	7.0295	7.0246	12 month SOFR	3.446	3.446

<b>USDCHF</b>	0.7878	0.7886	0.7862
<b>AUDUSD</b>	0.6702	0.6713	0.6698
<b>NZDUSD</b>	0.5842	0.5853	0.5828

USD/JPY dropped 0.4% to 155.65 to retrace most of Friday's gain after the Bank of Japan signaled a cautious approach to further interest rate hikes.EUR/USD hovers around 1.18. AUD/USD edges higher to touch its strongest level since Oct. GBP/USD is steady as it consolidates above 1.35.USD/CAD dropped 0.4% to 1.3692, at is lowest level since late July.

		Current Levels
<b>CBO Repo Rate</b>		4.5
<b>O/N OMIBOR</b>		4
<b>*Bank Deposit Rates for 1 years</b>		4.00
<b>Bank Deposit Rates for 5 years</b>		4.00

\*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
<b>MBA Mortgage Applications</b>	16:00		-3.8%
<b>Initial Jobless Claims</b>	17:30	224k	224k

<b>3 years IRS</b>	3.369	3.374
<b>5 years IRS</b>	3.467	3.474

US 2-year yields are down 1bp to 3.53% while 10-year yields fall 1bp to 4.16%. In Tuesday's US trading session 2-year yields ended up 3bps while 10-year were little changed. The Treasury's \$70b auction of five-year notes was awarded at 3.747% and tailing the WI yield by around 0.1bp.The yield on 10-year Treasuries was little changed at 4.16%.Japan's 10-year yield was unchanged at 2.025%.Australia's 10-year yield declined one basis point to 4.74%.

Global Markets			
	Level	1-Day Change (%)	YTD (%)
<b>S&amp;P 500</b>	6910	0.455	17.48
<b>Euro Stoxx 600</b>	589	0.338	15.98
<b>ShanghaiComposite Index</b>	3929	0.237	17.23
<b>MSX-30</b>	5948	0.058	29.96
<b>NIFTY-50</b>	26212	0.134	10.86
<b>Brent Crude (\$/bbl)</b>	62.41	0.080	-12.43
<b>Gold (\$/oz.)</b>	4498	0.299	71.38
		-0.060	
<b>DXY</b>	98		-9.77
<b>Silver(\$/oz.)</b>	72	1.152	149.99

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

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