

Bank Dhofar Morning Market Update



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Global Update

Asian stocks headed for a record close, in line with a global rally in equities, as investors looked ahead to a potential interest-rate cut by the Federal Reserve. The MSCI Asia Pacific Index rose as much as 0.2% to trade above an all-time high close reached in February 2021. A global index of equities held steady after closing at its highest level Friday. There will be no cash trading in Treasuries during Asian hours as Japan is closed for a holiday. Chinese shares rose almost 1%, shrugging off weak factory and consumer data. The Hong Kong dollar extended its gains to hit a four-month high as supply of the currency continued to tighten toward the end of the quarter. French bond futures opened mostly steady in Asian trading after Fitch Ratings downgraded France to A+ from AA-. The key question for investors this week is whether Fed officials will push back against market bets on a series of interest-rate cuts extending into next year. In addition to the Fed’s decision on Wednesday, the Bank of Canada, the Bank of England and the Bank of Japan are also set to announce policy decisions this week.

The EUR/USD pair kicks off the new week on a subdued note and oscillates in a narrow band, during the Asian session. The downside, however, seems limited amid the divergent European Central Bank (ECB)-Federal Reserve (Fed) policy expectations and ahead of this week's key central bank event risk. As was widely anticipated, the ECB left interest rates unchanged last Thursday and maintained an upbeat view on growth and inflation. Moreover, the central bank added that it would follow a meeting-by-meeting, data-dependent approach and was not pre-committing to a specific path for interest rates. This, in turn, dampened expectations for any further cut in borrowing costs, which continues to underpin the shared currency and offer support to the EUR/USD pair.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1737	1.1738	1.1722	O/N SOFR	4.410	4.410
GBPUSD	1.3547	1.3571	1.3539	1 month SOFR	4.147	4.147
USDJPY	147.78	147.8000	147.34	3 month SOFR	4.021	4.021
USDINR	88.26	88.30	88.22	6 months SOFR	3.839	3.839
USDCNY	7.1238	7.1245	7.1200	12 month SOFR	3.582	3.582
USDCHF	0.7966	0.7972	0.7950	3 years IRS	3.233	3.233
AUDUSD	0.6645	0.6666	0.6635	5 years IRS	3.258	3.258
NZDUSD	0.5953	0.5966	0.5947	S&P 500 futures were little changed as of 12:52 p.m. Tokyo time.		

The Bloomberg Dollar Spot Index was little changed. The euro was little changed at \$1.1732. The Japanese yen rose 0.2% to 147.44 per dollar. The offshore yuan was little changed at 7.1206 per dollar. Bitcoin fell 0.3% to \$115,543.76. Ether rose 0.4% to \$4,636.65. West Texas Intermediate crude rose 0.6% to \$63.09 a barrel. Spot gold was little changed.

Australia’s S&P/ASX 200 fell 0.2%. Hong Kong’s Hang Seng rose 0.3%. The Shanghai Composite rose 0.2%. Euro Stoxx 50 futures rose 0.1%. Australia’s 10-year yield advanced six basis points to 4.27%. Japan's 10 year treasury yield is at 1.588%. The US yield on 10-year Treasuries was little changed at 4.06%. The yield on 10-year UK Gilts is at 4.67%

				Global Markets			
Current Levels					Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.285	S&P 500	6584	-0.048	11.95
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	555	-0.088	9.30
				ShanghaiComposite Index	3879	0.224	15.74
Bank Deposit Rates for 5 years			3.93	MSX-30	5094	0.232	11.30
*Amount>500k OMR				NIFTY-50	25074	-0.158	6.05
Calendar				Brent Crude (\$/bbl)	67.32	0.493	-6.59
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3644	0.031	38.86
Empire Manufaturing (US)	16:30	--	5.5%	DXY	98	0.044	-10.04
Manufaturing Sales MoM (CA)	16:30	0.4%	-0.9%	Silver(\$/oz.)	42	0.212	46.27

For any Treasury related requirement, please contact:
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