

Tariff turbulence

US

- ▶ The Trump administration postponed its scheduled tariff hikes on numerous trading partners originally set for Wednesday, July 9, extending the 90-day negotiation window to August 1 to allow continued discussions.
- ▶ President Trump issued formal letters to over 20 countries, warning of steep tariffs unless new trade deals are reached by August 1: the new tariffs included a 25% levy on key allies South Korea and Japan, along with varying tariff rates targeting Canada, South Africa, Thailand, and Malaysia. Notably, Trump revealed plans to raise tariffs on Brazilian imports to 50%, a move directly tied to ongoing legal proceedings against Brazil's former right-wing president, Jair Bolsonaro. The Trump administration also confirmed a 50% tariff on copper imports, effective August 1. Over the weekend, new tariffs on the EU and Mexico were announced.
- ▶ Minutes from the June 17-18 Fed meeting showed that officials were divided over how aggressively to cut interest rates, as they weighed tariff-driven inflation against signs of weakening labour markets and softening economic strength. Many participants supported a potential rate cut later this year, viewing inflation pressures as short-lived and economic risks as more concerning.
- ▶ US small business confidence edged down in June, as concerns over rising inventories and weaker sales outlooks grew. The NFIB's optimism index slipped to 98.6, with nearly 1 in 8 firms saying stock levels were too high.
- ▶ New York Fed Survey of Consumer Expectations showed that one-year-ahead inflation fell to 3% in June from 3.2% in May, while the three- and five-year forecasts were unchanged at 3% and 2.6% respectively.
- ▶ The US Federal Budget Balance unexpectedly posted a USD27bn surplus in June, sharply beating the forecasted USD41.5bn deficit and marking a major improvement from last month's USD316bn shortfall.
- ▶ US initial jobless claims fell to 227K for the week ending July 5, the lowest in 7-weeks and below expectations, reflecting continued labour market strength.
- ▶ US wholesale inventories fell by 0.3% MoM in May after inching up by 0.1% MoM in April. The pullback by inventories matched expectations as well as the flash estimate. The inventories-to-sales ratio held steady at 1.30.
- ▶ MBA mortgage applications rose sharply by 9.4% for the week ending July 4, driven by a drop in the 30-year mortgage rate to 6.77%, its lowest in three months. Purchase applications hit their highest level since early 2023.

Europe and UK

- ▶ Eurozone's retail sales grew 1.8% YoY in May, following a revised 2.7% YoY increase in April, according to official data released by Eurostat. Markets estimated a 1.4% figure. On a monthly basis, retail sales dropped 0.7% in May versus April's +0.3% revision.
- ▶ German industrial production rose more than expected in May, helped by the automotive industry and energy production. Production rose 1.2% MoM in May, better than consensus estimates of -0.2% MoM.
- ▶ Germany's final CPI for June was confirmed at 2.0% YoY, down from 2.1% in May, marking the lowest level since October 2024. Core inflation eased slightly to around 2.7%.
- ▶ The UK economy unexpectedly contracted in May, with GDP slipping 0.1% MoM instead of growing as forecasted. The decline was driven by drops in production (-0.9%) and construction (-0.6%), as U.S. tariffs and lingering business uncertainty continued to weigh.

Asia

- ▶ China's producer prices declined 3.6% YoY in June, marking its largest decline since July 2023. China CPI rose 0.1% YoY in June, returning to growth after four straight months of decline. This modest uptick surprised market expectations. Core CPI—excluding food and energy, rose 0.7% YoY, the sharpest increase in 14 months.
- ▶ Japan's PPI slowed to 2.9% YoY in June from 3.3% YoY in May, indicating easing cost pressures at the producer level and supporting the BOJ's wait-and-see policy stance.

Rates

- ▶ US Treasuries registered a second week of losses, with long-dated bonds underperforming the most on re-emerging inflation concerns due to Trump's new tariffs threat. This was despite strong appetite seen at the government auctions of 10Y and 30Y Treasuries this week.
- ▶ Yield curves bear steepened in the US, Germany, UK and Japan.
- ▶ Long-dated bond yields in Japan rose with the 30Y JGB bond yield breaching 3%, amid growing fiscal worries and election-related uncertainty in Japan.

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FX

- ▶ The US dollar posted its strongest weekly gain in over four months, as Trump's new tariff threats stoked fears of inflation and derailed a rally in risk markets.
- ▶ The EUR weakened against the USD amidst broad USD strength. The GBP fell versus the USD, driven by disappointing UK growth data and broad USD gains.
- ▶ The JPY weakened versus the USD on increased trade tensions between the US and Japan and ahead of the domestic election uncertainty in Japan.

Commodities

- ▶ Aggregate commodity price index rose over the week, helped by higher oil and precious metal prices.
- ▶ Oil prices rose for the week, driven by stronger-than-expected summer demand and a tighter global supply outlook from the IEA, alongside mounting concerns over new US tariffs and potential fresh sanctions on Russia.
- ▶ Gold prices initially fell during the start of the week, but recovered for a weekly gain on renewed trade concerns. Silver prices soared to the highest level since 2011 as escalating global trade tensions boosted investor appetite for safe-haven assets.
- ▶ Copper prices surged to record highs following Trump's announcement of a 50% import tariff, but eased towards the end of the week as a stronger USD and profit-taking reversed gains, with analysts anticipating a gradual decline as traders release previously stockpiled reserves.

Equities

- ▶ Global equities recorded weekly losses, as markets digested new tariff threats
- ▶ US stock indexes ended the week slightly lower, with the Nasdaq holding up best amid muted market reaction to fresh tariff headlines; the S&P 500 slipped after a strong two-week rally.
- ▶ Europe's STOXX 600 rose 1.15% on trade optimism, while the UK's FTSE 100 hit a record high, gaining 1.34%; however, gains were trimmed late in the week following Trump's tariff warning to the EU.
- ▶ Japanese markets underperformed the most in USD terms, with the Nikkei down 0.61%, as trade tensions with the US and mixed domestic data dampened investor sentiment.
- ▶ Most global sectors registered losses with the exception of energy and industrials. IT and real estate were unchanged. Consumer staples and communication services underperformed the most.

Digital Assets

- ▶ Bitcoin surged to new record highs, marking a weekly gain of c9%, ahead of US House "Crypto week". The rally comes less than three weeks after the cryptocurrency momentarily dipped below the USD100k level.
- ▶ Solana jumped, fuelled by the launch of the first-ever Solana staking ETF — a milestone that solidifies its status as a leading altcoin in the crypto landscape.
- ▶ XRP rose over the week, supported by strong buying interest on growing optimism around a final resolution in the long-running Ripple vs. SEC case.
- ▶ Markets gear up for the "Crypto week" from July 14-18 where the US House of Representatives is set to vote on a market structure bill, a stablecoin bill and a bill banning a US central bank digital currency.
- ▶ Sweden has expanded its asset seizure law to include cryptocurrencies and luxury goods, empowering authorities to confiscate unexplained wealth without criminal charges.
- ▶ New Zealand has introduced new legislation to ban all crypto ATMs and tighten international cash transfer limits to combat financial crime, particularly money laundering linked to drug trafficking. The country currently has 221 crypto ATMs under scrutiny.

The Weekly Market View

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	4.31	-4.00	-6.00	-18.00
UAE Eibor 3m	4.24	8.88	10.05	-20.52
UAE Eibor 12m	4.16	4.02	-7.30	-19.03
US 3m Bills	4.33	-2.07	1.92	1.61
US 10yr Treasury	4.41	6.36	-1.56	-15.97
German 10yr Bund	2.73	11.80	14.50	35.80
UK 10yr Gilt	4.62	6.80	-2.10	5.40
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	492	-0.88	2.81	6.25
Global Treasuries	207	-1.10	2.17	6.24
Global Corporate	294	-0.74	4.31	6.66
EM USD Sovereign	427	-0.42	5.94	5.40
EM LCY Sovereign	159	-0.48	5.28	6.93
Global High Yield	1,776	-0.30	7.05	6.87
Currencies				
Dollar Index	97.85	0.69	-2.99	-9.80
EUR USD	1.1689	-0.76	4.36	12.89
GBP USD	1.3493	-1.15	4.03	7.81
USD JPY	147.43	2.05	2.06	-6.22
Equities				
S&P 500	6,260	-0.31	18.82	6.43
Dow Jones	44,372	-1.02	12.07	4.30
NASDAQ	20,586	-0.08	25.62	6.60
STOXX 600	547	1.15	12.33	7.82
DAX	24,255	1.97	17.96	21.83
Nikkei 225	39,570	-0.61	14.33	-0.81
FTSE 100	8,941	1.34	12.99	9.40
SENSEX	82,500	-1.12	11.72	5.58
Hang Seng	24,140	0.93	16.72	20.34
MSCI World	4,047	-0.36	18.26	9.14
MSCI EM	1,229	-0.20	19.47	14.29
Regional Equities				
ADX	10,065	0.83	10.30	6.86
DFM	5,855	1.77	17.71	13.50
Tadawul**	11,277	0.29	-1.96	-6.31
DSM**	10,827	0.63	7.25	2.42
MSM30**	4,603	1.16	7.78	0.57
BHSE**	1,961	0.72	3.11	-1.26
KWSE**	8,606	2.46	10.05	16.88
Commodities				
BBG Commodity Index	103.8	0.42	4.04	5.13
Brent USD/bbl	70.4	3.02	11.10	-5.73
WTI USD/bbl	68.5	2.16	13.95	-4.56
Gold USD/t oz	3,355.6	0.55	5.65	27.86
Silver USD/t oz	38.4	4.02	23.03	32.92
Platinum USD/t oz	1,382.3	-1.12	47.71	52.31
Aluminium	2,602.5	0.55	11.54	2.60
Copper USD/MT	9,637.5	-3.34	7.35	10.70
Digital Assets				
Bitcoin	117,730.8	9.27	47.39	25.63
Ether	2,975.8	19.45	94.49	-11.08
Solana	162.7	10.77	44.32	-15.57
XRP	2.8	24.20	38.89	31.67
Volatility				
VIX	16.40	-6.18	-59.72	-5.48
MOVE	85.48	-0.71	-33.40	-13.48

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as of July 11 2025 unless stated otherwise; **Data as of July 10 2025.

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Forthcoming important economic data/events

United States



Date & Time (GST)	Indicator	Period	Expected	Prior
7/15/2025 16:30	Empire Manufacturing	Jul	-9.6	-16
7/15/2025 16:30	CPI YoY	Jun	2.60%	2.40%
7/15/2025 16:30	CPI Ex Food and Energy YoY	Jun	2.90%	2.80%
7/16/2025 15:00	MBA Mortgage Applications	11-Jul	--	9.40%
7/16/2025 16:30	PPI Final Demand MoM	Jun	0.20%	0.10%
7/16/2025 16:30	PPI Ex Food and Energy MoM	Jun	0.20%	0.10%
7/16/2025 16:30	New York Fed Services Business Activity	Jul	--	-13.2
7/16/2025 17:15	Industrial Production MoM	Jun	0.10%	-0.20%
7/16/2025 17:15	Manufacturing (SIC) Production	Jun	-0.10%	0.10%
7/16/2025 17:15	Capacity Utilization	Jun	77.40%	77.40%
7/16/2025 22:00	Fed Releases Beige Book			
7/17/2025 16:30	Retail Sales Advance MoM	Jun	0.10%	-0.90%
7/17/2025 16:30	Initial Jobless Claims	12-Jul	234k	227k
7/17/2025 16:30	Continuing Claims	5-Jul	1965k	1965k
7/17/2025 18:00	NAHB Housing Market Index	Jul	33	32
7/18/2025 16:30	Housing Starts	Jun	1298k	1256k
7/18/2025 16:30	Building Permits	Jun P	1386k	1394k
7/18/2025 18:00	U. of Mich. Sentiment	Jul P	61.5	60.7
7/18/2025 18:00	U. of Mich. Current Conditions	Jul P	63.8	64.8
7/18/2025 18:00	U. of Mich. Expectations	Jul P	56	58.1
7/18/2025 18:00	U. of Mich. 1 Yr Inflation	Jul P	4.90%	5.00%
7/18/2025 18:00	U. of Mich. 5-10 Yr Inflation	Jul P	4.00%	4.00%

Japan



Date & Time (GST)	Indicator	Period	Expected	Prior
7/17/2025 3:50	Trade Balance	Jun	¥353.9b	-¥637.6b
7/17/2025 3:50	Trade Balance Adjusted	Jun	-¥274.7b	-¥305.5b
7/17/2025 3:50	Exports YoY	Jun	0.50%	-1.70%
7/17/2025 3:50	Imports YoY	Jun	-1.10%	-7.70%
7/18/2025 3:30	Natl CPI YoY	Jun	3.30%	3.50%
7/18/2025 3:30	Natl CPI Ex Fresh Food YoY	Jun	3.40%	3.70%

Eurozone



Date & Time (GST)	Indicator	Period	Expected	Prior
7/15/2025 13:00	Germany ZEW Survey Expectations	Jul	50.7	47.5
7/15/2025 13:00	Eurozone ZEW Survey Expectations	Jul	--	35.3
7/15/2025 13:00	Eurozone Industrial Production WDA YoY	May	2.10%	0.80%
7/17/2025 13:00	Eurozone CPI YoY	Jun F	2.00%	2.00%
7/18/2025 10:00	Germany PPI YoY	Jun	-1.30%	-1.20%
7/18/2025 12:00	Eurozone ECB Current Account SA	May	--	19.8b

United Kingdom



Date & Time (GST)	Indicator	Period	Expected	Prior
7/16/2025 10:00	CPI YoY	Jun	3.40%	3.40%
7/16/2025 10:00	Retail Price Index	Jun	404	402.9
7/16/2025 10:00	RPI YoY	Jun	4.20%	4.30%
7/16/2025 12:30	House Price Index YoY	May	--	3.50%
7/17/2025 10:00	Average Weekly Earnings 3M/YoY	May	5.00%	5.30%
7/17/2025 10:00	ILO Unemployment Rate 3Mths	May	4.60%	4.60%
7/17/2025 10:00	Employment Change 3M/3M	May	43k	89k
7/17/2025 10:00	Claimant Count Rate	Jun	--	4.50%
7/17/2025 10:00	Jobless Claims Change	Jun	--	33.1k

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China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
7/14/2025-7/15/2025	China New Yuan Loans CNY YTD	Jun	12699.5b	10680.0b
7/14/2025-7/15/2025	China Aggregate Financing CNY YTD	Jun	22430.7b	18630.0b
7/14/2025-7/15/2025	China Money Supply M2 YoY	Jun	8.20%	7.90%
7/15/2025 6:00	China GDP YoY	2Q	5.10%	5.40%
7/15/2025 6:00	China GDP YTD YoY	2Q	5.30%	5.40%
7/15/2025 6:00	China Retail Sales YoY	Jun	5.30%	6.40%
7/15/2025 6:00	China Industrial Production YTD YoY	Jun	6.20%	6.30%
7/15/2025 6:00	China Fixed Assets Ex Rural YTD YoY	Jun	3.60%	3.70%
7/15/2025	India Exports YoY	Jun	--	-2.20%
7/15/2025	India Imports YoY	Jun	--	-1.70%

GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
7/14/2025-7/28/2025	UAE M3 Money Supply YoY	Apr	--	12.00%
7/15/2025 10:00	Saudi Arabia CPI YoY	Jun	--	2.20%
7/11/2025-7/28/2025	Qatar CPI YoY	Jun	--	-0.08%

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