

Multi-Asset Performance Summary – December 2024/Full Year 2024

This monthly note summarises performance trends across key asset classes and detailed segments of equities and fixed income.

2024 proved to be another volatile but positive year for the risk assets. The year started with extremely aggressive market expectations of DM central bank easing being met with the upward surprises in growth and inflation in the DM economies. Resilient US growth and US growth exceptionalism remained the dominant theme for most of the year, despite concerns during the summer. Economic momentum in the Eurozone remained weak while China's growth recovery failed to pick up pace despite the domestic government's stimulus efforts. Trump's election win and threat of his proposed tariffs on the Chinese imports weighed on the sentiment. Majority of the DM central banks kick-started their easing policies. However, slower and stickier disinflation reduced the prospects of aggressive DM rate cuts. The Federal reserve lowered interest rates three times during the year with a 50bp cut in September and then two consecutive 25bp cuts in November and December, but ended the year with a hawkish narrative. The ECB reduced its interest rate by 25bp four times in 2024. The BoE also lowered interest rates, but at a slower pace compared to the Fed and the ECB on the back of sticky inflation concerns, delivering two rate cuts of 25bp each. On the other hand, The BoJ exited its negative interest rate policy and raised interest rates for the first time in 17 years.

Markets also digested a busy political calendar with the US elections in November, snap elections in the UK and France and general elections in key EM economies including Mexico and India. US elections took centre-stage with former President Donald Trump securing a clean sweep win. Separately, global geopolitical tensions remained prominent throughout the year with escalating Russia-Ukraine tensions and Middle-east tensions.

Overall, global equities delivered double digit returns. AI frenzy boosted returns of "Magnificent Seven" companies during the first half of the year. Risk sentiment was volatile during the summer months on US recessionary concerns. But then later stabilized with Trumps' election victory and start of the Fed easing policy. Trump's proposed America first policies spurred a strong rally in the USD risk assets including US equities and US credit. On the other hand, US treasuries suffered losses on the reflationary nature of Trump's proposed policies, US economic strength and prospects of less aggressive Fed easing.

Equities: The broad MSCI All Country World index of developed and emerging market equities declined 2.37% in December but rose 17.49% in 2024. DM outperformed EM equities with the former rising 18.67% and the latter only rising 7.5% in 2024. Overall, US equities were the best performers in 2024, rising 24%. On the other hand, EM LatAm was the only region to post negative returns. Amongst sectors, IT and communication services were the best performers while materials were the only global sector which recorded negative returns in 2024.

Fixed income: Global aggregate bonds came under pressure in December but outperformed global equities. For 2024 overall, global aggregate bonds declined 2.15%, underperforming global peers. The 10Y UST yields ended the year higher at 4.56%. Global inflation-linked bonds and global treasuries underperformed global aggregate bonds in 2024. Global HY was the best performer in 2024, rising c9% In emerging markets, EM USD sovereign outperformed EM LCY and EM USD corporates.

Commodities: Aggregate commodity index rose in December, and ended the year range bound. Gold fell slightly in December but ended the year with a 27% gain. Oil prices remained range bound despite having a volatile year as easing geopolitical tensions and global demand concerns in the latter half of the year eroded the gains made in Q1'24. Copper prices rose 2.3% during the year with most of the gains concentrated in the early part of the year with China demand concerns and stimulus disappointment weighing on the metal outlook in the second half of the year.

FX: The USD index rose further in December, posting gains for the third consecutive month and also standing out as one of the top performing major asset classes in December. The USD index rose 7% overall in 2024, reaching a 2-year high following Trump's win at the US elections, evidence of US growth

Prerana Seth, CFA
Fixed Income Strategist
Tel: +971 (0)2 812 6449
prerana.seth@adcb.com

Ahmed Al Falahi
Analyst
Tel: +971 (0)2 812 6498
ahmed.a5@adcb.com

Kishore Muktinutalapati
Head - Investment Strategy
Tel: +971 (0)2 812 6457
kishore.muktinutalapati@adcb.com

Mohammed Al Hemeiri
Senior Analyst
Tel: +971 (0)2 812 6450
mohammed.alhemeiri@adcb.com

Visit [Investment Strategy Webpage](#) to read our other reports

Investment Strategy

Multi-Asset | January 7 2025

outperformance in the Q4'24 and hawkish Fed easing. As a result, the EURUSD and GBPUSD fell 6.2% and 1.7% respectively in 2024 while the USDJPY rose 11.51% amidst broad USD strength.

Others: Cryptocurrencies was both the biggest outperformers in December and throughout 2024 amongst major asset classes. Global REITs fell c8% in December, erasing its gains for 2024, ending the year on marginal loss as rates sensitive assets came under pressure on hawkish Fed expectations.

Exhibit 1: Performance of major asset classes

Major asset classes	1Y	YTD	6M	3M	1M
Dollar Index spot	7.06%	7.06%	2.48%	7.65%	2.60%
Commodity Aggregate	0.12%	0.12%	-2.21%	-1.57%	0.63%
Global HY Credit	9.19%	9.19%	5.82%	-0.37%	-0.55%
Global Aggregate Bonds	-1.69%	-1.69%	1.52%	-5.10%	-2.15%
Global Equities	17.49%	17.49%	5.56%	-0.99%	-2.37%
Global REIT	-0.41%	-0.41%	4.02%	-9.69%	-7.77%
Cryptocurrencies index	65.95%	65.95%	26.54%	35.97%	-8.96%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of December 31, 2024.

Exhibit 2: Performance of major global bond indices

Global	1Y	YTD	6 month	3 month	1 month
EU HY	8.22%	8.22%	5.25%	1.84%	0.65%
EU IG	4.74%	4.74%	4.17%	0.87%	-0.38%
US HY	8.19%	8.19%	5.47%	0.17%	-0.43%
Global High Yield	9.19%	9.19%	5.82%	-0.37%	-0.55%
EM LCY sovereign	1.68%	1.68%	2.96%	-3.80%	-0.63%
EM USD Corp + Quasi-Sov	6.15%	6.15%	3.57%	-1.46%	-0.93%
EU Treasury	1.88%	1.88%	3.92%	-0.09%	-1.39%
EM USD sovereign	7.03%	7.03%	4.99%	-1.47%	-1.46%
US Treasury	0.58%	0.58%	1.45%	-3.14%	-1.54%
US IG	2.13%	2.13%	2.62%	-3.04%	-1.94%
Global Corporate	1.10%	1.10%	2.05%	-4.01%	-1.97%
Global Aggregate Credit	0.71%	0.71%	1.80%	-4.22%	-2.00%
Global Aggregate	-1.69%	-1.69%	1.52%	-5.10%	-2.15%
Global Treasuries	-3.58%	-3.58%	1.34%	-5.99%	-2.50%
Global Infl-Linked	-3.74%	-3.74%	-1.15%	-6.71%	-3.13%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of December 31, 2024.

Exhibit 3: Performance of US Treasury index – by maturity

US Treasury					
1-3 Year	4.03%	4.03%	2.81%	-0.10%	0.23%
3-5 Year	2.26%	2.26%	2.22%	-1.87%	-0.56%
5-7 Year	0.95%	0.95%	1.52%	-3.38%	-1.44%
7-10 Year	-0.70%	-0.70%	0.89%	-4.58%	-2.24%
10-20 Year	-4.22%	-4.22%	-0.53%	-7.58%	-4.45%
20+ Year	-7.98%	-7.98%	-2.21%	-9.42%	-5.99%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of December 31, 2024.

Exhibit 4: Performance of EU Treasury index – by maturity

EU Treasury Index by maturity*	1Y	YTD	6M	3M	1M
1-3 Year	3.16%	3.16%	2.82%	0.64%	0.00%
3-5 Year	2.52%	2.52%	3.45%	0.24%	-0.40%
5-7 Year	2.25%	2.25%	3.91%	-0.12%	-0.91%
7-10 Year	1.79%	1.79%	3.96%	-0.57%	-1.56%
10+ Year	0.30%	0.30%	5.06%	-0.61%	-3.31%
20+ Year	-1.38%	-1.38%	5.41%	-0.73%	-4.44%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of December 31, 2024.

Exhibit 5: Performance of EM USD sovereign bonds – by grade and by region

EM USD sovereign	1Y	YTD	6M	3M	1M
EM sovereign HY	14.05%	14.05%	8.65%	1.34%	-0.60%
EM USD sovereign	7.03%	7.03%	4.99%	-1.47%	-1.46%
EM sovereign IG	-0.71%	-0.71%	0.72%	-4.92%	-2.49%
Region					
Asia	2.57%	2.57%	2.36%	-3.16%	-1.64%
China	2.73%	2.73%	2.92%	-1.84%	-1.27%
Indonesia	-0.46%	-0.46%	1.63%	-4.50%	-1.88%
South Korea	0.94%	0.94%	1.75%	-3.36%	-1.88%
Philippines	-0.59%	-0.59%	1.31%	-4.76%	-2.33%
Malaysia	1.02%	1.02%	1.50%	-3.63%	-2.74%
EMEA	4.69%	4.69%	3.34%	-2.34%	-1.50%
Kuwait	2.78%	2.78%	2.65%	-0.87%	-0.34%
Bahrain	6.37%	6.37%	3.17%	-2.30%	-0.88%
Oman	4.01%	4.01%	2.91%	-2.00%	-1.06%
Turkey	6.88%	6.88%	4.29%	-1.74%	-1.27%
Egypt	31.03%	31.03%	9.49%	0.27%	-1.39%
UAE	0.64%	0.64%	1.13%	-3.91%	-1.64%
Hungary	-0.54%	-0.54%	0.76%	-4.81%	-1.64%
Qatar	0.21%	0.21%	0.89%	-4.50%	-2.05%
Saudi Arabia	-0.15%	-0.15%	0.84%	-3.90%	-2.28%
Poland	-1.11%	-1.11%	0.24%	-4.89%	-2.36%
South Africa	2.67%	2.67%	2.78%	-5.27%	-2.72%
LATAM	12.47%	12.47%	8.56%	0.48%	-1.33%
Argentina	104.80%	104.80%	53.97%	35.29%	5.42%
Colombia	-1.68%	-1.68%	1.55%	-4.28%	-2.27%
Mexico	-3.38%	-3.38%	-0.78%	-6.45%	-3.25%
Chile	-0.87%	-0.87%	0.75%	-5.66%	-3.36%
Peru	-2.15%	-2.15%	-0.26%	-6.28%	-3.55%
Brazil	-0.58%	-0.58%	0.19%	-6.09%	-3.87%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of December 31, 2024.

Exhibit 6: Performance of EM USD corporate bonds – by grade and by region

EM corporate bonds	1Y	YTD	6M	3M	1M
EM USD Corp + Quasi-Sov HY	12.04%	12.04%	5.99%	0.39%	-0.42%
EM USD Corp + Quasi-Sov IG	6.15%	6.15%	3.57%	-1.46%	-0.93%
EM USD Corp + Quasi-Sov	3.78%	3.78%	2.56%	-2.24%	-1.15%
Region					
Asia	5.28%	5.28%	3.10%	-1.42%	-0.84%
Philippines	12.79%	12.79%	4.25%	0.66%	0.20%
India	7.75%	7.75%	3.71%	-1.13%	-0.32%
South Korea	4.52%	4.52%	2.86%	-0.67%	-0.43%
China	5.81%	5.81%	3.18%	-1.18%	-0.69%
Indonesia	2.93%	2.93%	2.88%	-3.37%	-1.99%
Thailand	3.65%	3.65%	2.45%	-2.83%	-2.04%
Malaysia	1.64%	1.64%	2.58%	-3.39%	-2.30%
EMEA	5.42%	5.42%	3.18%	-1.44%	-0.74%
Turkey	9.23%	9.23%	5.05%	0.54%	0.11%
Bahrain	6.61%	6.61%	4.72%	0.22%	-0.03%
Kuwait	6.90%	6.90%	3.84%	-0.29%	-0.06%
UAE	3.74%	3.74%	2.41%	-1.99%	-0.71%
South Africa	7.42%	7.42%	4.83%	-0.80%	-0.76%
Qatar	3.36%	3.36%	2.18%	-2.23%	-0.92%
Saudi Arabia	2.22%	2.22%	2.04%	-2.57%	-1.36%
Poland	2.14%	2.14%	0.54%	-4.41%	-1.96%
LATAM	8.23%	8.23%	4.71%	-1.52%	-1.25%
Argentina	37.47%	37.47%	27.33%	14.06%	1.91%
Peru	8.16%	8.16%	4.20%	-1.64%	-0.11%
Colombia	6.45%	6.45%	3.91%	-1.31%	-0.42%
Chile	4.05%	4.05%	2.65%	-3.54%	-1.25%
Mexico	7.77%	7.77%	4.19%	-2.25%	-1.75%
Brazil	6.59%	6.59%	2.80%	-2.40%	-1.79%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of December 31, 2024.

Investment Strategy

Multi-Asset | January 7 2025

Exhibit 7: Performance of equities – by region

Global regions*	1Y	YTD	6M	3M	1M
GCC	5.19%	5.19%	7.65%	1.13%	3.69%
EM EMEA	5.57%	5.57%	2.84%	-4.02%	0.83%
EM	7.50%	7.50%	0.02%	-8.01%	-0.14%
Japan	8.31%	8.31%	1.92%	-3.60%	-0.34%
APac ex Japan	10.15%	10.15%	1.54%	-8.16%	-1.15%
Europe ex UK	0.15%	0.15%	-5.06%	-10.59%	-2.35%
ACWI	17.49%	17.49%	5.56%	-0.99%	-2.37%
US	24.58%	24.58%	8.67%	2.69%	-2.58%
DM	18.67%	18.67%	6.20%	-0.16%	-2.61%
UK	7.54%	7.54%	0.58%	-6.82%	-2.76%
Canada	11.89%	11.89%	9.96%	-1.81%	-5.73%
EM LatAm	-26.38%	-26.38%	-12.69%	-15.84%	-6.11%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of December 31, 2024.

Exhibit 8: Performance of equities – by sector

Equities: Sectors*	1Y	YTD	6M	3M	1M
Comm. Services	31.56%	31.56%	9.28%	4.78%	2.13%
Cons. Discr.	20.34%	20.34%	15.34%	5.45%	1.89%
IT	31.59%	31.59%	5.44%	4.28%	0.99%
Financials	24.32%	24.32%	13.61%	2.66%	-3.74%
Cons. Staples	4.08%	4.08%	1.59%	-7.14%	-4.23%
Industrials	12.27%	12.27%	4.80%	-4.87%	-5.77%
Health Care	1.07%	1.07%	-5.90%	-11.41%	-5.90%
Utilities	11.81%	11.81%	6.37%	-8.74%	-6.38%
Energy	1.65%	1.65%	-6.34%	-4.27%	-7.06%
Real Estate	2.26%	2.26%	6.30%	-8.98%	-7.15%
Materials	-8.09%	-8.09%	-6.85%	-15.06%	-7.93%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of December 31, 2024.

Exhibit 9: Performance of equities – by factors and themes

Equities: Factors and themes*	1Y	YTD	6M	3M	1M
NYSE FANG+***	50.52%	50.52%	16.01%	15.03%	5.82%
HK Tech***	18.70%	18.70%	25.70%	-5.97%	2.63%
US Large Cap Growth***	36.76%	36.76%	10.72%	8.44%	2.20%
Growth	24.22%	24.22%	6.82%	2.64%	0.40%
Nasdaq-100***	24.88%	24.88%	6.75%	4.74%	0.39%
Momentum	31.90%	31.90%	2.61%	-0.17%	-1.78%
Large cap	19.01%	19.01%	5.49%	-0.53%	-1.87%
Quality	19.11%	19.11%	0.66%	-2.82%	-2.41%
Dividend yield	8.30%	8.30%	3.58%	-5.73%	-4.05%
Mid cap	9.49%	9.49%	6.03%	-3.46%	-5.05%
Value	10.76%	10.76%	4.27%	-4.71%	-5.24%
Small cap	7.66%	7.66%	5.25%	-3.26%	-5.30%

Source: MSCI, NYSE, Hang Seng, Nasdaq, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of December 31, 2024.

Investment Strategy

Multi-Asset | January 7 2025

Exhibit 10: Performance of select country equity indices

Equities: Select countries*	1Y	YTD	6M	3M	1M
UAE	19.62%	19.62%	22.06%	8.96%	9.12%
Taiwan	34.38%	34.38%	3.85%	3.34%	4.30%
Saudi Arabia	0.60%	0.60%	3.70%	-1.54%	3.05%
China	19.42%	19.42%	14.02%	-7.67%	2.69%
Kuwait	10.48%	10.48%	4.89%	1.17%	1.45%
Qatar	6.06%	6.06%	10.38%	-0.15%	1.36%
France	-5.33%	-5.33%	-3.36%	-10.26%	0.09%
Japan	8.31%	8.31%	1.92%	-3.60%	-0.34%
Hong Kong	0.08%	0.08%	12.23%	-9.80%	-0.51%
Netherlands	1.39%	1.39%	-16.36%	-12.39%	-0.56%
China A	11.70%	11.70%	13.27%	-6.74%	-0.83%
Germany	10.22%	10.22%	4.41%	-5.71%	-1.01%
Spain	9.80%	9.80%	3.20%	-9.21%	-1.98%
US	24.58%	24.58%	8.67%	2.69%	-2.58%
UK	7.54%	7.54%	0.58%	-6.82%	-2.76%
Mexico	-27.13%	-27.13%	-13.61%	-10.57%	-2.89%
India	11.21%	11.21%	-4.86%	-11.32%	-2.93%
Switzerland	-2.00%	-2.00%	-3.70%	-11.25%	-4.00%
South Africa	6.72%	6.72%	2.05%	-12.10%	-5.59%
Canada	11.89%	11.89%	9.96%	-1.81%	-5.73%
South Korea	-23.40%	-23.40%	-23.73%	-19.21%	-7.31%
Australia	1.23%	1.23%	-1.17%	-11.39%	-7.92%
Brazil	-29.77%	-29.77%	-13.62%	-19.37%	-8.21%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of December 31, 2024.

Disclaimer

ADCB Asset Management Limited ("AAML"), is a member of ADCB Group, licensed by Financial Services Regulatory Authority in Abu Dhabi Global Markets under financial services permission number 170036.

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige ADCB Group to enter into any transaction.

The content of this publication should not be considered as legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication. Investment products are not available to US persons.

Information and opinions contained herein is are based on various sources, including but not limited to public information, annual reports and statistical data that AAML considers accurate and reliable. However, AAML makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for customers who are either retail or professional investors.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. AAML expressly disclaims any obligation to update or revise any forward looking statement to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB Group does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication. Opinions expressed herein may differ from opinions expressed by other businesses or affiliates of ADCB Group.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB Group. They are subject to investment risk, including possible of loss of principal amount invested. This publication may not be reproduced or circulated without ADCB Group written authority. The manner of circulation and distribution may be restricted by law or regulation in certain jurisdictions. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorized use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.