

Bank Dhofar Morning Market Update



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Global Update

Asian shares halted a three-day rally, while the US dollar strengthened as traders took some profits following Xi-Biden's meeting and weak housing data in China. The MSCI Asia Pacific Index declined 0.8% with Chinese shares in Hong Kong leading the decline after home prices fell at their fastest clip since 2015, underscoring the hurdles for the world's second-largest economy to emerge out of its economic rut. US futures dropped, effectively erasing the 0.2% gain in the S&P 500 on Wednesday. Treasuries rose in Asia after a sell-off Wednesday where the 10-year rate rose eight basis points to above 4.5%. The greenback reversed early losses and traded near the high of the day after adding to the gains of previous session, including the yen, which weakened beyond 151 per dollar. Despite the growing hopes US inflation will further dissipate toward the Fed's 2% target, a growing number of high-profile Wall Street figures have urged caution. Australian dollar fell against most Group-of-10 currencies as traders focused on the nation's rising jobless rate even as employment numbers improved in October. The value of imports in Japan gained 1.6% from a year earlier in October, outpacing estimates of a 1% increase.

The EUR/USD pair loses traction during the Asian trading hours on Thursday. After posting the highest daily close in over two months, above the key simple moving averages, the EUR/USD currency pair pulled back modestly, holding above 1.0800. The chart analysis suggests an upward bias, with the following key resistance levels at 1.0900 and 1.0945. On the 4-hour chart, technical indicators indicate that the bearish correction could continue. The RSI is moving south from an overbought level, and Momentum is retracing. Immediate support stands at 1.0830, followed by 1.0780. The crucial dynamic support is represented by an upward trendline at 1.0720.



Source: Reuters, Bloomberg

Currencies					Rates		
	Open	High	Low	Close		08-00 GST	Previous Day Close
EURUSD	1.0848	1.0856	1.0830	1.0848	O/N SOFR	5.320	5.320
GBPUSD	1.2416	1.2424	1.2380	1.2416	1 month SOFR	5.330	5.330
USDJPY	151.36	151.37	151.12	151.36	3 month SOFR	5.369	5.390
USDINR	83.19	83.21	83.17	83.15	6 months SOFR	5.381	5.435
USDCNY	7.2526	7.2612	7.2526	7.2468	12 month SOFR	5.229	5.348

USDCHF	0.8880	0.8889	0.8865	0.8880	3 years IRS	4.459	4.459
AUDUSD	0.6509	0.6520	0.6461	0.6509	5 years IRS	4.235	4.235
NZDUSD	0.6023	0.6030	0.5971	0.6023			

The dollar rises against most G-10 peers as sentiment weakened. USD/JPY down 0.1% to 151.24, AUD/USD fell 0.6% to 0.6470 and NZD/USD fell 0.7% to 0.5979, both pairs were sold for yen, according to traders. GBP/USD fell 0.2% to 1.2389. The Dollar Spot Index gained 0.1%. The euro fell 0.1% to \$1.0834. The offshore yuan was little changed at 7.2651 per dollar.

The Aussie and kiwi fall amid risk-off price action after weak China housing data and a mixed Australian jobs report. Australia's 10-year yield advanced two basis points to 4.55%. U.S. 2-year yields are down 1bp to 4.90% while 10-year yields fall 3bps to 4.50%, and 30-year yields fell 3bps to 4.66%. Treasuries rose in Asia after a sell-off Wednesday.

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)Import Price Index MoM	17:30	-0.3%	0.1%
(US)Import Price Index YoY	17:30	-1.8%	-1.7%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	4503	0.16	0.0
Euro Stoxx 600	455	0.42	7.0
Shanghai Composite Index	0	0.00	0.0
MSX-30	4584	0.16	-5.6
NIFTY-50	19717	0.21	8.9
Brent Crude (\$/bbl)	0	0.00	
Gold (\$/oz.)	1962	0.13	7.6
DXY	105	0.12	1.0

Source: Reuters, Bloomberg

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716

Email: TreasurySales@bankdhofar.com

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