



# 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 accounts with commercial banks.

## Portfolio Report

Bank Muscat Money Market Fund's annualized return stood at 5.24% for the month of April 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 rates offered by banks in Oman.

The 3rd FOMC meeting of the year concluded on 1st May with the FOMC deciding to keep the Fed Fund rates unchanged at 5.25%-5.50%. For its sixth consecutive meeting, the Federal Open Market Committee (FOMC) left its target rate unchanged. Inflation in US continues to be more persistent than expected, y-o-y core PCE inflation had not improved much over the past four months, falling only marginally from 2.9% in December and January to 2.8% in February and March. Headline CPI was also stronger than expectations, printing at 0.4% MoM (Consensus 0.3%, Previous 0.4%). Food prices rose 0.1% MoM and energy prices increased 1.1% in March.

US Q1 GDP growth surprised to the downside with actual print of 1.6% (Consensus 2.5%, Previous 3.4%), with Personal Consumption growing by 2.5% (Consensus 3%, Previous 3.3%). PCE for Q1 was 3.1% (Consensus 3.0%, Previous 1.6%) and Core PCE stood at 3.7% (Consensus 3.4%, Previous 2%), which again indicated reversal of progress on inflation front.

Fed Chair noted that inflation was proving "more persistent than expected", while affirming markets that it was "unlikely" that the next policy rate move would be a hike. Fed Chairman also said that "it will take longer than expected to become confident about inflation returning to the Fed's 2% goal".

Given the accumulation of data this year showing resilient economic growth and sticky core inflation, market participants now forecast only one 25bp rate cut in 2024 (75bp previously).

In Europe, data revealed that the slowdown in euro-area inflation stalled in April, with 2.4% pace matching that of the previous month. Still, gains in service prices eased to 3.7% after five months at 4%. The European Central Bank is now expected to probably lower borrowing costs three times this year instead of four. Inflation numbers are consistent with ECB's most recent projections, but first quarter output figures were a positive surprise.

Australia's central bank kept interest rates at a 12-year high in a widely anticipated move and maintained a neutral stance. The Reserve Bank of Australia (RBA) held its cash rate at 4.35% for a fourth straight meeting.

Central Bank of Oman issued 28-day T-bills on 29th April at a yield of 4.64417%, the yields on these bills were lower than the bills issued on 25th March at a yield of 4.97247%.

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	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023
Return*	5.24%	5.18%	5.20%	5.19%	5.18%	5.12%	5.04%	5.03%	4.91%	4.83%	4.63%	4.65%	4.52%
Weighted Average Maturity (Days)	63	69	65	72	94	117	116	146	142	135	129	142	83

\*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	5.24%	5.21%	5.18%	5.20%	5.03 %

Annualized

For further information, please contact:

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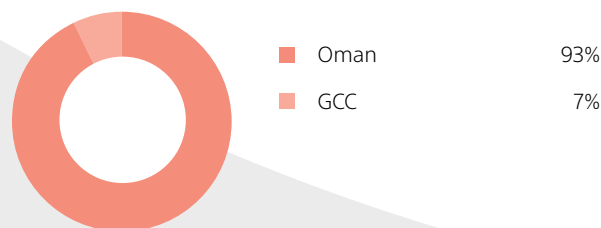
## Fund Information

Fund Manager	Bank Muscat Asset Management
Custodian	Bank Muscat SAOG
Domicile Oman	Oman
Risk Profile	Low

## Deposit Profile



## Geographic allocation



## Currency Profile

