

Bank Dhofar Morning Market Update



Date: 17/12/24

Global Update

Asian equities fluctuated as traders awaited a raft of interest-rate decisions by central banks this week, including the Federal Reserve.

A key stock benchmark for the region traded in a tight range, with Australia rising. Shares in mainland China eked out a gain while those in Hong Kong fell, showing weak market momentum after soft retail sales data Monday. Contracts for US equities were steady during Asia trading after the Nasdaq 100 gained more than 1% to reach another record high. All eyes will be on a multitude of central bank policy decisions slated for this week, including the US and Japan. Sentiment in the US is relatively positive, with a widely expected quarter-point rate cut from the Fed on Wednesday seen as adding fresh support and extending gains in stocks. Oil steadied after a decline, after poor economic data from China reinforced concerns about weakening demand in the world's biggest crude importer. West Texas Intermediate crude fell 0.2% to \$70.60 a barrel. Gold was little changed, holding on to a slight gain in its previous session.

Oil steadied after a decline, as lackluster economic data from China reinforced concerns about weakening demand in the world's biggest crude importer. Brent traded near \$74 a barrel after slipping 0.8% in the previous session, following Chinese data on Monday that showed falling refining activity and weak retail sales. The nation's leaders have signaled stronger stimulus, but recent steps hint Beijing will likely fall short of the kind of radical action analysts believe is needed to stem a deflationary spiral. Crude is set to end 2024 modestly lower, as expectations of a glut next year and the dour outlook in China overshadow geopolitical tensions in Russia and the Middle East. Meanwhile, European nations are set to clamp down on tankers moving Russian crude, as the US signaled it may lower a price cap on the producer's oil.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0512	1.0534	1.0509	O/N SOFR	4.620	4.620
GBPUSD	1.2683	1.2698	1.2679	1 month SOFR	4.375	4.382
USDJPY	154.15	154.3500	153.80	3 month SOFR	4.351	4.349
USDINR	84.90	84.93	84.89	6 months SOFR	4.273	4.260
USDCNY	7.2859	7.2866	7.2793	12 month SOFR	4.171	4.136
USDCHF	0.8943	0.8952	0.8930	3 years IRS	4.004	4.004

AUDUSD	0.6371	0.6378	0.6360	5 years IRS	3.929	3.929
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The euro was unchanged at \$1.0512, the offshore yuan was little changed at 7.2915 per dollar and, the Australian dollar fell 0.2% to \$0.6361. The yen weakened beyond the 154 level versus the dollar overnight. The yen snapped a six-day losing streak, as traders awaited this week's Bank of Japan policy decision. The currency's rapid decline in the past week toward 155 against the dollar has strategists warning that further weakness may trigger verbal intervention from authorities and add pressure on the central bank to hike rates.

The yield on 10-year Treasuries was little changed at 4.39%. Australia's 10-year yield declined two basis points to 4.30%. The main focus remains Wednesday's Fed decision, which will be followed by policy announcements in Japan, the Nordics and the UK this week. Even if we get a "hawkish cut" from the Fed, it would be because the central bank sees underlying strength in the economy, and that means the rally in US stocks could continue to broaden out, Tony DeSpirito, BlackRock's global chief investment officer of fundamental equities, said.

OMR Money Markets

	Current Levels
CBO Repo Rate	5.25
O/N OMIBOR	4.5
*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
UK Jobless Claims Change	11:00	-	27.9K
US Manufacturing & Trade Inventories	19:00	0.2%	0.3%

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	6074	0.380	27.34
Euro Stoxx 600	516	-0.120	7.69
ShanghaiComposite Index	3367	-0.574	13.18
MSX-30	4521	0.143	0.79
NIFTY-50	24506	-0.658	12.77
Brent Crude (\$/bbl)	73.83	-0.108	-0.75
Gold (\$/oz.)	2652	-0.029	28.55
		0.003	
DXY	107		5.46
Silver(\$/oz.)	30	-0.320	27.97

For any Treasury related requirement, please contact:

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