



# 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 5.35% for the month of June 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 4th FOMC (Federal Open Market Committee) meeting of the year concluded on 12th June with the US Fed once again deciding to keep the Fed rates unchanged at 5.25%-5.50%. Changes to the statement and the economic projections were modest. The statement retained the language that the FOMC "does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably towards 2 percent" or alternatively, see an "unexpected weakening" in the labor market. Market participants were anticipating this decision to hold rates, in March, the median projections were for three rate cuts in 2024, while latest 2024 median, suggests just one rate cut. Changes to the 2025 dots were less significant, with the new median dot at 4.125%, suggesting 100bp of cuts.

Headline CPI was unchanged month-on-month in May (consensus +0.1%). The year-on-year rate fell to 3.3% from 3.4%. Core CPI rose 0.2% month-on-month in March (consensus +0.3%). The year-on-year rate fell to 3.4% from 3.6%.

The FOMC minutes acknowledged the recent lack of progress in curtailng inflation and continued to highlight the upside risks to the inflation outlook. Committee members noted that, "the recent increases in inflation had been relatively broad based and therefore should not be overly discounted." Furthermore, they noted that the disinflation process would likely take longer than previously thought.

During the month ECB cut policy rates by 25bps – the first cut since September 2019 – taking the deposit rate to 3.75%. This came as no surprise to markets as ECB had indicated possibility of rate cut in April meeting. The monetary policy statement highlighted that "it is now appropriate to moderate the degree of monetary policy restriction after nine months of holding rates steady", as "the inflation outlook has improved markedly and underlying inflation has also eased, reinforcing the signs that price pressures have weakened.

The Bank of England's Monetary Policy Committee voted 7-2 to keep the Bank Rate on hold at 5.25% at its June meeting. While, Bank of Canada delivered a 25bp rate cut during the month.

Central Bank of Oman issued 28-day T-bills on 24th June at a yield of 4.70916%, the yields on these bills were higher than the bills issued on 13th May at a yield of 4.64417%. Furthermore, yield on 91 day bills issued on 24th June was at 5.16771%, higher than yield of 5.15185 % for bills issued on 27th May.

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 investors. The monthly performance for the past 12 months is given below:

## Portfolio Performance

Particular	Jun 2024	May 2024	Apr 2024	Mar 2024	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023	Sep 2023	Aug 2023	Jul 2023	Jun 2023
Return*	5.35%	5.32%	5.24%	5.18%	5.20%	5.19%	5.18%	5.12%	5.04%	5.03%	4.91%	4.83%	4.63%
Weighted Average Maturity (Days)	73	87	63	69	65	72	94	117	116	146	142	135	129

\*annualized # WAM reinstated for callable deposits.

## Fund's performance

Fund's name	1 month	3 months	6 months	12 months	YTD
Bank Muscat Money Market Fund	5.35%	5.30%	5.25%	5.13 %	5.25%

Annualized

For further information, please contact:

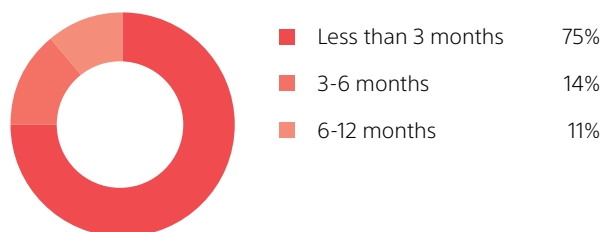
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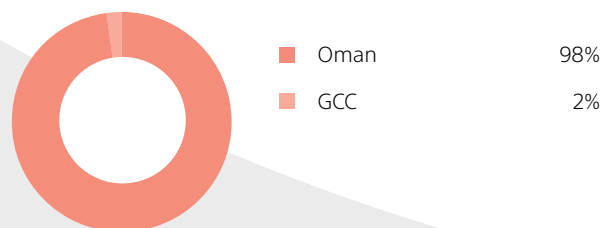
## Fund Information

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

## Deposit Profile



## Geographic allocation



## Currency Profile

