

Bank Dhofar Morning Market Update



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Global Update

Stocks climbed to a record as an in-line US inflation reading eased price concerns and bolstered bets on a Federal Reserve interest-rate cut in September. The MSCI All Country World Index rose 0.2% to an all-time high, tracking Wall Street’s surge to fresh peaks, as money markets nearly priced in a full 25 basis point Fed reduction next month. A gauge of Asian shares gained 1.1% as the Nikkei-225 hit a record while Taiwan was heading to a peak. Shanghai stocks jumped to their highest level since December 2021. The Cboe Volatility Index, referred to as Wall Street’s fear gauge, declined to the lowest level since December. Volatility in the Treasuries market also dropped, with the ICE BofA MOVE Index, a measure of expected fluctuations in yields, hitting its lowest level since January 2022. In Japan, the sale of a five-year government bond auction saw a demand ratio that was the lowest since 2020. The yen weakened 0.1%. Treasuries and a gauge of the dollar were steady. While underlying US inflation accelerated to its fastest pace since the start of the year, a modest rise in goods prices eased concerns that trade-related costs could spill over into broader price pressures. With the CPI report now behind them, investors will turn their attention to Friday’s US retail sales data for signs that consumers are as upbeat as corporate earnings commentary suggested.

The yen strengthened against the dollar after a largely benign US inflation report bolstered the case for traders betting that the Federal Reserve will soon cut interest rates. Japan’s bonds are expected to be sold, with investors paying close attention to a 5-year debt sale later today. USD/JPY little changed at 147.78 after dropping as much as 0.4% overnight.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1675	1.1688	1.1670	O/N SOFR	4.340	4.350
GBPUSD	1.3500	1.3508	1.3493	1 month SOFR	4.362	4.362
USDJPY	147.84	148.1700	147.70	3 month SOFR	4.228	4.228
USDINR	87.65	87.68	87.62	6 months SOFR	4.065	4.065
USDCNY	7.1824	7.1841	7.1781	12 month SOFR	3.834	3.834
USDCHF	0.8065	0.8072	0.8060	3 years IRS	3.412	3.409
AUDUSD	0.6530	0.6534	0.6516	5 years IRS	3.457	3.459
NZDUSD	0.5955	0.5961	0.5945	S&P 500 futures were little changed as of 1:20 p.m. Tokyo time. Japan’s		

The Bloomberg Dollar Spot Index was little changed. The euro was little changed at \$1.1684. The Japanese yen fell 0.2% to 148.07 per dollar. The offshore yuan was little changed at 7.1826 per dollar. West Texas Intermediate crude was little changed. Spot gold was little changed. Bitcoin fell 0.4% to \$119,728.67. Ether rose 1.1% to \$4,671.62

Topix rose 1.1%. Australia’s S&P/ASX 200 fell 0.4%. Hong Kong’s Hang Seng rose 1.9%. The Shanghai Composite rose 0.6%. Euro Stoxx 50 futures rose 0.3%. The yield on 10-year Treasuries was little changed at 4.28%. Japan’s 10-year yield advanced three basis points to 1.515%. Australia’s 10-year yield was little changed at 4.24%

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.285	S&P 500	6446	1.135	9.59
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	548	0.207	7.93
				ShanghaiComposite Index	3686	0.557	9.98
Bank Deposit Rates for 5 years			3.93	MSX-30	4894	0.623	6.93
*Amount>500k OMR				NIFTY-50	24575	0.357	3.93
Calendar				Brent Crude (\$/bbl)	66.22	0.166	-8.45
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3350	0.056	27.65
CPI YoY (RUS)	20:00	9.4%	9.88%	DXY	98	-0.073	-9.64
PPI YoY (JPN)	15:50	2.5%	2.9%	Silver(\$/oz.)	38	0.756	32.17

For any Treasury related requirement, please contact:
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