

May 8, 2012

GCC MARKET RECAP

There is ample liquidity in the GCC markets.

EURO NEAR THREE-MONTH LOW ON GREEK LEADERSHIP CONCERN

The S&P's 500 Index advanced, halting a three-day decline, as bank shares rallied after Warren Buffett said American lenders are in "fine shape" and investors weighed elections in France and Greece. Asian stocks rose as Capcom Co. forecast higher profit and SJM Holdings Ltd. posted increased earnings, helping the regional benchmark index rebound after political change in Europe sparked its biggest loss in six months yesterday.

Eur traded 0.6 percent from a three-month low as Greece's political leaders meet for a second day in a bid to form a new government, after an election raised questions about the country's membership of the euro bloc. The 17-nation currency maintained a two-day decline against the yen after French President Nicolas Sarkozy, German Chancellor Angela Merkel's preferred partner for enforcing debt reductions, was defeated by Socialist Francois Hollande. Demand for the yen was limited as Asian stocks climbed before data that may show German industrial production rebounded. Australia's dollar dropped against 14 of its 16 major peers after the country's trade deficit more than doubled in March.

Oil traded near the lowest level in three months in New York before a government report that may show inventories rose to the highest in more than 21 years in the U.S., the world's biggest crude consumer.

Economic releases for the day: US NFIB Business Optimism (15:30), US ICSC Chain Stores (15:45), US IBD Economic Optimism.

KEY TECHNICAL LEVELS

| | EUR/ USD | USD/ JPY | GBP/ USD | USD/ CHF |
|------------|----------|----------|----------|----------|
| Res 2 | 1.3185 | 81.80 | 1.6425 | 0.9335 |
| Res 1 | 1.3080 | 80.50 | 1.6310 | 0.9270 |
| Supp 1 | 1.2950 | 79.50 | 1.6065 | 0.9170 |
| Supp 2 | 1.2850 | 78.30 | 1.6000 | 0.9035 |
| Short Term | ▼ | ◀▶ | ◀▶ | ◀▶ |
| Med Term | ▼ | ▲ | ◀▶ | ▲ |

TECHNICAL VIEW : GBP/USD



In our previous trade, we had suggested buying GBP/USD at 1.6145 with s/l 1.6075 for t/p 1.6325. The pair hit a low of 1.6111, thus initiating our trade. The GBP is trading well within its upward trend channel and we would prefer to stay long on the GBP.

STRATEGY

Stay long GBP/USD at 1.6145, s/l 1.6075 for t/p 1.6325

MARKET INDICATORS

| CURRENCIES | EUR | GBP | JPY | CHF | USD | AUD | CAD | SEK | SGD | INR | CNY |
|---------------|--------|--------|----------|--------|--------|--------|--------|----------|--------|----------|----------|
| FCY Agst. USD | | | | | | | | | | | |
| SPOT | 1.3012 | 1.6141 | 79.83 | 0.9227 | - | 1.0155 | 0.9955 | 6.8369 | 1.2471 | 53.0275 | 6.3069 |
| 24 Hr Hi | 1.3065 | 1.6198 | 80.07 | 0.9234 | - | 1.0218 | 0.9958 | 6.8486 | 1.2477 | 53.0600 | 6.3085 |
| 24 Hr Lo | 1.3008 | 1.6138 | 79.79 | 0.9191 | - | 1.0153 | 0.9920 | 6.8065 | 1.2441 | 52.6800 | 6.3059 |
| FCY Agst. OMR | 0.5010 | 0.6214 | 0.004823 | 0.4173 | 0.3850 | 0.3910 | 0.3867 | 0.056312 | 0.3087 | 0.007260 | 0.061044 |
| OMR Agst. FCY | 2.00 | 1.61 | 207.35 | 2.40 | 2.60 | 2.64 | 2.59 | 17.76 | 3.24 | 137.73 | 16.38 |

EQUITY INDICES

| MSM | Dow | Nasdaq | S&P 500 | FTSE | Nikkei | BSE | NSE | Shanghai |
|---------|----------|---------|---------|---------|---------|----------|---------|----------|
| 5791.63 | 13008.53 | 2957.76 | 1369.58 | 5655.06 | 9181.65 | 16760.55 | 5079.55 | 2448.88 |
| -0.95% | -0.23% | 0.05% | 0.48% | 0.00% | 0.69% | -0.90% | -0.68% | -0.12% |

COMMODITIES: Base Metals (Bid Price)

| | Copper | Aluminum | Lead | Zinc | Tin | Gold | Silver | Platinum | Brent | NYMEX | Oman Cru |
|----------|---------|----------|---------|---------|----------|--------------------|--------|----------|--------|--------|----------|
| Cash | 8295.50 | 2047.50 | 2079.50 | 1996.00 | 21750.00 | Last Price 1628.44 | 29.66 | 1520.75 | 112.15 | 97.00 | 109.37 |
| 3 Months | 8225.00 | 2088.00 | 2089.50 | 1999.00 | 21650.00 | % Change -0.59% | -1.17% | -0.07% | 0.00% | -0.96% | -0.15% |

US TREASURIES: Price & Yield

| Period | OMR | USD | EUR | GBP | Tenor | Price | Yield | Period | 1 Month | 3 Months | 6 Months | 1 Year |
|--------|-------|-------|-------|-------|-------|--------|-------|--------|---------|----------|----------|---------|
| 1 M | 0.25% | 0.25% | 0.50% | 0.50% | 6 M | 99.99 | 0.15% | USD | 0.23875 | 0.46585 | 0.72840 | 1.04920 |
| 2 M | 0.30% | 0.30% | 0.75% | 0.50% | 1 Y | 99.83 | 0.17% | EUR | 0.34286 | 0.61821 | 0.93286 | 1.27393 |
| 3 M | 0.40% | 0.50% | 1.00% | 0.75% | 5 Y | 100.51 | 0.77% | GBP | 0.68375 | 1.01063 | 1.33281 | 1.86150 |
| 6 M | 0.50% | 0.75% | 1.25% | 1.00% | 10 Y | 101.28 | 1.86% | JPY | 0.14429 | 0.19571 | 0.33586 | 0.55229 |
| 1 Y | 1.00% | 1.25% | 1.50% | 1.50% | 30 Y | 101.56 | 3.04% | CHF | 0.07500 | 0.11167 | 0.18500 | 0.39283 |

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