

Bank Dhofar Morning Market Update



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Global Update

Chinese stocks helped brighten the mood in an otherwise mixed session for the region, with gains in Japan and declines in Australia and South Korea. US futures edged lower after the S&P 500 and Nasdaq 100 indexes ended Wednesday largely flat. A key gauge of Chinese shares listed in Hong Kong rose as much as 1.7%, as hopes grew that a recovery of the world's No. 2 economy is gathering momentum after data showed both exports and imports beat forecasts in April. Federal Reserve Bank of Boston President Susan Collins signaled interest rates will likely need to be held at a two-decade high for longer than previously thought to damp demand and reduce price pressures. Japan's latest wage figures showed pay gains have now lagged inflation every month for two years even as a measure of the deeper trend points to steady growth. Oil edged higher after a mixed snapshot of US inventories that included an unexpected drop in nationwide crude holdings.

Intraday bias in EUR/USD stays neutral for the moment. More consolidations could be seen below 1.0810. Further rally is expected as long as 55 4H EMA (now at 1.0731) holds. On the upside, above 1.0810 will resume the rebound from 1.0601 to 1.0884 resistance next. However, firm break of 55 4H EMA will argue that the rebound has completed, and turn bias to the downside for 1.0648 support instead. Firm break of 1.1138 will argue that larger up trend from 0.9534 (2022 low) is ready to resume through 1.1274 high.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0748	1.0752	1.0742	O/N SOFR	5.310	5.310
GBPUSD	1.2498	1.2502	1.2487	1 month SOFR	5.321	5.320
USDJPY	155.53	155.7000	155.17	3 month SOFR	5.294	5.323
USDINR	83.49	83.49	83.44	6 months SOFR	5.326	5.287

USDCNY	7.2253	7.2265	7.2239	12 month SOFR	5.149	5.145
USDCHF	0.9080	0.9086	0.9076	3 years IRS	4.513	4.513
AUDUSD	0.6579	0.6586	0.6570	5 years IRS	4.261	4.261
NZDUSD	0.6004	0.6009	0.5993			

The yen was steady after touching a weekly low earlier. Japan's top currency official, Masato Kanda, said the country would be ready to take appropriate action when necessary but refrained from confirming official support in recent weeks. A dollar index steadied following a third session of gains. The euro was little changed at \$1.0750. The Japanese yen was little changed at 155.58 per dollar. The offshore yuan was little changed at 7.2268 per dollar.

The 10-year benchmark yields for Australia, New Zealand and Japan all increased, while those on US sovereign debt extended Wednesday's increase after a \$42 billion sale of 10-year notes received tepid demand. The rise in Japanese yields followed a hawkish-sounding summary of opinions from the central bank's April meeting. Bank of Japan members discussed the potential to cut bond purchases as well as the path for future rate hikes. The yield on 10-year Treasuries advanced one basis point to 4.50%. Australia's 10-year yield advanced eight basis points to 4.37%.

OMR Money Markets				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			6				
O/N OMIBOR			5.52	S&P 500	5188	-0.001	8.76
*Bank Deposit Rates for 1 years			5.25	Euro Stoxx 600	516	0.340	7.68
Bank Deposit Rates for 5 years			5.00	Shanghai Composite Index	3157	0.925	6.13
*Amount > 500k OMR				MSX-30	4758	-0.441	5.39
				NIFTY-50	22153	-0.672	1.94
Calendar				Brent Crude (\$/bbl)	83.91	0.407	9.80
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	2317	0.369	12.33
Initial Jobless Claims	16:30	212k	208k	DXY	106	-0.001	4.16
Continuing Claims	16.:30	1782k	1774k	Silver(\$/oz.)	28	0.958	15.96

Source: Reuters, Bloomberg

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