

## Signs of exhaustion?

### US

- ▶ Retail sales growth for May was weaker than expected while the previous month's data was revised lower. March data also saw a downward revision.
- ▶ Industrial production data for May was better than expected at 0.9% m-o-m. Durable goods manufacturing production increased 0.6%, while non-durable manufacturing production shot up 1.1%.
- ▶ Building permits and housing starts data for May disappointed as did the NAHB housing market index for June.
- ▶ June flash PMIs pointed to strengthening manufacturing and services sectors in the US.

### Europe and UK

- ▶ UK consumer price inflation came as expected and fell to the central bank target of 2%. Retail price inflation was slightly weaker than expected. Producer price trends were a mixed bag with input prices hotter than expected while output prices were in line.
- ▶ The BoE left rates unchanged as expected, despite the consumer inflation falling back to its 2% target in May. The composition of votes to hike, cut, and hold remained unchanged and as expected. Seven out of nine members voted for keeping rates unchanged. The monetary policy statement was dovish.
- ▶ The Swiss National Bank delivered a second consecutive rate cut taking its policy rate to 1.25% from 1.50% and indicated that it is ready to intervene in the FX market to counter any CHF strength.
- ▶ Norway's central bank left its policy rate unchanged at 4.50% as expected.
- ▶ In the Eurozone, both manufacturing and services sector flash PMIs for June disappointed.
- ▶ UK's flash PMIs pointed to continued expansion in both manufacturing and services sectors during June.

### Asia

- ▶ China loan prime rates for both 1-year and 5-year tenors were left unchanged as expected.
- ▶ House prices in China continued to decline during May. Retail sales growth surprised positively while industrial production growth slowed more than expected.
- ▶ In Japan, both exports and imports registered growth with the former surprising positively while the latter disappointed.
- ▶ Japan's nationwide core inflation for May was slightly below expectations but showed acceleration in inflation from previous month.

### Rates

- ▶ 10Y UST yields edged lower on weaker retail sales data earlier in the week but rose on Friday in reaction to better-than-expected PMIs in the US, thereby ending the week higher.
- ▶ Yields on 10Y sovereign bonds rose across the board last week.
- ▶ 10Y-2Y segments also saw steepening in most developed countries barring France where the recent rise in political risks continued to weigh.

### FX

- ▶ Broader USD index strengthened for the fifth straight week, marking its longest stretch of gains since February.
- ▶ EUR, GBP, and JPY all fell against the USD with the weakness most pronounced in the Yen.
- ▶ CHF had a volatile week with strength in the first few days followed by weakness later.

### Commodities

- ▶ Oil prices rose for the second straight week despite the USD strength on more-than-expected drawdown in the US inventories.
- ▶ In the precious metal space, while gains in gold prices were muted, more cyclical silver and platinum registered sizable price gains last week.
- ▶ Copper prices fell on weaker-than-expected industrial production and increased inventories in China.

### Equities

- ▶ Global equity benchmarks rose for the third consecutive week, taking them back to new all-time highs.
- ▶ Last week saw EM equities outperform their DM counterparts.
- ▶ Value sectors like financials and energy outperformed while real estate, utilities, and IT sectors not only underperformed but also posted losses.

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# The Weekly Market View

June 24 2024

ASSET MANAGEMENT LIMITED

## Global markets' performance snapshot

Index Snapshot (World Indices)*			
Index	Latest	Weekly %	YTD %
S&P 500	5,465	0.6	14.6
Dow Jones	39,150	1.5	3.9
Nasdaq	17,689	0.0	17.8
DAX	18,164	0.9	8.4
Nikkei 225	38,596	-0.6	15.3
FTSE 100	8,238	1.1	6.5
Sensex	77,210	0.3	6.9
Hang Seng	18,029	0.5	5.8
Regional Markets			
ADX	9,013	0.9	-5.9
DFM	4,012	0.7	-1.2
Tadawul**	11,499	0.0	-3.9
DSM**	9,702	0.4	-10.4
MSM30**	4,679	0.0	3.7
BHSE**	2,042	0.0	3.6
KWSE**	7,038	0.1	3.2
MSCI			
MSCI World	3,508	0.5	10.7
MSCI EM	1,087	0.9	6.2

## Global Commodities, Currencies and Rates\*



Commodity	Latest	Weekly %	YTD %
Brent USD/bbl	85.2	3.2	10.6
WTI USD/bbl	80.7	2.9	12.7
Gold USD/t oz	2,332.2	0.0	12.9
Silver USD/t oz	29.7	1.9	22.6
Platinum USD/t oz	998.0	5.2	-0.8
Copper USD/MT	9,547.6	-0.7	12.8
Alluminium	2,465.0	0.1	5.1
Currencies			
EUR USD	1.07	-0.1	-3.1
GBP USD	1.26	-0.3	-0.7
USD JPY	159.81	1.5	13.3
Rates			
	Latest	Weekly (bp)	YTD (bp)
SOFR	5.32	1.0	-6.0
UAE Eibor 3m	5.29	13.9	-3.7
UAE Eibor 12m	5.43	-2.1	29.2
US 3m Bills	5.23	-2.0	3.0
US 10yr Treasury	4.25	4.4	38.8
German 10yr Bund	2.41	5.3	38.0
UK 10yr Gilt	4.08	2.0	54.2

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as of June 21 2024 unless stated otherwise; \*\*Data as of June 20 2024.

## Tactical Asset Allocation with a 3-month view

Asset Class	Positioning*					Balanced**		
	SUW	UW	N	OW	SOW	SAA	TAA	Active
<b>Equities</b>						<b>41.2</b>	<b>41.2</b>	<b>0.0</b>
North America						25.8	22.8	-3.0
Equal-wt. US						0.0	2.0	2.0
Europe						7.0	8.0	1.0
Japan						2.3	2.3	0.0
APac ex Japan						5.0	5.0	0.0
EM ex Asia						1.0	1.0	0.0
<b>Fixed Income</b>						<b>58.8</b>	<b>58.8</b>	<b>0.0</b>
DM Treasuries IG						32.8	32.8	0.0
DM Corporate IG						12.5	12.5	0.0
EM USD Sov. IG						0.8	0.8	0.0
EM LCY IG						5.1	5.1	0.0
EM Corporate IG						0.6	0.3	-0.3
Global HY						5.0	3.5	-1.5
FRNs (off BM)						0.0	1.8	1.8
Securiti. debt(off BM)						0.0	0.0	0.0
Cash						2.0	2.0	0.0
<b>Alternatives</b>						<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Colour legend  Current  Previous

Source: Bloomberg, Bloomberg BGN, Bloomberg Indices, Hedge Fund Research, MSCI, Standard & Poor's, DataStream, LSEG Workspace, and ADCB Asset Management | Notes: \*Positioning recommendations: SUW = Significant Underweight; UW = Underweight; N = Neutral; OW = Overweight; SOW = Significant Overweight. \*\*Based on balanced risk profile. SAA = Strategic Asset Allocation; TAA = Tactical Asset Allocation; Active weight = TAA weight - SAA weight. Weights may not sum to 100% due to rounding.

# The Weekly Market View

June 24 2024

## Forthcoming important economic data/events

### United States

Date & Time (GST)	Indicator	Period	Expected	Prior
06/24/24 18:30	Dallas Fed Manf. Activity	Jun	--	-19.4
06/25/24 16:30	Chicago Fed Nat Activity Index	May	--	-0.23
06/25/24 18:00	Conf. Board Consumer Confidence	Jun	100	102
06/25/24 18:00	Richmond Fed Manufact. Index	Jun	--	0
06/26/24 15:00	MBA Mortgage Applications	21-Jun	--	0.90%
06/26/24 18:00	New Home Sales	May	650k	634k
<b>06/27/24 16:30</b>	<b>GDP Annualized QoQ</b>	<b>1Q T</b>	<b>1.50%</b>	<b>1.30%</b>
06/27/24 16:30	Personal Consumption	1Q T	--	2.00%
06/27/24 16:30	Wholesale Inventories MoM	May P	--	0.10%
<b>06/27/24 16:30</b>	<b>Initial Jobless Claims</b>	<b>22-Jun</b>	<b>--</b>	<b>238k</b>
<b>06/27/24 16:30</b>	<b>Continuing Claims</b>	<b>15-Jun</b>	<b>--</b>	<b>1828k</b>
06/27/24 16:30	Durable Goods Orders	May P	0.00%	0.60%
06/27/24 18:00	Pending Home Sales NSA YoY	May	--	-0.80%
06/27/24 19:00	Kansas City Fed Manf. Activity	Jun	--	-2
<b>06/28/24 16:30</b>	<b>Personal Income</b>	<b>May</b>	<b>0.40%</b>	<b>0.30%</b>
<b>06/28/24 16:30</b>	<b>Personal Spending</b>	<b>May</b>	<b>0.30%</b>	<b>0.20%</b>
<b>06/28/24 16:30</b>	<b>PCE Deflator YoY</b>	<b>May</b>	<b>2.60%</b>	<b>2.70%</b>
<b>06/28/24 16:30</b>	<b>PCE Core Deflator YoY</b>	<b>May</b>	<b>2.60%</b>	<b>2.80%</b>
<b>06/28/24 18:00</b>	<b>U. of Mich. Sentiment</b>	<b>Jun F</b>	<b>--</b>	<b>65.6</b>
06/28/24 18:00	U. of Mich. Expectations	Jun F	--	67.6
<b>06/28/24 18:00</b>	<b>U. of Mich. 1 Yr Inflation</b>	<b>Jun F</b>	<b>--</b>	<b>3.30%</b>
<b>06/28/24 18:00</b>	<b>U. of Mich. 5-10 Yr Inflation</b>	<b>Jun F</b>	<b>--</b>	<b>3.10%</b>

### Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
06/25/24 03:50	PPI Services YoY	May	3.00%	2.80%
06/25/24 09:00	Leading Index CI	Apr F	--	111.6
06/25/24 09:00	Coincident Index	Apr F	--	115.2
06/25/24 10:00	Machine Tool Orders YoY	May F	--	4.20%
06/27/24 03:50	Retail Sales YoY	May	2.00%	2.40%
06/28/24 03:30	Jobless Rate	May	2.60%	2.60%
<b>06/28/24 03:30</b>	<b>Tokyo CPI YoY</b>	<b>Jun</b>	<b>2.30%</b>	<b>2.20%</b>
<b>06/28/24 03:30</b>	<b>Tokyo CPI Ex-Fresh Food YoY</b>	<b>Jun</b>	<b>2.00%</b>	<b>1.90%</b>
06/28/24 03:50	Industrial Production YoY	May P	0.10%	-1.80%
06/28/24 09:00	Housing Starts YoY	May	-6.20%	13.90%
06/28/24 09:00	Annualized Housing Starts	May	0.805m	0.880m

### Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
06/24/24 12:00	Germany IFO Business Climate	Jun	89.3	89.3
06/24/24 12:00	Germany IFO Expectations	Jun	--	90.4
06/26/24 10:45	France Consumer Confidence	Jun	--	90
<b>06/26/24 10:00</b>	<b>Germany GfK Consumer Confidence</b>	<b>Jul</b>	<b>-19</b>	<b>-20.9</b>
<b>06/27/24 13:00</b>	<b>Eurozone Consumer Confidence</b>	<b>Jun F</b>	<b>--</b>	<b>-14</b>
<b>06/27/24 13:00</b>	<b>Eurozone Economic Confidence</b>	<b>Jun</b>	<b>--</b>	<b>96</b>
06/27/24-07/02/24	Germany Retail Sales NSA YoY	May	--	1.80%
<b>06/28/24 10:45</b>	<b>France CPI EU Harmonized YoY</b>	<b>Jun P</b>	<b>--</b>	<b>2.60%</b>
<b>06/28/24 10:45</b>	<b>France CPI YoY</b>	<b>Jun P</b>	<b>--</b>	<b>2.30%</b>
<b>06/28/24 10:45</b>	<b>France PPI YoY</b>	<b>May</b>	<b>--</b>	<b>-6.80%</b>
06/28/24 11:55	Germany Unemployment Change (000's)	Jun	10.0k	25.0k
06/28/24 11:55	Germany Unemployment Claims Rate SA	Jun	6.00%	5.90%
<b>06/28/24 12:00</b>	<b>Eurozone ECB 1 Year CPI Expectations</b>	<b>May</b>	<b>--</b>	<b>2.90%</b>
<b>06/28/24 12:00</b>	<b>Eurozone ECB 3 Year CPI Expectations</b>	<b>May</b>	<b>--</b>	<b>2.40%</b>

# The Weekly Market View

June 24 2024

## United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
<b>06/28/24 10:00</b>	<b>GDP QoQ</b>	<b>1Q F</b>	<b>0.60%</b>	<b>0.60%</b>
<b>06/28/24 10:00</b>	<b>GDP YoY</b>	<b>1Q F</b>	<b>--</b>	<b>0.20%</b>
06/28/24 10:00	Private Consumption QoQ	1Q F	--	0.20%
06/28/24 10:00	Government Spending QoQ	1Q F	--	0.30%
06/28/24 10:00	Exports QoQ	1Q F	--	-1.00%
06/28/24 10:00	Imports QoQ	1Q F	--	-2.30%
06/30/24-07/06/24	Nationwide House Px NSA YoY	Jun	--	1.30%

## China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
<b>06/24/24-06/28/24</b>	<b>India BoP Current Account Balance</b>	<b>1Q</b>	<b>\$5.10b</b>	<b>-\$10.50b</b>
06/27/24 05:30	China Industrial Profits YTD YoY	May	--	4.30%
06/28/24	China BoP Current Account Balance	1Q F	--	\$39.2b
06/28/24	India Foreign Exchange Reserves	21-Jun	--	--
<b>06/30/24 05:30</b>	<b>China Manufacturing PMI</b>	<b>Jun</b>	<b>49.6</b>	<b>49.5</b>
<b>06/30/24 05:30</b>	<b>China Non-manufacturing PMI</b>	<b>Jun</b>	<b>--</b>	<b>51.1</b>

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