

Bank Dhofar Morning Market Update



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Global Update

Stocks in Asia followed US peers lower after a selloff in Treasuries on bets the Federal Reserve will delay cutting interest rates due to inflation risks. Equities fell in Hong Kong and Tokyo, sending a regional gauge lower. A drop in Big Tech weighed on US trading, with Nvidia Corp. sinking more than 6% as a product presentation left investors wanting more. US contracts rose. Regional economic uncertainties continued to weigh, with Chinese markets indicating growing alarm over a deflationary spiral. That comes as yield premiums in credit are near their lowest since the global financial crisis, testing investor appetite for a spate of deals that's flooding global debt markets. The People's Bank of China set the so-called fixing at 7.1887 per dollar, 1,528 pips stronger than the average estimate in a Bloomberg survey of traders and analysts. The widening of the gap, which hit the largest since April on Wednesday, is a show of policymakers' intention to avoid sharp yuan declines. Korean stocks bucked the downward trend, boosted by Samsung Electronics Co. The Korean tech giant's shares rose despite disappointing quarterly results, as Nvidia founder Jensen Huang expressed confidence in Samsung's ability to resolve technical issues dogging its highest-end memory. Oil rose a second day on Wednesday after an industry report pointed to another drop in US inventories. West Texas Intermediate crude rose 0.5% to \$74.59 a barrel. Spot gold was little changed.

AUD/USD, which saw a 0.6% move lower in today's session after failing to overcome the 0.626 level of resistance on two previous attempts. Recent bounce suggests that it could be nothing more than a short-term corrective move from previous oversold technical conditions. We may need to see a move back above its 6 Jan high at the 0.630 level, potentially alongside a reclaim by its daily RSI of its midline, for buyers' conviction. Key support to watch for now stands at the 0.616 level, which marked its October 2022 bottom.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0340	1.0355	1.0339	O/N SOFR	4.400	4.310
GBPUSD	1.2477	1.2488	1.2473	1 month SOFR	4.297	4.306
USDJPY	158.05	158.2400	157.91	3 month SOFR	4.285	4.288
USDINR	85.82	85.84	85.82	6 months SOFR	4.246	4.242
USDCNY	7.3291	7.3316	7.3291	12 month SOFR	4.186	4.178
USDCHF	0.9097	0.9098	0.9088	3 years IRS	4.135	4.135

AUDUSD	0.6230	0.6242	0.6212	5 years IRS	4.148	4.148
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The Bloomberg Dollar Spot Index was little changed. The euro rose 0.1% to \$1.0353. The Japanese yen was little changed at 158.11 per dollar. The offshore yuan was little changed at 7.3447 per dollar. An important measure of Australian inflation slipped in November to edge closer to the central bank's target band, suggesting that policymakers may have room to consider easing sooner than later. The currency fell.

Treasuries were little changed after falling across the curve in the previous session. A \$39 billion sale of 10-year bonds drew the highest yield since 2007. The 10-year Treasury yield remained around its highest levels since April. The yield on 10-year Treasuries was little changed at 4.68%. Australia's 10-year yield advanced two basis points to 4.49%. S&P 500 futures rose 0.2% as of 11:51 a.m. Tokyo time. Japan's Topix fell 0.6%. Australia's S&P/ASX 200 rose 0.7%. Hong Kong's Hang Seng fell 0.9%. Euro Stoxx 50 futures fell 0.3%.

	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
US Initial Jobless Claims	17:30	221K	219K
US Wholesale Inventories	19:00	0.1%	0.2%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5909	-1.110	0.47
Euro Stoxx 600	515	0.322	1.39
ShanghaiComposite Index	3182	-1.460	-5.05
MSX-30	4601	0.448	0.52
NIFTY-50	23672	-0.151	0.12
Brent Crude (\$/bbl)	77.33	0.350	3.59
Gold (\$/oz.)	2647	-0.047	0.87
		0.075	
DXY	109		0.13
Silver(\$/oz.)	30	-0.027	3.95

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