

# Bank Dhofar Morning Market Update



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## Global Update

Gold surged to a fresh record in Asian trading as markets shrugged off Federal Reserve Chair Jerome Powell’s reminder that policymakers are in no hurry to ease interest rates. The precious metal jumped as much as 3.1% to \$2,135.39 an ounce. Asian shares were mixed, with a gain in Australian, Korean and Hong Kong stocks, while Japanese and mainland Chinese equities fell. US equity futures were steady. The rally in gold even as the dollar edged higher and policy sensitive two-year Treasuries pared Friday’s strong gains, as traders held bets the Fed could cut as early as March. Swaps have priced a full reduction by May and project a full point of easing by December 2024. Powell on Friday noted the central bank is ready to hike further if needed.

US stocks closed at their highest since March 2022 and two-year yields at their lowest since June on Friday as signs pile up that after defying expectations all year and splurging over the summer. A measure of US factory activity shrank for a 13th straight month in November as high interest rates continue to hammer the goods-producing side of the economy.

EUR/USD is trading below 1.0900, snapping its three-day losing streak during Asian trading hours on Monday. From a technical perspective, the pair managed to defend the 23.6% Fibonacci retracement level of the October-November rally. This, in turn, warrants some caution before positioning for a deeper corrective decline. Moreover, oscillators on the daily chart are holding in the positive territory, which favours bullish trades and suggests that the path of least resistance for spot prices remains to the upside. That said, any subsequent move-up might now confront resistance near the 1.0945-1.0950 area. A sustained strength beyond should allow bulls to make a fresh attempt to conquer the 1.1000 psychological mark.



Source: Reuters, Bloomberg

Currencies					Rates		
	Open	High	Low	Close		08-00 GST	Previous Day Close
EURUSD	1.0881	1.0895	1.0867	1.0884	O/N SOFR	5.330	5.310
GBPUSD	1.2709	1.2725	1.2667	1.2710	1 month SOFR	5.346	5.341
USDJPY	146.79	146.83	146.23	146.82	3 month SOFR	5.375	5.369
USDINR	83.28	83.34	83.27	83.30	6 months SOFR	5.341	5.333
USDCNY	7.1275	7.1367	7.1275	7.1285	12 month SOFR	5.118	5.108
USDCHF	0.8696	0.8709	0.8667	0.8692	3 years IRS	4.090	4.058

<b>AUDUSD</b>	0.6651	0.6691	0.6648	0.6675	<b>5 years IRS</b>	3.872	3.842
<b>NZDUSD</b>	0.6195	0.6223	0.6191	0.6209			

The AUD/USD pair attracts some intraday sellers in the vicinity of the 0.6700 mark, or over a five-month top touched during the Asian session on Monday and drops to a fresh daily low in the last hour. Spot prices currently trade around the 0.6660 area, down just nearly 0.10% for the day, and the downside is sponsored by a modest US Dollar (USD) uptick. The Dollar Spot Index down 0.4%, also down 0.4% on the week. USD/JPY down 0.9% to 146.87; the yen earlier gained as much as 1%, best intraday performance since Oct. 3. NZD/USD up 0.8% to 0.6204.

A gauge of the dollar fell on Friday, capping a third straight week of losses as Treasury yields slid across the curve. The dollar edged higher and policy sensitive two-year Treasuries pared Friday's strong gains, as traders held bets the Fed could cut as early as March. Swaps have priced a full reduction by May and project a full point of easing by December 2024. Powell on Friday noted the central bank is ready to hike further if needed. The yield on 10-year Treasuries advanced five basis points to 4.24%. Japan's 10-year yield declined 1.5 basis points to 0.685%. Australia's 10-year yield declined three basis points to 4.46%.

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

\*Amount>500k OMR

<b>Calendar</b>			
<b>Key Data Watch</b>	<b>Time (GST)</b>	<b>Expected</b>	<b>Previous</b>
<b>(US)Factory Orders</b>	19:00	-3.0%	2.8%
<b>(US)Durable Goods Orders</b>	19:00	-5.4%	-5.4%

Source: Reuters, Bloomberg

<b>Global Markets</b>			
	<b>Level</b>	<b>1-Day Change (%)</b>	<b>YTD (%)</b>
<b>S&amp;P 500</b>	4595	0.59	0.0
<b>Euro Stoxx 600</b>	466	0.99	9.7
<b>Shanghai Composite Index</b>	0	0.00	0.0
<b>MSX-30</b>	4658	0.00	-4.1
<b>NIFTY-50</b>	20554	1.41	13.5
<b>Brent Crude (\$/bbl)</b>	0	0.00	
<b>Gold (\$/oz.)</b>	2085	0.63	14.3
<b>DXY</b>	103	0.05	-0.2

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