

Bank Dhofar Morning Market Update



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Global Update

US equity-index futures erased gains and Asian shares lost momentum after Presidents Donald Trump and Xi Jinping ended their summit that was aimed at easing the trade tensions between the world's two largest economies. Contracts for the S&P 500 were flat after the underlying gauge erased gains following Federal Reserve Chair Jerome Powell's warning that a rate cut in December isn't a foregone conclusion. Asian shares gave up earlier gains to trade 0.1% lower. Technology sector remained in focus after Samsung Electronics Co.'s earnings beat estimates, and megacap US companies boosted bets on the artificial intelligence theme. Markets are looking past the Fed's cautious stance on further rate cuts and turning their focus to the ongoing Trump–Xi meeting, which investors hope will ease the world's largest trade dispute and steady global markets after months of tension. The artificial intelligence theme and spending by megacap companies were also in focus as big technology names started reporting earnings.

The GBP/USD pair builds on the previous day's late rebound from the 1.3140 horizontal support, or the lowest level since May, and gains some positive traction during the Asian session on Thursday. Spot prices climb back above the 1.3200 mark in the last hour amid a modest US Dollar weakness, though the fundamental backdrop warrants some caution for bullish traders. From a technical perspective, the overnight close below the 1.3300 round figure was seen as a key trigger for the GBP/USD bears. Moreover, oscillators on the daily chart are holding deep in negative territory and validate the near-term negative outlook. Hence, a subsequent fall towards retesting the August monthly swing low, around the 1.3140 region, looks like a distinct possibility. A convincing break below the said area will mark a fresh breakdown and pave the way for deeper losses. On the flip side, any attempted recovery beyond the 1.3245-1.3250 region is more likely to attract fresh sellers and remain capped near the 1.3300 mark. A sustained move beyond might trigger a short-covering rally and lift the GBP/USD pair to the 1.3360-1.3365 area en route the 1.3400 round figure and the next relevant hurdle near mid-1.3400s.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1601	1.1637	1.1597	O/N SOFR	4.310	4.310
GBPUSD	1.3194	1.3218	1.3185	1 month SOFR	3.968	3.968
USDJPY	152.73	153.1400	152.16	3 month SOFR	3.838	3.838
USDINR	88.41	88.50	88.38	6 months SOFR	3.694	3.694
USDCNY	7.0993	7.0995	7.0960	12 month SOFR	3.497	3.497

USDCHF	0.7998	0.8007	0.7976
AUDUSD	0.6574	0.6597	0.6568
NZDUSD	0.5764	0.5788	0.5758

The yen fluctuated against the dollar after the Bank of Japan held its policy rate. USD/JPY rises above 153 but fails to breach its Oct. 10 high of 153.27, having earlier been as low as 152.16. EUR/USD edges higher to hold above 1.16 while GBP/USD consolidates around 1.32. AUD/USD climbs to approach 0.66.The offshore yuan was little changed at 7.0957 per dollar

Current Levels	
CBO Repo Rate	4.75
O/N OMIBOR	4
*Bank Deposit Rates for 1 years	4.00
Bank Deposit Rates for 5 years	4.00

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
Initial Jobless Claims	16:30	228k	
Continuing Claims	16:30	1932k	

3 years IRS	3.315	3.329
5 years IRS	3.367	3.380

The Fed’s expected rate cut, Powell’s caution about future moves and his focus on labor market risks led investors to scale back easing bets. Fed officials delivered their second straight rate reduction Wednesday to support a softening labor market, and said they would stop shrinking the portfolio of assets on Dec. 1.2-year yields are down 1bp to 3.59% while 10-year yields fall 1bp to 4.07%. In Wednesday’s US trading session 2-year yields rose 11bps while 10-year climbed 10bps.Japan’s 10-year yield was unchanged at 1.655%.Australia’s 10-year yield advanced seven basis points to 4.29%.

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6891	-0.004	17.15
Euro Stoxx 600	575	-0.063	13.35
ShanghaiComposite Index	4019	0.063	19.90
MSX-30	5573	0.836	21.76
NIFTY-50	25943	-0.425	9.72
Brent Crude (\$/bbl)	64.66	-0.400	-9.96
Gold (\$/oz.)	3975	1.134	51.44
		-0.246	
DXY	99		-8.77
Silver(\$/oz.)	48	0.621	65.56

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