

# Bank Dhofar Morning Market Update



Date: 07/11/24

## Global Update

Most Asian shares rose, following their US peers higher, as investors positioned for a second Donald Trump presidency and an expected Federal Reserve interest-rate cut. Equity gauges rallied in Hong Kong and China on expectations that Beijing will roll out more stimulus. That was after the S&P 500 surged 2.5% Wednesday, its best post-election day in history, and the Nasdaq 100 advanced 2.7%. The gains for US stocks reflected expectations that a Trump policy agenda favoring lower taxes and less regulation may support corporate profits. At the same time, Treasury 10-year yields surged 16 basis points on Wednesday on expectations the president-elect's fiscal plans and proposal to hike tariffs will boost inflation and erode the Fed's ability lower rates. Fed officials are widely forecast to lower their benchmark rate by 25 basis points at the end of their two-day meeting, a move that will come on the heels of the half-point cut in September. They have projected one more quarter-point reduction this year and an additional full point of reductions in 2025, according to the median estimate released in September. Oil gained after a roller-coaster session on Wednesday as traders weighed the likely impact of Trump's election victory on the crude market. Wall Street's "fear gauge" — the VIX — tumbled Wednesday by the most since August. Almost 19 billion shares changed hands on US exchanges, 63% above the daily average in the past three months.



Source: Reuters, Bloomberg

| Currencies |        |          |        | Rates         |           |                    |
|------------|--------|----------|--------|---------------|-----------|--------------------|
|            | Open   | High     | Low    |               | 08-00 GST | Previous Day Close |
| EURUSD     | 1.0730 | 1.0746   | 1.0713 | O/N SOFR      | 4.900     | 4.820              |
| GBPUSD     | 1.2879 | 1.2931   | 1.2871 | 1 month SOFR  | 4.633     | 4.630              |
| USDJPY     | 154.63 | 154.7100 | 153.94 | 3 month SOFR  | 4.522     | 4.523              |
| USDINR     | 84.26  | 84.34    | 84.26  | 6 months SOFR | 4.396     | 4.380              |
| USDCNY     | 7.1861 | 7.1870   | 7.1717 | 12 month SOFR | 4.199     | 4.151              |
| USDCHF     | 0.8766 | 0.8774   | 0.8752 | 3 years IRS   | 3.989     | 3.989              |
| AUDUSD     | 0.6569 | 0.6626   | 0.6564 | 5 years IRS   | 3.928     | 3.928              |

Bloomberg's dollar index ticked lower in Asia after jumping about 1.3% on Wednesday. The yen rose in Asian trade after Japan's chief currency official Atsushi Mimura said the authorities will take appropriate action against excessive currency moves. The currency had tumbled about 2% on Wednesday following Trump's victory.

Treasury 10-year yields slipped one basis point to 4.42%. Spreads on Asian investment-grade dollar bonds tightened to a record low, with yield premiums on the notes declining by at least one basis point, according to credit traders. Spreads had narrowed to 73 basis points Wednesday, then the lowest based in data compiled by Bloomberg stretching back to 2009.

| OMR Money Markets               |  |  |                | Global Markets                  |       |                  |         |
|---------------------------------|--|--|----------------|---------------------------------|-------|------------------|---------|
|                                 |  |  | Current Levels |                                 | Level | 1-Day Change (%) | YTD (%) |
| CBO Repo Rate                   |  |  | 5.5            |                                 |       |                  |         |
| O/N OMIBOR                      |  |  | 4.9875         | <b>S&amp;P 500</b>              | 5929  | 2.530            | 24.30   |
| *Bank Deposit Rates for 1 years |  |  | 4.50           | <b>Euro Stoxx 600</b>           | 507   | -0.540           | 5.80    |
| Bank Deposit Rates for 5 years  |  |  | 4.25           | <b>Shanghai Composite Index</b> | 3420  | 1.066            | 14.96   |
| *Amount>500k OMR                |  |  |                | <b>MSX-30</b>                   | 4714  | -0.176           | 4.43    |
|                                 |  |  |                | <b>NIFTY-50</b>                 | 24244 | -0.981           | 11.56   |
|                                 |  |  |                | <b>Brent Crude (\$/bbl)</b>     | 75.38 | 0.627            | 0.94    |
|                                 |  |  |                | <b>Gold (\$/oz.)</b>            | 2660  | 0.028            | 28.93   |
|                                 |  |  |                |                                 |       | -0.125           |         |
|                                 |  |  |                | <b>DXY</b>                      | 105   |                  | 3.58    |
|                                 |  |  |                | <b>Silver(\$/oz.)</b>           | 31    | -0.115           | 30.88   |

  

| Calendar                            |            |          |       |
|-------------------------------------|------------|----------|-------|
| Key Data Watch                      | Time (GST) | Expected | Prior |
| UK BOE Bank Rate                    | 16:00      | 4.75%    | 5%    |
| US FOMC Rate decision (upper bound) | 23:00      | 4.75%    | 5%    |

**For any Treasury related requirement, please contact:  
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