

Bank Dhofar Morning Market Update



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Global Update

Asian equity markets dropped after Meta Platforms Inc.'s disappointing outlook raised concern about whether the bull market has run too far. Equity benchmarks slid in South Korea and Japan, while contracts for US stocks also declined. Australian financial markets are shut for a holiday. The yen extended declines after weakening beyond 155 per dollar for the first time in more than three decades on Wednesday, heightening the chances of intervention ahead of Bank of Japan's decision meeting Friday. Treasuries opened little changed in Asia after yields rose on Wednesday. Stocks in Hong Kong rose as southbound investors may be using nation's-listed equities to diversify their currency exposure, given increased yuan depreciation pressure due to US-China interest rate differentials, according to BNP Paribas. Oil held a modest decline, with a risk-off tone in broader markets countering a drawdown in US stockpiles. Gold was steady after a three-day drop as traders turned their attention toward the release of US inflation data.

EUR/USD is still bounded in range trading above 1.0601 and intraday bias remains neutral. Strong resistance should be seen from 1.0723 to complete the corrective rise from 1.0601. Break of 1.0601 will resume the fall from 1.1138 to 100% projection of 1.1138 to 1.0694 from 1.0980 at 1.0536 next. Nevertheless, firm break of 1.0723 will bring stronger rebound to 55 D EMA (now at 1.0786) instead. In the bigger picture, price actions from 1.1274 are viewed as a corrective pattern to rise from 0.9534 (2022 low).



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0699	1.0709	1.0694	O/N SOFR	5.310	5.310
GBPUSD	1.2464	1.2469	1.2454	1 month SOFR	5.318	5.317
USDJPY	155.35	155.51	155.20	3 month SOFR	5.324	5.324

USDINR	83.35	83.39	83.34	6 months SOFR	5.290	5.298
USDCNY	7.2458	7.2469	7.2448	12 month SOFR	5.188	5.211
USDCHF	0.9151	0.9152	0.9138	3 years IRS	4.637	4.636
AUDUSD	0.6498	0.6510	0.6492	5 years IRS	4.410	4.410
NZDUSD	0.5936	0.5946	0.5932			

The yen extended declines after weakening beyond 155 per dollar for the first time in more than three decades on Wednesday, heightening the chances of intervention ahead of Bank of Japan's decision meeting Friday. The euro was little changed at \$1.0707. The Japanese yen was little changed at 155.42 per dollar. The offshore yuan was little changed at 7.2662 per dollar. The Australian dollar rose 0.2% to \$0.6508

The Bank of Japan is forecast to keep its interest rate settings unchanged Friday, while the currency's plunge makes it more likely the bank will tone down its stance on keeping policy easy. Treasuries opened little changed in Asia after yields rose on Wednesday. The yield on 10-year Treasuries was little changed at 4.65%. Japan's 10-year yield was unchanged at 0.890%. Australia's 10-year yield advanced 14 basis points to 4.41%

OMR Money Markets				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			6				
O/N OMIBOR			5.485	S&P 500	5072	0.021	6.33
*Bank Deposit Rates for 1 years			5.25	Euro Stoxx 600	506	-0.429	5.56
Bank Deposit Rates for 5 years			5.00	Shanghai Composite Index	3050	0.167	2.52
*Amount > 500k OMR				MSX-30	4707	0.230	4.28
				NIFTY-50	22376	-0.118	2.97
				Brent Crude (\$/bbl)	88.14	0.159	15.03
Calendar				Gold (\$/oz.)	2313	-0.116	12.14
Key Data Watch	Time (GST)	Expected	Prior	DXY	106	-0.089	4.37
GDP Annualized QoQ	16:30	2.5%	3.4%	Silver (\$/oz.)	27	-0.279	13.83
Personal Consumption	16:30	3.0%	3.3%				

Source: Reuters, Bloomberg

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