

# Bank Dhofar Morning Market Update



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## Global Update

Asian stocks edged higher on Monday. MSCI Inc.'s gauge of Asian equities rose 0.2%, with technology being the biggest contributor to gains. US stock index futures were up slightly while a gauge of the dollar edged lower. Japan's economy shrank in the three months through September, the government confirmed in a revised report on Monday, while signs emerged over the weekend that the nation's relations with China were deteriorating. With traders already having priced in a 25-basis point rate cut by the Federal Reserve this week, a lack of fresh catalysts has seen markets move in tight ranges in recent days. A gauge of global equities has continued to hover near an all-time high reached in October as investor caution over the durability of this year's AI-driven rally persists. Japan's gross domestic product fell at an annualized pace of 2.3% in the third quarter, as revised figures showed business spending and housing investment came in weaker than preliminary figures. The contraction was deeper than the initial reading of a 1.8% fall, and was the first in six quarters. The data added an element of complexity to the Bank of Japan's upcoming policy decision next week, but likely won't derail it from its gradual hiking path. Beijing and Tokyo traded complaints against each other as their simmering diplomatic spat intensified over the weekend after Chinese fighter aircraft trained their fire-control radar systems on Japanese military jets for the first time. The US continues to clear the data backlog with the delayed JOLTS reports scheduled for release. Weekly jobless claims and the employment cost index are also due. Besides the Fed rate decision, economists expect the Bank of Canada, Swiss National Bank and Reserve Bank of Australia will leave their respective policy rates on hold this week.

USD/JPY keeps the red near 155.00 in Asian trading on Monday. The Japanese Yen stages a minor recovery, helped by a cautious mood amid Japan-China geopolitical tensions and the expectations of Fed-BoJ monetary policy divergence. The pair also faces headwinds from a broadly weaker US Dollar. The recent repeated failures to move back above the 100-hour Simple Moving Average (SMA) and the overnight breakdown below the 155.00 psychological mark favor the USD/JPY bears. Furthermore, technical indicators on hourly charts are holding in negative territory and back the case for a further depreciating move, though neutral oscillators on the daily chart warrant some caution. Hence, any further intraday slide could find some support near the overnight swing low, around mid-154.00s, below which spot prices could accelerate the downfall towards the 154.00 round figure. On the flip side, any meaningful recovery attempt is likely to confront a stiff barrier near the 155.40 region, or the 100-hour SMA. A sustained strength beyond might trigger a short-covering move and allow the USD/JPY pair to reclaim the 156.00 mark. Some follow-through buying should pave the way for a further move up to the next relevant hurdle near the 156.60-156.65 region en route to the 157.00 round figure.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1642	1.1656	1.1637	O/N SOFR	3.920	0.000
GBPUSD	1.3325	1.3342	1.3322	1 month SOFR	3.777	3.777

USDJPY	155.31	155.3800	154.90	3 month SOFR	3.738	3.738
USDINR	90.06	90.22	90.06	6 months SOFR	3.667	3.667
USDCNY	7.0693	7.0705	7.0671	12 month SOFR	3.500	3.500
USDCHF	0.8039	0.8050	0.8033	3 years IRS	3.336	3.341
AUDUSD	0.6632	0.6648	0.6631	5 years IRS	3.412	3.416
NZDUSD	0.5774	0.5791	0.5769			

The euro rose 0.1% to \$1.1654.The Japanese yen rose 0.2% to 155.01 per dollar.The offshore yuan was little changed at 7.0670 per dollar.The Australian dollar was little changed at \$0.6646.GBP/USD edges higher to hold above 1.33.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6870	0.194	16.81
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	579	-0.012	14.02
				ShanghaiComposite Index	3927	0.625	17.17
Bank Deposit Rates for 5 years			4.00	MSX-30	5916	0.937	29.26
*Amount>500k OMR				NIFTY-50	26097	-0.343	10.37
				Brent Crude (\$/bbl)	63.86	0.188	-10.41
Calendar				Gold (\$/oz.)	4208	0.254	60.35
						-0.104	
Key Data Watch	Time (GST)	Expected	Prior	DXY	99		-8.85
Housing Starts	12/08-12/13	1329k	1307k				
Building Permits	12/08-12/13	1350k	1330k	Silver(\$/oz.)	58	-0.655	100.54

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

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