

October 2018

bank muscat Money Market Fund

NAV: OMR 1.1023695

USD 2.8632974

Objective

The Fund's objective is to generate maximum returns with preservation of capital and daily liquidity. The Fund seeks to achieve this by investing in liquid, high quality money market instruments including deposits issued by entities primarily in Oman and the GCC.

Fund Highlight

- 1) The Fund is designed for temporary or short term investment of surplus cash & liquidity.
- 2) The Fund aims to protect capital, provide liquidity & produce attractive yield.

Commentary

The annualized fund return over the last month was 2.86% p.a., higher than the typical call rate of 0.5%-1.5% p.a offered by banks in Oman. The return of the Fund remained higher as compared to 3 month average deposit rate of around 1.73% p.a based on the quotes received by the Fund from local major banks in Oman. However, the bank deposit rates do not offer daily liquidity while MMF offers daily liquidity with attractive returns.

The interbank rate increased to 2.209% p.a from 2.147% a month ago. The weighted average interest rate on RO deposits of all commercial banks in Oman increased to 1.77% p.a from 1.67% p.a at the same time last year.(Source: CBO-August 2018 bulletin). The interbank rates across tenures saw increase during October 2018. During the end of the month, Oman treasury bills were tendered at yield of 2.22% for tenor of 28 days, which was higher as compared to September by 9 bps.

The Oman Government bonds listed in international exchanges saw the yields in the 5-year Government bonds increase to 5.195% from 4.721% p.a. Similarly, the 10-years Oman Government bonds saw the yields increase from 5.80% to 6.25% p.a. The volatility in the bond market driven by increase in interest rates by US Fed, equity markets movements, trade wars, political concerns and currency crisis in some of the emerging markets led to higher yields in the bond markets.

The Fund has seen a strong track record in terms of providing liquidity and attractive returns for short term cash management for the investors. The Fund continued to generate good and consistent performance as shown in returns below:

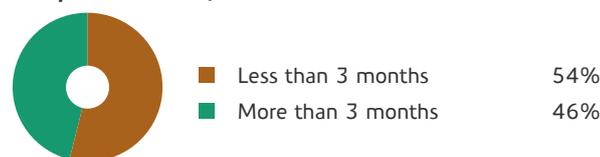
Particular	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17
Return*	2.86%	2.88%	2.72%	2.40%	2.44%	2.40%	2.40%	2.15%	2.04%	2.01%	2.26%	1.79%
Weighted Average Maturity (Days)	129	131	150	154	126	131	149	143	150	211	203	170

* Annualized Returns

Fund Information

Fund Manager	Sachin Sawrikar
Custodian	bank muscat SAOG
Domicile Oman	Oman
Risk Profile	Low

Deposit Profile



Geographic Allocation



Currency Profile



Performance

Name	1 Month	3 Months	6 Months	12 Months
bm Money Market Fund	2.9%	2.8%	2.7%	2.4%

Annualized Returns

For further information, please contact:

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