

Bank Dhofar Morning Market Update



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Global Update

Asian stocks rose Thursday after US equities snapped a two-day slide on benign inflation data that supported expectations of a Federal Reserve interest-rate cut this month. Japanese and Hong Kong stocks led gains in the region, with the MSCI Asia Pacific index on pace for the highest close in over a month. The rally was driven by technology names after the Nasdaq 100 surged to a record high on Wednesday. US stock futures edged lower. US consumer price index data released on Wednesday was in line with expectations, cementing forecasts for the Fed to cut rates by 25 basis points later in December. Swaps traders have now virtually priced in such a move, compared with a 75% chance a week ago. An index of dollar strength fell Thursday, moderating a gain on Wednesday that was helped along by the higher Treasury yields. In the meantime, traders are awaiting interest-rate decisions from the Swiss National Bank and European Central Bank on Thursday, with economists predicting that both policymakers will reduce borrowing costs. In commodities, oil was steady after three days of advances, as the US looked increasingly likely to further sanction Russia's and Iran's energy sectors. Spot gold fell 0.4% to \$2,708.57 an ounce

The franc's winning streak against the euro may extend if Switzerland's central bank avoids a 50-basis point interest-rate cut at this week's policy review. The franc is headed for a third consecutive monthly rally, having strengthened more than 1% since the end of the third quarter. So much so that EUR/CHF is already within striking distance of the 0.9210 level seen for early 2025 that was outlined here. The Swiss National Bank is widely expected to cut its benchmark rate by 25 basis points on Thursday, but traders in overnight indexed swaps are assigning an almost 50% chance of a bigger reduction.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0496	1.0509	1.0493	O/N SOFR	4.600	4.630
GBPUSD	1.2751	1.2772	1.2747	1 month SOFR	4.444	4.447
USDJPY	152.45	152.4600	151.96	3 month SOFR	4.395	4.392
USDINR	84.86	84.88	84.85	6 months SOFR	4.295	4.286
USDCNY	7.2589	7.2674	7.2573	12 month SOFR	4.149	4.131
USDCHF	0.8842	0.8845	0.8829	3 years IRS	3.890	3.890

AUDUSD	0.6369	0.6418	0.6366	5 years IRS	3.801	3.801
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The euro was little changed at \$1.0505. The offshore yuan rose 0.2% to 7.2678 per dollar. The yen trimmed earlier gains to trade little changed at 152.40 per dollar. Bank of Japan officials see little cost to waiting before raising interest rates, while still being open to a hike next week depending on data and market developments, according to people familiar with the matter. Authorities also set a stronger-than-expected yuan fixing on Thursday, extending their support for the currency after it slid on a Reuters report

The yield on 10-year Treasuries advanced one basis point to 4.28% also, Australia's 10-year yield advanced 10 basis points to 4.29%. Yields for Australian government debt jumped and the Australian dollar strengthened on Thursday after data showed more jobs were added to the economy than anticipated and unemployment unexpectedly fell. Treasury yields edged higher. Bloomberg U.S. Index of government bonds rose 4.7% in the past year. The S&P 500 INDEX rose 31.7% in the same period.

OMR Money Markets				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5.25				
O/N OMIBOR			4.5	S&P 500	6084	0.817	27.56
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	520	0.282	8.55
Bank Deposit Rates for 5 years			4.00	Shanghai Composite Index	3455	0.642	16.12
<small>*Amount>500k OMR</small>				MSX-30	4517	-0.345	0.71
				NIFTY-50	24669	0.111	13.52
Calendar				Brent Crude (\$/bbl)	73.55	0.041	-1.13
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	2712	-0.239	31.45
US initial Jobless Claims	17:30	215K	213K			-0.159	
UK RICS House Price Balance	4:01	11%	11%	DXY	107		5.14
				Silver(\$/oz.)	32	0.518	34.76

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