

# Bank Dhofar Morning Market Update



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## Global Update

Japanese stocks led losses in Asia and the yen rose as Bank of Japan Governor Kazuo Ueda sent the clearest hint yet of a rate hike this month. Ahead of his speech, the two-year bond yield rose to the highest since 2008. Bitcoin lost more than 5% to trade below \$87,000.

The week ahead is set to offer a crucial snapshot of US economic momentum as policymakers weigh the trajectory of interest rates heading into 2026. With inflation and consumer demand under scrutiny, data is likely to shape expectations for whether the Fed continues its rate-cutting cycle. Traders are also bracing for potential shifts in central bank leadership with White House economic adviser Kevin Hassett signaling markets were ready for the announcement of a new Fed chair. An index of global equities fell 0.1% in November after rising for seven straight months. The rally was halted as optimism around high-flying AI stocks faltered due to rising concerns about stretched valuations and excessive spending plans. Elsewhere, WTI crude oil jumped after OPEC+ confirmed it will stick with plans to pause production hikes during the first quarter. Silver and copper also climbed after hitting fresh records on Friday. China's manufacturing activity surprisingly contracted in November for the first time in four months as new orders almost stalled, according to a private survey, adding to worrying signs about the economy's deepening slowdown.

USD/JPY is deep in the red in the Asian session on Monday, giving up 155.50 after BoJ Governor Ueda's speech. The BoJ Chief kept hopes alive for a rate hike this month, lifting the Japanese Yen. The pair also faces challenges due to a broadly weaker US Dollar as a Fed rate cut looms next week. Spot prices need to find acceptance above the 100-hour Simple Moving Average (SMA), currently around the 156.45-156.50 area, to back the case for additional gains. The subsequent move up could allow the USD/JPY pair to reclaim the 157.00 mark and climb further toward the 157.45-157.50 intermediate hurdle en route to the 158.00 neighborhood, or the highest level since mid-January, touched last week. On the flip side, the 156.00 round figure could protect the immediate downside ahead of the weekly swing low, around the 155.70-155.65 region. Some follow-through selling could make the USD/JPY pair vulnerable to test the 155.00 psychological mark. A convincing break below the latter will be seen as a fresh trigger for bearish traders and set the stage for an extension of a one-week-old downtrend.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1600	1.1616	1.1590	O/N SOFR	4.050	0.000
GBPUSD	1.3231	1.3249	1.3222	1 month SOFR	3.864	3.864

USDJPY	156.24	156.2400	155.40	3 month SOFR	3.787	3.787
USDINR	89.43	89.48	89.43	6 months SOFR	3.704	3.704
USDCNY	7.0722	7.0757	7.0720	12 month SOFR	3.511	3.511
USDCHF	0.8039	0.8047	0.8024	3 years IRS	3.252	3.250
AUDUSD	0.6549	0.6557	0.6531	5 years IRS	3.314	3.306
NZDUSD	0.5729	0.5745	0.5718			

USD/JPY falls to mid 155-156. Leveraged funds already short USD/JPY have added to positions following Bank of Japan Governor Kazuo Ueda’s speech, according to Asia-based FX traders. EUR/USD hovers near 1.16. GBP/USD drifts down but remains above 1.32 while AUD/USD declines below mid 0.65-0.66.

The BOJ “will consider the pros and cons of raising the policy interest rate and make decisions as appropriate” by examining the economy, inflation and financial markets at home and abroad, Ueda said Monday in a speech to local business leaders in Nagoya, central Japan.The yield on 10-year Treasuries advanced two basis points to 4.03%.Australia’s 10-year yield advanced four basis points to 4.55%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6849	0.535	16.45
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	576	0.249	13.56
				ShanghaiComposite Index	3905	0.419	16.50
Bank Deposit Rates for 5 years			4.00	MSX-30	5706	1.237	24.67
*Amount>500k OMR				NIFTY-50	26286	0.317	11.17
				Brent Crude (\$/bbl)	63.44	1.715	-11.00
				Gold (\$/oz.)	4245	0.122	61.73
				DXY	99	-0.014	-8.33
Calendar				Silver(\$/oz.)	57	1.174	97.78
Key Data Watch	Time (GST)	Expected	Prior				
S&P Global US Manufacturing PMI	18:45	51.9	51.9				
ISM Manufacturing	19:00	49	48.7				

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