

Bank Dhofar Morning Market Update



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Global Update

Asian shares inched lower as traders await key US inflation data for clues on whether the Federal Reserve will cut or hold interest rates next week. The dollar snapped a three-day gain. South Korean equities rose for a second session, continuing a recovery after last week's short-lived martial law event that thrust the country into political turmoil. Stocks in Hong Kong and mainland China fluctuated as an annual economic meeting begins in Beijing on Wednesday. China may raise its budget deficit to the highest in three decades and make the deepest interest-rate cuts since 2015, according to economists. At least seven Chinese brokerages forecast that next year's fiscal deficit target could reach 4% of gross domestic product, the widest since a major tax reform in 1994. Beijing has historically kept its budget deficit ratio at or below 3%. The greenback weakened against most Group-of-10 peers in the runup to American consumer price index data. S&P 500 contracts were little changed on Wednesday. Oil gained ahead of key US inflation data and a monthly report from OPEC that will provide a snapshot on the market. West Texas Intermediate crude rose 0.6% to \$69.02 a barrel and, spot gold rose 0.2% to \$2,699.91 an ounce.

Cocoa futures hit the highest level in more than seven months as West Africa's production prospects dim, threatening global supplies at a time of historically low inventories. The most-active contract rose as much as 6.1% to \$10,454 per metric ton, the highest since April 29, before trimming some gains. Futures have rallied back to the highs witnessed earlier this year following harsh weather in top growers Ivory Coast and Ghana. Cocoa futures were 2.6% higher at \$10,112 a ton as of 10:45 a.m. in New York and, London cocoa rose 2.3% meanwhile, Raw sugar fell and arabica coffee gained in New York.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0527	1.0539	1.0526	O/N SOFR	4.600	4.600
GBPUSD	1.2771	1.2782	1.2767	1 month SOFR	4.447	4.452
USDJPY	151.95	151.9600	151.42	3 month SOFR	4.392	4.396
USDINR	84.86	84.87	84.85	6 months SOFR	4.286	4.289
USDCNY	7.2481	7.2492	7.2415	12 month SOFR	4.131	4.129
USDCHF	0.8827	0.8835	0.8822	3 years IRS	3.862	3.862

AUDUSD	0.6377	0.6389	0.6369	5 years IRS	3.762	3.762
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In Japan, the yen strengthened slightly after inflation in corporate goods prices accelerated to the fastest pace in 16 months, an outcome that points to growing inflationary pressure in the economy and supports the central bank's further normalization of policy. Yet, the local currency remained weak as traders dialed back their bets on a December rate hike. The euro was little changed at \$1.0534 while, the offshore yuan rose 0.1% to 7.2488 per dollar.

Treasury 10-year yields were little changed at 4.23%. Japan's 10-year yield was unchanged at 1.065% and, Australia's 10-year yield advanced six basis points to 4.20%. Yields on U.S. government debt ended at their highest levels in at least a week on Tuesday as investors awaited November's consumer-price index report ahead of the Federal Reserve's final monetary-policy meeting of the year. Tuesday's closing levels for 2- and 10-year yields were the highest since last Tuesday, according to Dow Jones Market Data.

OMR Money Markets				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5.25				
O/N OMIBOR			4.5	S&P 500	6035	-0.296	26.52
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	518	-0.524	8.25
Bank Deposit Rates for 5 years			4.00	ShanghaiComposite Index	3430	0.222	15.31
<small>*Amount>500k OMR</small>				MSX-30	4533	-0.446	1.06
				NIFTY-50	24644	0.138	13.40
Calendar				Brent Crude (\$/bbl)	72.57	0.526	-2.45
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	2695	0.017	30.62
US Federal Budget Balance	23:00	-\$232.5b	-\$66.6b			-0.052	
US CPI MoM	17:30	0.2%	0.2%	DXY	106		4.95
				Silver(\$/oz.)	32	-0.705	33.15

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