

Bank Dhofar Morning Market Update



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Global Update

Shares in Asia were on pace for their best month since January as disappointing Chinese manufacturing data boosted bets for more policy support from Beijing. Benchmarks in Hong Kong and China reversed early losses that were fueled by a report showing that Chinese factory activity contracted once again in November. A gauge of the services sector in the world's second-largest economy shrank for the first time this year. , global stocks are headed for their best month since November 2020 as investors increasingly bet that the Federal Reserve will cut interest rates next year. US stock futures edged higher, while the dollar weakened against its Group-of-10 peers. Treasuries steadied after pushing higher Wednesday. Bond bulls again latched onto comments from Fed officials, juicing a rally in November that has placed a gauge of global sovereign and corporate debt on track for the best month since 2008. Hard data provided support for a soft landing for the US economy. Economic activity slowed in recent weeks as consumers pulled back on discretionary spending, the Fed said in its latest "Beige Book".

Gold hovers lower around \$2,040 per troy ounce during the Asian session on Thursday. The yellow metal has retreated from the six-month high it reached at \$2,052 on Wednesday. The daily chart for the XAU/USD pair shows that bulls have paused but retain control. The pair posted a higher high and a higher low while extending its advance above all its moving averages. Technical indicators, in the meantime, have lost their bullish strength, currently consolidating near overbought readings.

The 4-hour chart suggests XAU/USD may soon resume its advance. Technical indicators have retreated from extremely overbought levels and stabilized well above their midlines.



Source: Reuters, Bloomberg

Currencies					Rates		
	Open	High	Low	Close		08-00 GST	Previous Day Close
EURUSD	1.0969	1.0984	1.0967	1.0969	O/N SOFR	5.320	5.320
GBPUSD	1.2695	1.2706	1.2690	1.2695	1 month SOFR	5.343	5.348
USDJPY	147.24	147.24	146.85	147.24	3 month SOFR	5.377	5.388
USDINR	83.31	83.33	83.29	83.33	6 months SOFR	5.371	5.394
USDCNY	7.1378	7.1382	7.1194	7.1262	12 month SOFR	5.213	5.264
USDCHF	0.8739	0.8746	0.8717	0.8739	3 years IRS	4.166	4.166

AUDUSD	0.6617	0.6643	0.6615	0.6617	5 years IRS	3.928	3.929
NZDUSD	0.6156	0.6182	0.6153	0.6156	Bond bulls again latched onto comments from Fed officials, juicing a rally in November that has placed a gauge of global sovereign and corporate debt on track for the best month since 2008. Treasuries pushed higher over the US morning session and broadly held gains, leaving yields down by up to 10bp across the front-end of the curve in a bull steepening move. Gains across bunds supported Treasuries, after German CPI missed estimate while futures block trades also gave a boost to the steepening move on the day. Yields ended off session lows after Fed's Barkin said rate hikes are not off the table. The yield on 10-year Treasuries was little changed at 4.26%.		

The US dollar steadied after four straight days of losses, while the euro retreated for the first time in five days as German inflation in November dropped more than expected on a month-over-month basis. EUR/USD is down 0.1% to 1.0980, the first drop in five days; overnight high at 1.1017 vs August high 1.1065. USD/JPY rises less than 0.1% to 147.54; Bank of Japan board member Seiji Adachi indicated his preference to wait at least until April to confirm a wage-inflation cycle is in place, in a bid to cool speculation over an early policy normalization move.

OMR Money Markets	
	Current Levels
CBO Repo Rate	6
O/N OMIBOR	5.784
*Bank Deposit Rates for 1 years	5.0
Bank Deposit Rates for 5 years	5.5

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Previous
(US)Initial Jobless Claims	17:30	218K	209k
(US)Continuing Claims	17:30	1865k	1840k

Source: Reuters, Bloomberg

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	4551	-0.09	0.0
Euro Stoxx 600	459	0.45	8.1
Shanghai Composite Index	0	0.00	0.0
MSX-30	4655	0.47	-4.2
NIFTY-50	20100	0.02	11.0
Brent Crude (\$/bbl)	0	0.00	
Gold (\$/oz.)	2045	0.04	12.1
DXY	103	0.03	-0.7

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