

Bank Dhofar Morning Market Update



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Global Update

A gauge of global stocks hovered around a one-month low, while Asian shares fell about 2% and are on track for a third straight day of losses. Almost four stocks fell for every one that rose in the MSCI Asia Pacific Index, which slipped below its 50-day moving average for the first time since April. That’s seen by some investors as a bearish signal. The moves highlighted lingering uncertainty over interest rates and tech earnings, with Nvidia’s Wednesday report set to test investor nerves over lofty valuations surrounding the artificial intelligence sector. Attention will then shift to the delayed September jobs report due Thursday, which will provide investors with clues on the Federal Reserve’s policy outlook. A sharp selloff in the S&P 500 on Monday extended the decline from its last record on Oct. 28 to 3.2%. The benchmark index closed below its 50-day moving average for the first time in 139 sessions, breaking the second-longest stretch of this century above the closely watched trend line. Fed Vice Chair Philip Jefferson said he sees risks to the labor market as skewed to the downside, but warned policymakers need to proceed slowly. Fed Governor Christopher Waller is backing a cut in December, citing weak jobs. Traders are pricing in about a 40% chance of a rate cut next month. EUR/USD is losing ground for the second consecutive day in quite a disheartening start to the new trading week, always on the back of the resurgence of the buying interest in the US Dollar ahead of key US data releases and amid shrinking bets of Fed rate cuts. EUR/USD’s recovery from November lows seems to have met a tough resistance around 1.1650, a region also reinforced by the provisional 55-day and 100-day SMAs. If the pair manages to clear that region, it could then set sail to a potential visit to the weekly tops at 1.1668 and 1.1728, all before the October ceiling at 1.1778. North from here emerges the 2025 ceiling of 1.1918, ahead of the key 1.2000 threshold. In case bears regain the upper hand, the November floor at 1.1468 is expected to turn up as an initial support, seconded by the August trough at 1.1391. A move lower could expose for a slide toward the key 200-day SMA at 1.1381, prior to the weekly low at 1.1210 and the May base at 1.1064.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1592	1.1604	1.1585	O/N SOFR	3.950	0.000
GBPUSD	1.3156	1.3163	1.3145	1 month SOFR	3.963	3.963
USDJPY	155.26	155.3800	154.82	3 month SOFR	3.875	3.875

USDINR	88.67	88.69	88.62	6 months SOFR	3.780	3.780
USDCNY	7.1084	7.1118	7.1061	12 month SOFR	3.596	3.596
USDCHF	0.7962	0.7967	0.7940	3 years IRS	3.320	3.356
AUDUSD	0.6494	0.6499	0.6465	5 years IRS	3.380	3.415
NZDUSD	0.5658	0.5661	0.5638	US 2-year yields are down 2bps to 3.60% while 10-year yields fall 2bps to 4.13%. In Monday's US trading session 2-year yields ended steady while 10-year edged down 1bpThe yield on 10-year Treasuries declined three basis points to 4.11%.Japan's 10-year yield advanced 2.5 basis points to 1.750%.Australia's 10-year yield declined four basis points to 4.43%		

The euro was little changed at \$1.1598.The Japanese yen rose 0.2% to 154.89 per dollar.The offshore yuan was little changed at 7.1133 per dollar.AUD/USD falls to remain below 0.65.GBP/USD trades in tight range near mid 1.31-1.32.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6672	-0.916	13.44
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	572	-0.544	12.62
				ShanghaiComposite Index	3950	-0.559	17.84
Bank Deposit Rates for 5 years			4.00	MSX-30	5650	-0.172	23.45
*Amount>500k OMR				NIFTY-50	25898	-0.443	9.53
				Brent Crude (\$/bbl)	63.77	-0.654	-10.85
Calendar				Gold (\$/oz.)	4011	-0.834	52.84
Key Data Watch	Time (GST)	Expected	Prior			-0.120	
Factory Orders	19:00	1.4%	-1.3%	DXY	99		-8.31
Durable Goods Orders	19:00	2.9%	2.9%	Silver(\$/oz.)	50	-1.105	71.84

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