

# Bank Dhofar Morning Market Update



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## Global Update

Stocks declined and the dollar hovered near two-month lows as investors reined in risk ahead of key US economic data that may signal where interest rates are headed. The yen strengthened. The MSCI Asia Pacific Index fell 1.3%, with more than four shares falling for every one that advanced. A gauge of Chinese shares was on course for a technical correction amid concerns about a slowing economy. Futures for US stocks also weakened ahead of Tuesday's November jobs report, which is expected to show a sluggish labor market. As sentiment weakened, Bitcoin declined to trade around \$85,800, while oil held near the lowest level since 2021 as traders weighed the outlook for a ceasefire in Ukraine. Gold fell 0.3% after a five-day run of gains. Traders were keeping a close eye on technology shares with AI-related firms remaining under pressure. An MSCI gauge of Asian tech stocks fell for a second straight day, putting it on course for its lowest level since early December. Investors in Japan are focusing on the yen with Bank of Japan Governor Kazuo Ueda widely expected to raise rates on Friday. The path ahead has become murkier as the government's need for cheap financing clashes with a weakening yen that's driving up import prices. Back in the US, the November jobs report will be key for investors assessing the path of interest rates. The reading will also include an estimate of October payrolls — figures that were delayed by the federal shutdown, while the US consumer price index is scheduled for Thursday.

USD/JPY holds moderate losses below 155.00 in the Asian session on Tuesday. From a technical perspective, the USD/JPY pair has been struggling to move back above the 100-hour Simple Moving Average (SMA), and the subsequent slide favors bearish traders. However, positive oscillators on the daily chart suggest that any further decline is more likely to find decent support near the 155.00 psychological mark. A convincing break below the latter would turn spot prices vulnerable to accelerate the fall towards the monthly low, around the 154.35 area, en route to the 154.00 mark. On the flip side, the 100-hour SMA, currently pegged at the 156.00 round figure, might continue to act as an immediate hurdle. Some follow-through buying beyond Friday's swing high, around the 156.10-156.15 region, might trigger a short-covering move and lift the USD/JPY pair to the 157.00 neighborhood.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1753	1.1759	1.1747	O/N SOFR	3.670	0.000
GBPUSD	1.3376	1.3383	1.3362	1 month SOFR	3.734	3.734
USDJPY	155.23	155.2500	154.71	3 month SOFR	3.706	3.706
USDINR	90.79	90.84	90.77	6 months SOFR	3.640	3.640
USDCNY	7.0471	7.0471	7.0420	12 month SOFR	3.486	3.486

<b>USDCHF</b>	0.7962	0.7964	0.7952
<b>AUDUSD</b>	0.6641	0.6648	0.6618
<b>NZDUSD</b>	0.5781	0.5789	0.5758

Currencies were in focus in Asia with the yen gaining against the dollar to trade near 155 ahead of the Bank of Japan's widely expected move to lift its key rate to the highest level in three decades on Friday.

The Indian rupee has slid to record lows and a rising number of officials are arguing for a stronger yuan to help rebalance the Chinese economy. The euro was little changed at \$1.1751. The Japanese yen rose 0.2% to 154.90 per dollar.

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>Change in Nonfarm Payrolls</b>	17:30	50k	
<b>Change in Private Payrolls</b>	17:30	50k	

<b>3 years IRS</b>	3.334	3.341
<b>5 years IRS</b>	3.443	3.447

US 2-year yields are steady at 3.50% while 10-year yields are little changed at 4.17%. In Monday's US trading session 2-year yields finished 2bps lower while 10-year declined by 1bp Treasury 10-year yields steadied around 4.17% after edging down on Monday amid bets the Fed will cut rates twice next year to support the jobs market even as inflation shows signs of stickiness. The yield on 10-year Treasuries was little changed at 4.17%. Japan's 10-year yield was little changed at 1.955%. Australia's 10-year yield was little changed at 4.73%.

Global Markets			
	Level	1-Day Change (%)	YTD (%)
<b>S&amp;P 500</b>	6817	-0.160	15.89
<b>Euro Stoxx 600</b>	583	0.744	14.76
<b>Shanghai Composite Index</b>	3821	-1.217	14.00
<b>MSX-30</b>	5986	0.504	30.79
<b>NIFTY-50</b>	25913	-0.440	9.59
<b>Brent Crude (\$/bbl)</b>	60.23	-0.528	-15.50
<b>Gold (\$/oz.)</b>	4290	-0.341	63.47
		-0.049	
<b>DX-Y</b>	98		-9.43
<b>Silver(\$/oz.)</b>	63	-1.801	117.75

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