

Bank Dhofar Morning Market Update



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Global Update

US equity-index futures advanced, signaling renewed sentiment after the Federal Reserve's interest-rate cut, even as questions lingered over the pace of future policy easing. Contracts for the S&P 500 advanced 0.5% while those for the Nasdaq 100 gained 0.7%, after the underlying benchmarks posted minor declines following the Fed's decision on Wednesday. Treasuries recouped some of their losses, while a gauge of the dollar rose for a second day as Fed Chair Jerome Powell termed the move a "risk-management cut." Shares in Japan, China and South Korea rose. Oil held a decline as traders weighed the rate cut and an increase in US fuel inventories. New Zealand's bonds gained and the currency fell after softer economic data fueled speculation of an outsized rate cut. An index of global stocks climbed to a record high this week as investors priced in a 25-basis-point cut ahead of the Fed meeting. While the central bank followed through with a cut, officials stressed future policy will be decided "meeting by meeting" and warned "there's no risk-free path." Even so, policymakers now see two additional quarter-point cuts this year, one more than was projected in June.

The EUR/USD pair holds steady around 1.1815 during the Asian trading hours on Thursday. The US Dollar (USD) trades flat against the Euro (EUR) following its plunge to a three-and-a-half-year low as traders assess the Federal Reserve's (Fed) rhetoric on further interest rate cuts. Traders await the speech from the European Central Bank (ECB) Christine Lagarde later on Thursday. The Fed reduced rates by 25 basis points (bps) at its September meeting on Wednesday, as widely expected, and signaled it will steadily lower borrowing costs for the rest of this year. Fed Chair Jerome Powell outlined the recent policy decision as a risk-management reduction in reaction to the weak labor market but stressed that the US central bank does not need to rush easing. Powell said that the rate-path views are not commitments, adding that higher inflation is still a risk and the Fed is now in a "meeting-by-meeting situation" when it comes to further rate cuts. Less dovish than expected remarks from Powell could provide some support to the Greenback in the near term.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1813	1.1829	1.1800	O/N SOFR	4.390	4.410
GBPUSD	1.3626	1.3635	1.3608	1 month SOFR	4.136	4.136
USDJPY	146.99	147.1800	146.77	3 month SOFR	4.026	4.026
USDINR	87.97	88.06	87.95	6 months SOFR	3.854	3.854
USDCNY	7.1099	7.1125	7.1067	12 month SOFR	3.604	3.604
USDCHF	0.7888	0.7903	0.7882	3 years IRS	3.233	3.250
AUDUSD	0.6653	0.6659	0.6632	5 years IRS	3.271	3.290
NZDUSD	0.5965	0.5968	0.5911	S&P 500 futures rose 0.5% as of 12:57 p.m. Tokyo time. Japan's Topix		

The Bloomberg Dollar Spot Index rose 0.1%. The euro was little changed at \$1.1814. The Japanese yen was little changed at 147.03 per dollar. The offshore yuan was little changed at 7.1047 per dollar. Bitcoin rose 1.7% to \$117,625.55. Ether rose 2.5% to \$4,616.06. West Texas Intermediate crude fell 0.2% to \$63.92 a barrel. Spot gold was little changed

rose 0.5%. Australia’s S&P/ASX 200 fell 0.6%. Hong Kong’s Hang Seng fell 0.2%. The Shanghai Composite rose 0.5%. Euro Stoxx 50 futures rose 0.5%. The yield on 10-year Treasuries declined two basis points to 4.07%. Japan’s 10-year yield advanced one basis point to 1.600%. Australia’s 10-year yield declined one basis point to 4.21%

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.285	S&P 500	6600	-0.097	12.22
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	551	-0.029	8.47
				ShanghaiComposite Index	3894	0.454	16.18
Bank Deposit Rates for 5 years			3.93	MSX-30	5118	0.317	11.83
*Amount>500k OMR				NIFTY-50	25415	0.335	7.49
Calendar				Brent Crude (\$/bbl)	67.74	-0.294	-5.99
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3657	-0.090	39.33
Bank Of England Bank Rate (UK)	15:00	4.0%	4.25%	DXY	97	0.247	-10.49
Initila Jobless Claims (US)	16:30	235k	237k	Silver(\$/oz.)	41	-0.719	43.16

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