

Bank Dhofar Morning Market Update



Date: 21/11/23

Global Update

Asian stocks advanced Tuesday, buoyed by gains on Wall Street, as US shares extended their rally and a \$16 billion sale of 20-year Treasuries lured bond buyers. The dollar extended losses. Technology stocks were among the outperformers in the region. A gauge of China developers gained as much as 7.6%, poised for the biggest increase since September after Bloomberg reported that regulators are drafting a list of 50 developers eligible for a range of financing. US contracts edged higher after the S&P 500 had its strongest close since August and the Nasdaq 100 hit a 22-month high. Treasuries held their gains in Asian trading following a strong 20-year auction in the previous session. Shortly after the auction results, US 10-year yields reversed course and fell to around 4.4% Monday, pushing the dollar to an 11-week low. The greenback fell against all its Group-of-10 peers on Tuesday on bets that US rates may have peaked while the offshore yuan strengthened beyond the daily fixing for the first time since July. Traders have also been fixated on Treasury sales, especially after the US recently offered an unusually large premium to sell 30-year securities.

The USD/JPY pair remains under some selling pressure for the fourth straight day on Tuesday and drops to its lowest level since October 4 during the Asian session. The 14-day RSI below the 50 level signals bearish sentiment, which could inspire the bears of the USD/JPY pair to navigate the support region around 146.50 major level, followed by the 38.2% Fibonacci retracement at 146.37. Additionally, the MACD line is positioned above the centerline, showing divergence below the signal line, it typically suggests a bearish momentum in the market. On the upside, the psychological level at 150.00 could be the key barrier, aligning with the nine-day Exponential Moving Average (EMA) at 150.34. A breakthrough above the latter could support the USD/JPY pair to revisit the previous week's high at 151.90.



Source: Reuters, Bloomberg

Currencies					Rates		
	Open	High	Low	Close		08-00 GST	Previous Day Close
EURUSD	1.0940	1.0965	1.0939	1.0940	O/N SOFR	5.320	5.320
GBPUSD	1.2505	1.2540	1.2500	1.2505	1 month SOFR	5.335	5.333
USDJPY	148.39	148.42	147.25	148.39	3 month SOFR	5.372	5.367
USDINR	83.33	83.37	83.32	83.35	6 months SOFR	5.373	5.363
USDCNY	7.1350	7.1418	7.1314	7.1669	12 month SOFR	5.226	5.201

USDCHF	0.8850	0.8850	0.8827	0.8850	3 years IRS	4.407	4.407
AUDUSD	0.6557	0.6587	0.6554	0.6557	5 years IRS	4.153	4.154
NZDUSD	0.6037	0.6075	0.6029	0.6037			

The greenback fell against all its Group-of-10 peers on Tuesday on bets that US rates may have peaked while the offshore yuan strengthened beyond the daily fixing for the first time since July. Meanwhile, the yen headed for a fourth day of gains on the back of a weaker dollar. The Dollar Spot Index fell 0.2%. The euro rose 0.2% to \$1.0961. The offshore yuan rose 0.4% to 7.1412 per dollar. The Australian dollar rose 0.4% to \$0.6580.

Japan's 10-year yield declined three basis points to 0.710%. Australia's 10-year yield declined seven basis points to 4.44%. Treasuries held their gains in Asian trading following a strong 20-year auction in the previous session. Shortly after the auction results, US 10-year yields reversed course and fell to around 4.4% Monday, pushing the dollar to an 11-week low. The greenback fell against all its Group-of-10 peers on Tuesday on bets that US rates may have peaked while the offshore yuan strengthened beyond the daily fixing for the first time since July.

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)Philadelphia Fed Non-Manufacturing Activity	17:30		-20.3
(US)Existing home Sales	17:30	3.9m	3.96m

Source: Reuters, Bloomberg

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	4547	0.74	0.0
Euro Stoxx 600	456	0.10	7.4
Shanghai Composite Index	0	0.00	0.0
MSX-30	4614	-0.18	-5.0
NIFTY-50	19767	0.37	9.2
Brent Crude (\$/bbl)	0	0.00	
Gold (\$/oz.)	1991	0.68	9.2
DXY	103	-0.21	-0.3

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