

Bank Dhofar Morning Market Update



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Global Update

A gauge of the region’s stocks edged up 0.1% for their first gain in three sessions. Chinese shares in Hong Kong rose on expectations for more stimulus measures after manufacturing activity unexpectedly contracted in May. Despite the high volatility, markets have bounced back from their April lows, putting a gauge of global stocks within striking distance of a record high. Investors are keeping a close eye on how the China-US trade spat pans out with the main focus on whether Trump and Xi will hold a conversation to dial down the tensions. The two countries have accused each other of violating a trade agreement reached in May. In commodities, oil rose for a second day as a weakening dollar boosted the appeal of commodities priced in the currency and geopolitical ructions limited the chance of more supply from Russia and Iran. Gold dipped 0.4% after trade worries sent investors toward haven assets Monday. Trump has long said that direct talks with Xi were the only way to resolve differences between the nations, but the Chinese leader has been reluctant to get on the phone with his American counterpart — preferring that advisers negotiate key issues. The last known conversation between Trump and Xi took place in January before the US president’s inauguration. Range trading continues in GBP/USD and intraday bias remains neutral. Further rally is expected with 1.3389 support intact. On the upside, firm break of 1.3592 will resume larger up trend to 100% projection of 1.2706 to 1.3442 from 1.3138 at 1.3874. However, decisive break of 1.3389 will confirm short term topping, and turn bias back to the downside for 1.3138 support instead.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1441	1.1455	1.1416	O/N SOFR	4.350	4.330
GBPUSD	1.3545	1.3559	1.3515	1 month SOFR	4.322	4.322
USDJPY	142.70	143.2700	142.38	3 month SOFR	4.324	4.324
USDINR	85.52	85.58	85.45	6 months SOFR	4.266	4.266
USDCNY	7.2014	7.2014	7.1953	12 month SOFR	4.066	4.066
USDCHF	0.8174	0.8189	0.8159	3 years IRS	3.617	3.622

AUDUSD	0.6495	0.6500	0.6464	5 years IRS	3.638	3.646
NZDUSD	0.6035	0.6055	0.6011	Australia’s central bank discussed the case to cut interest rates by an outsized half-percentage point last month, highlighting that a larger reduction would provide greater insurance for the economy against any major US-led trade upheaval Treasuries were steady after an auction of 10-year Japanese government bonds saw a demand ratio that was higher than its one-year average. US 2-year yields are steady at 3.94%, 10-year at 4.44%. In Monday’s US trading session 2- and 10-year yields ended up 4bps		
The dollar strengthened against all its Group-of-10 peers with a Bloomberg gauge of the currency rising 0.2%.EUR/USD falls but remains above 1.14. USD/JPY climbs back above 143. GBP/USD declines towards 1.35. USD/CHF drops to stay under 0.82 ahead of Swiss CPI data. The Bloomberg Dollar Spot Index gains 0.2% AUD/USD declines towards mid 0.64-0.65.						

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.25	S&P 500	5936	0.410	0.92
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	548	-0.137	7.94
				ShanghaiComposite Index	3363	0.478	0.35
Bank Deposit Rates for 5 years			4.50	MSX-30	4571	0.122	-0.13
*Amount>500k OMR				NIFTY-50	24640	-0.310	4.21
				Brent Crude (\$/bbl)	64.84	0.340	-11.09
Calendar				Gold (\$/oz.)	3361	-0.597	28.08
Key Data Watch	Time (GST)	Expected	Prior			0.170	
Factory Orders	18:00	-3.2%	4.3%	DXY	99		-8.86
Durable Goods Orders	18:00	-6.3%	-6.3%	Silver(\$/oz.)	34	-1.796	18.11

For any Treasury related requirement, please contact:
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