

# Bank Dhofar Morning Market Update



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## Global Update

Asian shares fell along with equity-index futures as the deadline to avert a US government shutdown lapsed, disrupting one of the country’s largest employers and threatening to delay key economic data releases. Contracts for the S&P 500 and Nasdaq 100 index fell 0.5% after a stopgap funding bill to avoid the closure failed. The dollar steadied after three days of losses while gold touched a record high. Asian shares fell 0.4% with China and Hong Kong closed for a holiday. Treasuries were mostly flat with the yield on the 10-year at 4.15%. The US government began shutting down as Congressional Democrats and President Donald Trump clashed over health-care spending. The president raised the stakes in the fight, saying his administration may permanently fire “a lot” of federal workers in the event of a shutdown.

NZD/USD holds losses after registering gains in the previous session, trading around 0.5790 during the Asian hours on Wednesday. The pair holds little losses as the New Zealand Dollar (NZD) struggles following the release of seasonally adjusted Building Permits, which increased 5.8% month-on-month in August, following the previous rise of 5.3% (revised down from 5.4%). The NZD/USD pair also struggles as US federal government funding is set to expire at 04:00 GMT on Wednesday, leading to a government shutdown. Around 750,000 federal employees are facing furlough after Congress failed to pass funding bills. The US Labor Department said Monday that its statistics agency would suspend data releases, including Friday’s closely watched monthly jobs report, if a partial shutdown occurs. The downside of the NZD/USD pair could be limited as the US Dollar (USD) remains subdued after soft US jobs data increased the odds of Federal Reserve (Fed) rate cuts. The CME FedWatch Tool suggests that markets are now pricing in nearly a 97% chance of a Fed rate cut in October and a 76% possibility of another reduction in December.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1734	1.1767	1.1730	O/N SOFR	4.130	4.130
GBPUSD	1.3445	1.3472	1.3435	1 month SOFR	4.134	4.134
USDJPY	147.90	148.2300	147.46	3 month SOFR	3.985	3.985
USDINR	88.77	88.80	88.68	6 months SOFR	3.861	3.861
USDCNY	7.1200	7.1272	7.1184	12 month SOFR	3.683	3.683
USDCHF	0.7964	0.7969	0.7938	3 years IRS	3.342	3.346
AUDUSD	0.6613	0.6618	0.6589	5 years IRS	3.383	3.390
NZDUSD	0.5794	0.5808	0.5786	S&P 500 futures fell 0.4% as of 12:56 p.m. Tokyo time. Japan’s Topix fell		

The Bloomberg Dollar Spot Index was little changed. The euro was little changed at \$1.1738. The Japanese yen was little changed at 147.93 per dollar. The offshore yuan fell 0.1% to 7.1376 per dollar. Bitcoin fell 0.4% to \$114,195.26. Ether fell 1.5% to \$4,131.65. West Texas Intermediate crude rose 0.2% to \$62.52 a barrel. Spot gold was little changed.

		Current Levels
CBO Repo Rate		4.75
O/N OMIBOR		4
*Bank Deposit Rates for 1 years		4.00
Bank Deposit Rates for 5 years		4.00

\*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
S&P Global Japan PMI Mfg (JPN)	4:30	48.4	48.4
S&P Global US Manufacturing PMI (US)	17:45	52.2	53

1.4%. Australia’s S&P/ASX 200 fell 0.4%. Euro Stoxx 50 futures were little changed. The yield on 10-year Treasuries was little changed at 4.15%. Japan’s 10-year yield was little changed at 1.640%. Australia’s 10-year yield advanced seven basis points to 4.36% UK 10-year yield is at 4.70%. The Canadian 10-year yield is at 3.18%. The New Zealand 10-year yield is at 3.18%.

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6688	0.409	13.72
Euro Stoxx 600	558	0.477	9.96
ShanghaiComposite Index	3883	0.524	15.84
MSX-30	5182	-0.224	13.22
NIFTY-50	24677	0.269	4.37
Brent Crude (\$/bbl)	66.31	0.439	-7.65
Gold (\$/oz.)	3868	0.232	47.38
DXY	98	-0.131	-9.99
Silver(\$/oz.)	47	0.789	62.67

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