



Bank Muscat Money Market Fund

Objective

The Fund's objective is to generate steady returns with preservation of capital and provide daily liquidity. The Fund seeks to achieve this by investing in liquid, high quality money market instruments including bank deposits with commercial banks in Oman and the GCC.

Fund Highlights

- 1) The Fund aims to protect capital, provide daily liquidity & generate attractive yield.
- 2) The Fund is designed as an alternative to traditional current and call bank accounts.

Portfolio Report

Bank Muscat Money Market Fund's annualized return stood at 5.19% for the month of January 2024. The fund continues to appeal to investors as a result of its superior performance with added benefit of no entry or exit load. In addition, the Fund also provides daily subscription and redemption for investors. The returns provided by the fund are higher than the typical call rate of 0.5%-3.0% p.a. offered by banks in Oman.

In line with market expectations, the Federal Open Market Committee (FOMC) meeting held during 30th to 31st January 2024, voted to keep the federal funds rates unchanged in the range of 5.25% - 5.50%. It also indicated that policy rates have likely peaked and that there could be rate cuts if they are able to derive confidence on the inflation rate continuing to move to the target 2% rate. Further, with regards to rate cut initiation, Fed commentary gave a fair indication that the same will not be initiated in the month of March as market participants had envisaged. The Fed expressed confidence in the state of the US economy with robust economic growth, 50-year high employment and continued consumer spending.

In the United Kingdom, the Bank of England (BoE) kept rates on hold at 5.25%. With the BoE governor still looking for "more evidence" before rates can be cut, the bank's comments are consistent with analysts forecast for no cuts until August.

Meanwhile, the eurozone narrowly avoided a recession in Q4 2023 with Spain performing particularly well, while Germany's GDP fell. Eurozone inflation surprised to the upside in January. Combined with high wage growth, it is widely anticipated that the European Central Bank will not rush to cut rates.

Moving on to the world's second largest economy; their policymakers have been taking a number of measures to support their economy across multiple fronts viz. capital market, property and financial sector. There appears to be a more active stance to shore up growth. Nonetheless, consistency and persistence of policy support will be scrutinized closely.

Regionally, the International Monetary Fund (IMF) lowered its 2024 forecast for economic growth in Saudi Arabia to 2.7% in the latest report projecting a slower recovery amid lower oil production, but said non-oil growth this year was expected to remain "robust". In October, the Fund had projected GDP growth at 4% for 2024 after a sharp slowdown last year on the back of lower oil prices and production cuts. IMF has also significantly cut Saudi's forecast for growth in 2023, now estimating a GDP contraction of 1.1% from a projected growth of 0.8% in October's report. Overall growth in the Middle East and Central Asia region was also revised downwards to 2.9% from a previously estimated 3.4% in October.

The yield on 10-year U.S. Treasury Yields kept oscillating during January between 3.91% -4.17% and it closed at the lower end, still rising by 0.03 month on month basis.

Central Bank of Oman issued 28-day T-bills on 22nd January at the yield of 5.33868%, the yields on these bills were marginally lower than the bills issued on 27th December at a yield of 5.36665%.

The Bank Muscat Money Market Fund has a strong track record in terms of providing liquidity and attractive returns for short term cash management for the investors. The monthly performance for the past 12 months is given below:

Portfolio Performance

Particular	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
Return*	5.19%	5.18%	5.12%	5.04%	5.03%	4.91%	4.83%	4.63%	4.65%	4.52%	4.23%	4.22%	4.21%
Weighted Average Maturity (Days)	72	94	117	116	146	142	135	129	142	83	75	109	90

*annualized # WAM reinstated for callable deposits.

Fund's performance

Fund's name	1 month	3 months	6 months	YTD	12 months
Bank Muscat Money Market Fund	5.19%	5.16%	5.08%	5.19 %	4.80%

Annualized

For further information, please contact:

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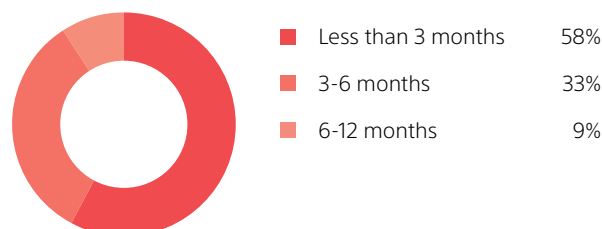
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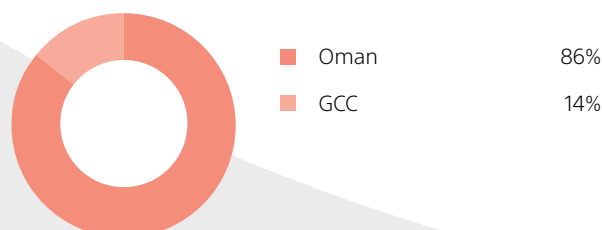
Fund Information

Fund Manager	Shridhar Shenoy; Ashishkumar Prajapati
Custodian	Bank Muscat SAOG
Domicile Oman	Oman
Risk Profile	Low

Deposit Profile



Geographic allocation



Currency Profile

