

Bank Dhofar Morning Market Update



Date: 11/11/24

Global Update

A gauge of the region's equities dropped over 1% Monday, with Hong Kong and mainland Chinese stocks down in early trade. Benchmarks also declined in South Korea and Australia. US futures edged higher after the S&P 500 rose 0.4% on Friday. The broad weakness reflects lingering concerns about the prospect of the world's No. 2 economy, after Beijing unveiled a 10 trillion yuan (\$1.4 trillion) program to defuse local governments' debt risk but stopped short of unleashing new fiscal stimulus. In addition to anemic inflation, sentiment toward China is also faltering as foreign direct investment continues to slump. Federal Reserve Bank of Minneapolis President Neel Kashkari indicated at the weekend the central bank could ease rates less than previously expected amid a strong US economy. Kashkari emphasized, however, that it's too early to determine the impact of Trump's policies. EUR/USD's fall from 1.1213 resumed to 1.0681 last week but recovered since then. Initial bias remains neutral this week first and some more consolidations could be seen. But outlook will stay bearish as long as 1.0936 resistance holds. Below 1.0681 will target 61.8% projection of 1.1213 to 1.0760 from 1.0936 at 1.0656, and then 100% projection at 1.0483.



Source: Reuters, Bloomberg

| Currencies | | | | Rates | | |
|------------|--------|----------|--------|---------------|-----------|--------------------|
| | Open | High | Low | | 08-00 GST | Previous Day Close |
| EURUSD | 1.0719 | 1.0728 | 1.0704 | O/N SOFR | 4.820 | 4.810 |
| GBPUSD | 1.2911 | 1.2926 | 1.2895 | 1 month SOFR | 4.616 | 4.622 |
| USDJPY | 152.67 | 153.5400 | 152.64 | 3 month SOFR | 4.516 | 4.522 |
| USDINR | 84.40 | 84.40 | 84.37 | 6 months SOFR | 4.401 | 4.410 |
| USDCNY | 7.1785 | 7.1874 | 7.1760 | 12 month SOFR | 4.219 | 4.247 |
| USDCHF | 0.8762 | 0.8771 | 0.8753 | 3 years IRS | 3.912 | 3.913 |
| AUDUSD | 0.6586 | 0.6603 | 0.6575 | 5 years IRS | 3.835 | 3.835 |

The dollar was broadly steady. The yen fell 0.5% against the greenback, ahead of the Japanese parliament's vote later Monday that's likely to keep Prime Minister Shigeru Ishiba in the job despite a national election setback. The euro was little changed at \$1.0711. The Japanese yen fell 0.3% to 153.05 per dollar. The offshore yuan was little changed at 7.2003 per dollar.

A Bank of Japan board member said the central bank can keep rates on hold for now as it needs to conduct monetary policy more cautiously given heightened uncertainties at home and abroad, according to a summary of opinions at an October policy meeting. Treasury futures drift lower in muted trading with cash markets closed for US public holiday. In Friday's US trading session, 2-year yields ended up 5bps to 4.26% while 10-year yields fell 2bps to 4.30%.

| OMR Money Markets | | | | Global Markets | | | |
|------------------------------------|------------|----------|----------------|---------------------------------|-------|------------------|---------|
| | | | Current Levels | | Level | 1-Day Change (%) | YTD (%) |
| CBO Repo Rate | | | 6 | | | | |
| O/N OMIBOR | | | 4.875 | S&P 500 | 5996 | 0.376 | 25.70 |
| *Bank Deposit Rates for 1 years | | | 4.50 | Euro Stoxx 600 | 507 | -0.645 | 5.77 |
| Bank Deposit Rates for 5 years | | | 4.25 | Shanghai Composite Index | 3450 | -0.075 | 15.96 |
| *Amount>500k OMR | | | | MSX-30 | 4714 | 0.181 | 4.44 |
| | | | | NIFTY-50 | 24158 | 0.041 | 11.17 |
| Calendar | | | | Brent Crude (\$/bbl) | 73.56 | -0.406 | -1.50 |
| Key Data Watch | Time (GST) | Expected | Prior | Gold (\$/oz.) | 2671 | -0.526 | 29.46 |
| NFIB Small Business Optimism | 15:00 | 92 | 91.5 | | | 0.082 | |
| NY Fed 1-Yr Inflation Expectations | 20:00 | | 3.00% | DXY | 105 | | 3.70 |
| | | | | Silver(\$/oz.) | 31 | -0.323 | 31.14 |

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G ("Bank Dhofar S.A.O.G"), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G's prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.