

Multi-Asset Performance Summary

Investment Strategy | June 3 2025

May 2025: Trade disruptions return

Trade policy and fiscal uncertainty dominated the macroeconomic landscape in May 2025, reversing some of the optimism seen earlier in the month. Global markets opened May buoyed by signs of easing US-China tensions and progress on the US-UK trade agreement. However, sentiment reversed sharply in the final week after President Trump announced 50% tariffs on EU imports effective June 1 (later delayed to July 9), alongside threats of a 25% levy on foreign-made smartphones, including iPhones. This escalation in protectionist rhetoric unsettled markets, weighed on the US dollar, and revived inflation concerns.

In the US, macroeconomic data was mixed. Labor markets showed signs of cooling, with initial jobless claims fluctuating between 227k–241k during the month and continuing claims rising steadily to a 2021 high. Meanwhile, housing market indicators softened — with existing home sales falling to 4mn in April and the NAHB index hitting its lowest since late 2023. Inflation indicators were more encouraging. The headline CPI rose by just 0.2% MoM in April, taking the YoY figure to 2.3% — the lowest since February 2021. Core CPI also cooled. In April, the Producer price inflation registered its steepest monthly drop since 2020, reinforcing hopes that broader inflationary pressures were easing despite rising tariff risks. PMI indicators were also mixed. US S&P Global Composite PMI rose to 52.1 in May's flash estimate from 50.6 in April, showing that the business activity in the US' private sector continued to expand at an accelerating pace. S&P Global Manufacturing PMI improved to 52.3 in May, while the Services PMI rose to 52.3 from 50.8 according to the flash estimates. Consumer sentiment remained weak, with the University of Michigan index remaining at 52.2 in May—unchanged from April. While this indicates stabilization after four consecutive months of decline, the index remains near historic lows, reflecting persistent consumer concerns over economic conditions.

Across Europe, the Eurozone Composite PMI fell to 49.5 in May from 50.4 in April, dipping below the 50.0 mark for the first time in five months, indicating a slight reduction in private sector output as per the flash estimate. Consumer confidence improved by 1.4 points to -15.2 in May, partially offsetting April's decline. Germany's Q1 GDP was revised up to 0.4% QoQ in Q1 2025 and the IFO business climate improved in May rose to 87.5. In Germany the unemployment rate rose sharply in May, the number of unemployed increased by 34K in seasonally adjusted terms to 2.96mn, more than analysts' forecasts of an increase of 10K. The seasonally adjusted unemployment rate remained at 6.3%. French CPI in May slowed to 2.2% YoY from 2.4% in April, as energy and food inflation moderated. In the UK, the S&P Global Flash UK Composite PMI rose to 49.4 in May from 48.5 in April, though it remained the second lowest since October 2023. The downturn was due to a sharper decline in manufacturing production, in contrast with a slight increase in the service sector's output.

In Asia, Japan's economy contracted 0.7% QoQ in Q1 2025, with Japan flash Manufacturing PMI rose to 49.4 in May, indicating a slower pace of contraction. In China, PBoC implemented monetary easing measures in May, including a 10bp cut to the seven-day reverse repo rate and a 50bp reduction in the reserve requirement ratio, injecting approximately 1 trillion yuan into the economy. China cut its 1Y and 5Y loan prime rates by 10bp each to 3.00% and 3.50%, respectively – their historic lows.

In more central bank activity, Federal Reserve maintained the funds rate at 4.25%–4.50%, citing rising risks of inflation and unemployment amid economic uncertainties. The Bank of England (BoE) delivered its fourth 25bp rate cut taking the bank rate to 4.25% in a split 2:5:2 (hold: 25bp cut: 50bp cut) vote from its members. The BoE statement said that the risks to growth are to the downside but risks to inflation are two-sided while the central bank also adjusted its inflation expectations lower. Australia's central bank RBA cut its cash target rate for a second time this year by 25bp to 3.85% as widely anticipated. RBA Governor Bullock pointed to lingering uncertainty around the final scope of the tariffs and policy responses in other countries.

In the Middle East, The GCC remained active in global diplomacy. President Trump's visit the Middle East secured major investment pledges—USD1.4trn from the UAE and USD600bn from Saudi Arabia—fuelling optimism in regional equity markets. However, oil prices declined amid speculation about further OPEC+ supply increases.

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 812 6450

mohammed.alhemeiri@adcb.com

Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0)2 812 6449

prerana.seth@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 812 6457

kishore.muktinutalapati@adcb.com

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

Awarded Best Private Bank UAE & Middle East | Best for HNW Clients UAE & Middle East | Best for Investment Research UAE & Middle East – Euromoney 2025

Multi-Asset Performance Summary

Investment Strategy | June 3 2025

Cross-asset (page 2): Cryptocurrencies rebounded strongly (+21.6%) after recent weakness, leading all asset classes. Global equities rose sharply (+5.75%), supported by easing trade tensions and resilient earnings. Global high yield credit posted solid gains (+1.65%), tracking the equity rally. Global aggregate bonds declined (-0.36%) as long-duration assets came under pressure. Commodities fell (-0.93%), dragged down by weakness in agricultural and precious metals, while the USD Index was marginally lower (-0.14%).

Fixed income (page 3): Global bond performance was mixed in May. Global high yield and emerging market local currency debt posted solid gains. Global Treasuries declined (-0.61%) amid concerns over fiscal deterioration in the US, and US Treasuries fell further (-1.03%) with longer maturities underperforming. Global inflation-linked bonds also retreated (-0.44%). EU Treasuries were mostly flat, with short and medium-term maturities providing slight gains. Riskier segments such as EM LCY sovereigns and global high yield outperformed, gaining (+1.08%) and (+1.65%) respectively.

Currencies (page 3): The USD weakened slightly in May (-0.91%). Emerging market currencies outperformed (+1.94%), supported by risk-on sentiment. EUR/USD was nearly flat, and GBP/USD gained (+0.84%). The USD lost ground against the CHF and JPY earlier in the month, but both reversed toward the end. Overall, FX markets reflected a modest return of investor confidence with relative stability among G10 currencies.

Commodities (page 4): Commodities were broadly weaker in May. Gold slipped slightly (-0.65%) after reaching all-time highs in April. Crude oil rebounded modestly (WTI +4.43%, Brent +1.24%) amid supply concerns. Industrial metals rose modestly, with copper gaining (+4.55%). Agriculture commodities declined (-3.63%) as crop conditions improved. Energy markets were volatile but ended slightly higher, while precious metals remained under pressure.

Equities (pages 4): Global equities rallied in May with the MSCI ACWI gaining (+5.75). US equities led the charge (+6.41%) amid strong tech earnings and easing trade war concerns. Canada, Europe, and Japan all posted healthy gains. LatAm and EMEA EM also saw gains, though GCC equities lagged (-2.15%). Sector-wise, IT (+10.42%), communication services (+8.18%), and industrials (+8.15%) outperformed, while health care (-3.49%) underperformed. Factor-wise, FANG+ and momentum stocks led gains.

Digital Assets (page 5): Digital assets saw strong momentum in May. Ether surged (+43.62%), rebounding from prior declines. Bitcoin rose (+10.59%) and Solana also gained (+8.78%). XRP saw marginal losses (-0.45%) following a sharp rally in prior months. The broader digital asset space benefited from improved sentiment and increased institutional flows.

Cross-asset

Exhibit 1: Performance of major asset classes

Major asset classes	1Y	YTD	6M	3M	1M
Cryptocurrencies index	-0.56%	-9.91%	-17.98%	17.38%	21.60%
Global Equities	14.30%	5.32%	2.83%	3.21%	5.75%
Global REIT	7.43%	2.65%	-5.32%	-1.12%	2.41%
Global HY Credit	10.93%	4.41%	3.83%	2.19%	1.65%
Dollar Index spot	-5.10%	-8.44%	-6.06%	-7.70%	-0.14%
Global Aggregate Bonds	7.03%	5.28%	3.02%	3.21%	-0.36%
Commodity Aggregate	-2.92%	1.24%	1.88%	-2.69%	-0.93%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of May 30, 2025.

Multi-Asset Performance Summary

Investment Strategy | June 3 2025

Fixed Income

Exhibit 2: Performance of major global bond indices

Global bond indices*	1Y	YTD	6M	3M	1M
US HY	9.54%	2.68%	2.24%	0.65%	1.68%
Global High Yield	11.09%	4.41%	3.83%	2.20%	1.65%
EU HY	8.05%	2.30%	2.96%	0.65%	1.38%
EM LCY sovereign	8.61%	5.21%	4.55%	3.53%	1.08%
EM USD sovereign	9.01%	3.14%	1.64%	0.45%	0.88%
EU IG	6.53%	1.53%	1.15%	0.53%	0.54%
EM USD Corp + Quasi-Sov	7.47%	2.81%	1.86%	0.51%	0.47%
Global Corporate	7.82%	4.97%	2.91%	2.83%	0.18%
EU Treasury	5.07%	0.75%	-0.65%	0.39%	0.13%
Global Aggregate Credit	7.76%	5.24%	3.14%	3.18%	0.10%
US IG	6.06%	2.26%	0.28%	-0.03%	-0.01%
Global Aggregate	7.27%	5.28%	3.02%	3.33%	-0.36%
Global Infl-Linked	4.73%	5.64%	2.34%	3.45%	-0.44%
Global Treasuries	7.10%	5.68%	3.04%	3.70%	-0.61%
US Treasury	5.42%	2.51%	0.93%	0.27%	-1.03%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of May 30, 2025.

Exhibit 3: Performance of US Treasury index – by maturity

US Treasury Index by maturity*	1Y	YTD	6M	3M	1M
1-3 Year	5.83%	2.21%	2.44%	1.20%	-0.23%
3-5 Year	6.93%	3.38%	2.80%	1.62%	-0.61%
5-7 Year	7.11%	3.89%	2.40%	1.50%	-0.88%
7-10 Year	6.46%	3.71%	1.39%	0.77%	-1.18%
10-20 Year	3.08%	1.36%	-3.15%	-2.84%	-2.52%
20+ Year	0.23%	-0.08%	-6.07%	-4.51%	-3.16%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of May 30, 2025.

Exhibit 4: Performance of EU Treasury index – by maturity

EU Treasury Index by maturity*	1Y	YTD	6M	3M	1M
7-10 Year	5.93%	1.53%	-0.05%	0.89%	0.31%
5-7 Year	6.37%	1.93%	1.00%	1.28%	0.17%
1-3 Year	4.81%	1.50%	1.50%	1.02%	0.08%
3-5 Year	5.99%	1.92%	1.51%	1.31%	0.07%
10+ Year	3.39%	-1.71%	-4.96%	-1.48%	0.06%
20+ Year	0.99%	-4.26%	-8.51%	-3.31%	-0.45%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of May 30, 2025.

Currencies

Exhibit 5: Currency performance

Currency pairs and Currency index*	1Y	YTD	6M	3M	1M
EM FX	5.76%	5.52%	4.26%	4.30%	1.94%
USD-JPY	-8.45%	-8.48%	-3.84%	-3.97%	0.94%
GBP-USD	5.63%	7.51%	5.69%	6.71%	0.84%
USD-CHF	-8.86%	-9.41%	-6.65%	-8.55%	0.01%
EUR-USD	4.60%	9.64%	7.28%	9.03%	-0.08%
Dollar Index spot	-5.10%	-8.44%	-6.06%	-7.38%	-0.14%
EURGBP	-0.98%	1.99%	1.51%	2.18%	-0.91%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of May 30, 2025.

Multi-Asset Performance Summary

Investment Strategy | June 3 2025

Commodities

Exhibit 6: Commodities performance

Commodities agg. and individual commodities*	1Y	YTD	6M	3M	1M
Platinum USD/t oz	1.87%	16.56%	11.36%	11.24%	9.06%
Copper USD/MT	-3.63%	10.53%	8.38%	2.20%	4.55%
WTI USD/bbl	-21.04%	-15.24%	-10.60%	-13.59%	4.43%
Aluminum	-6.99%	-3.89%	-5.73%	-7.93%	2.13%
Brent USD/bbl	-21.71%	-14.39%	-12.39%	-13.70%	1.24%
Silver USD/t oz	8.47%	14.12%	7.70%	5.46%	1.12%
Industrial Metals	-12.21%	0.46%	-2.94%	-4.21%	0.85%
Energy	-13.04%	-8.23%	-2.65%	-14.56%	0.11%
Precious Metals	25.38%	19.47%	16.39%	10.00%	-0.63%
Gold USD/t oz	41.33%	25.33%	23.62%	14.08%	-0.65%
Commodity Aggregate	-2.92%	1.24%	1.88%	-4.11%	-0.93%
Agriculture	-8.06%	-1.92%	-1.14%	-5.01%	-3.63%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of May 30, 2025.

Equities

Exhibit 7: Performance of equities – by region

Equities: Regions*	1Y	YTD	6M	3M	1M
US	14.43%	0.97%	-1.64%	1.22%	6.41%
DM	14.55%	4.95%	2.21%	3.14%	5.92%
Canada	21.78%	11.61%	5.22%	9.72%	5.77%
ACWI	14.30%	5.32%	2.83%	3.21%	5.75%
APac ex Japan	13.30%	7.97%	6.72%	3.72%	5.10%
Europe ex UK	13.09%	21.46%	18.60%	8.87%	4.60%
UK	16.78%	17.60%	14.36%	8.30%	4.43%
EM	12.09%	8.73%	8.58%	3.77%	4.27%
Japan	12.62%	9.86%	9.48%	6.73%	4.05%
EM LatAm	-0.50%	22.41%	14.94%	11.78%	1.59%
EM EMEA	18.29%	11.34%	12.27%	4.96%	1.34%
GCC	12.65%	1.09%	4.82%	-2.20%	-2.15%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of May 30, 2025.

Exhibit 8: Performance of equities – by sector

Equities: Sectors*	1Y	YTD	6M	3M	1M
IT	14.13%	-0.49%	0.50%	3.72%	10.42%
Comm. Services	22.38%	7.39%	9.69%	3.97%	8.18%
Industrials	17.97%	13.56%	7.00%	9.55%	8.15%
Cons. Discr.	16.83%	-0.76%	1.12%	0.38%	6.90%
Financials	28.72%	12.97%	8.75%	5.66%	5.55%
Utilities	16.93%	13.24%	6.01%	10.45%	2.50%
Materials	-2.00%	8.62%	0.01%	3.24%	2.50%
Energy	-5.98%	0.11%	-6.96%	-3.16%	1.94%
Cons. Staples	12.63%	11.26%	6.55%	5.59%	1.44%
Real Estate	13.78%	5.21%	-2.31%	0.50%	1.36%
Health Care	-3.32%	-0.46%	-6.33%	-6.65%	-3.49%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of May 30, 2025..

Multi-Asset Performance Summary

Investment Strategy | June 3 2025

Exhibit 9: Performance of equities – by factors and themes

Equities: Factors and themes*	1Y	YTD	6M	3M	1M
NYSE FANG+*	32.64%	5.23%	11.36%	9.15%	11.75%
US Large Cap Growth	19.03%	-0.03%	2.18%	4.38%	9.91%
Nasdaq-100*	15.12%	1.56%	1.96%	3.84%	9.04%
Growth	16.50%	3.93%	4.35%	4.86%	8.25%
Momentum	17.44%	9.60%	7.65%	6.40%	8.23%
Small cap	7.80%	2.89%	-2.56%	3.53%	6.11%
Large cap	14.55%	5.00%	3.04%	2.97%	5.81%
Mid cap	12.90%	7.04%	1.63%	4.47%	5.43%
Quality	6.74%	1.77%	-0.69%	0.23%	4.79%
HK Tech**	37.78%	15.72%	18.76%	-9.27%	3.76%
Value	12.03%	6.82%	1.22%	1.46%	3.16%
Dividend yield	12.66%	8.28%	3.90%	2.53%	2.47%

Source: MSCI, NYSE, Hang Seng, Nasdaq, Bloomberg, and ADCB Asset Management | Notes: based on MSCI total return indices in USD terms as at May 30, 2025;
*price return indices in USD terms as at close of May 30, 2025.

Exhibit 10: Performance of select country equity indices

Equities: Select countries*	1Y	YTD	6M	3M	1M
Taiwan	15.55%	0.73%	5.06%	1.98%	12.54%
Hong Kong	19.74%	14.20%	13.62%	7.25%	9.34%
Netherlands	-0.54%	15.96%	15.31%	8.92%	8.74%
South Korea	-2.37%	18.40%	9.74%	6.13%	7.81%
US	14.43%	0.97%	-1.64%	1.22%	6.41%
Spain	37.50%	39.65%	36.89%	18.57%	6.24%
Canada	21.78%	11.61%	5.22%	9.72%	5.77%
Germany	35.00%	31.29%	29.96%	15.31%	5.68%
South Africa	35.06%	23.90%	16.97%	14.03%	4.96%
UK	16.78%	17.60%	14.36%	8.30%	4.43%
Mexico	-1.78%	28.02%	24.32%	18.44%	4.36%
Australia	10.29%	8.36%	-0.22%	5.80%	4.23%
Japan	12.62%	9.86%	9.48%	6.73%	4.05%
UAE	48.06%	14.90%	25.38%	6.60%	3.55%
France	5.49%	17.61%	17.71%	6.56%	3.12%
China A	8.45%	-0.17%	-1.00%	-1.90%	2.81%
China	24.74%	13.13%	16.17%	-3.36%	2.74%
Switzerland	15.66%	18.75%	14.00%	6.13%	1.77%
Kuwait	18.32%	13.67%	15.32%	2.70%	1.74%
India	4.61%	2.86%	-0.16%	13.03%	1.12%
Qatar	20.22%	1.57%	2.95%	1.44%	0.54%
Brazil	-1.56%	19.86%	10.02%	9.27%	0.05%
Saudi Arabia	0.83%	-5.20%	-2.31%	-6.12%	-4.77%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of May 30, 2025.

Digital Assets

Exhibit 11: Performance of digital assets

Digital assets*	1Y	YTD	6M	3M	1M
Ether (USD)	-31.99%	-22.98%	-28.29%	13.07%	43.62%
Bitcoin (USD)	54.66%	11.61%	7.32%	24.10%	10.59%
Solana (USD)	-3.94%	-17.01%	-34.58%	16.56%	8.78%
XRP (USD)	322.87%	4.48%	25.04%	-0.07%	-0.45%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of May 30, 2025.

Multi-Asset Performance Summary

Investment Strategy | June 3 2025

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.