

Bank Dhofar Morning Market Update



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Global Update

Asian shares fell after a range-bound session on Wall Street, as caution grew ahead of Thursday's closure of US equity markets and an important jobs report later in the week. Stocks dropped in Japan and Australia, while US contracts also slipped. Chinese stocks on the mainland and in Hong Kong fluctuated, following data that showed deflationary pressures worsening in the world's No. 2 economy. A regional gauge of semiconductor stocks rose 0.3%, shrugging off news that the Biden administration is planning an additional round of export restrictions on artificial intelligence chips. Nvidia Corp. dipped in post-market trading after the report. The latest Federal Reserve minutes didn't break any significant ground, showing officials adopted a new stance on rate-cutting amid elevated price risks, deciding to move more slowly in the months ahead. Meantime, Fed Governor Christopher Waller said he believes inflation will continue to cool toward the central bank's 2% target. The dollar was steady following Wednesday's modest gains, while Treasuries edged higher after a solid \$22 billion sale eased concerns about a recent global debt selloff. In commodities, oil extended Wednesday's decline. West Texas Intermediate crude fell 0.5% to \$72.96 a barrel.

Gold steadied after a two-day advance as traders mulled the outlook for the Federal Reserve's easing path ahead of key jobs figures due later this week. Bullion traded near \$2,660 an ounce, after a 0.5% gain on Wednesday as a report showed US private-sector hiring and wage growth slowed in December. Bullion surged 27% last year in a record-breaking run that was propelled in part by US monetary easing, though the rally lost momentum after Trump's US election victory buoyed the dollar. Bulls are now facing the prospect of less impressive gains this year, with Goldman Sachs Group Inc. this week pushing back a target for gold hitting \$3,000 an ounce to mid-2026 on expectations for fewer Fed cuts.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0318	1.0321	1.0305	O/N SOFR	4.400	4.270
GBPUSD	1.2363	1.2367	1.2332	1 month SOFR	4.298	4.297
USDJPY	158.35	158.4000	157.78	3 month SOFR	4.289	4.285
USDINR	85.89	85.94	85.89	6 months SOFR	4.258	4.246
USDCNY	7.3307	7.3316	7.3296	12 month SOFR	4.210	4.186
USDCHF	0.9111	0.9114	0.9098	3 years IRS	4.124	4.124

AUDUSD	0.6215	0.6217	0.6194	5 years IRS	4.146	4.146
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Beijing expanded its support for the beleaguered yuan with a plan to issue a record amount of bills in the Hong Kong market to add demand for the currency overseas. Elsewhere, the Australian dollar declined as weaker-than-expected retail sales data bolstered the case for an interest rate cut next month. The yen was slightly stronger at 158 per dollar. The euro was little changed at \$1.0316. The offshore yuan was little changed at 7.3484 per dollar.

The yield on 10-year Treasuries declined two basis points to 4.67%. Australia's 10-year yield was little changed at 4.51%. S&P 500 futures fell 0.2% as of 11:34 a.m. Tokyo time. Nasdaq 100 futures fell 0.1%. Euro Stoxx 50 futures were little changed. The recent slide in stocks and bonds could worsen as traders fret over the prospect of higher inflation and interest rates, but the decline is unlikely to reach the extremes seen in 2022 when markets weathered their worst year since the global financial crisis, according to Morgan Stanley's Mike Wilson.

	Current Levels
CBO Repo Rate	5
O/N OMIBOR	4.25
*Bank Deposit Rates for 1 years	4.25
Bank Deposit Rates for 5 years	4.00

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
Challenger Job Cuts YoY	16:30	-	50.9%
Eurostat Retail Sales	14:00	1.7%	2.9%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5918	0.156	0.62
Euro Stoxx 600	514	-0.194	1.19
Shanghai Composite Index	3221	-0.293	-3.91
MSX-30	4597	-0.076	0.45
NIFTY-50	23603	-0.363	-0.18
Brent Crude (\$/bbl)	76.05	-0.131	1.90
Gold (\$/oz.)	2657	-0.177	1.25
		-0.025	
DXY	109		0.53
Silver(\$/oz.)	30	-0.071	4.09

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