

## Multi-Asset Performance Summary – Q3'24/September 2024

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

The third quarter of 2024 proved to be volatile but positive for the risk assets. After a turbulent August, September was pivotal for the global financial markets with the Fed reducing rates for the first time in four years while acknowledging US growth resilience. Global markets reacted positively to the Fed easing with incoming economic data also signalling strength in US economy. In addition, China announcing big-bang stimulus measures along with a dovish BoJ bias spurred appetite for risk assets in September. Having said that, simmering risks in the form of the escalation of the Middle-east conflict remained on the surface.

The key highlight of Q3'24/September was the central bank activity. Federal Reserve surprised with a 50bp rate cut amidst signs of moderating inflation but weakening labour market. Dot plot projects another 50bp of cuts this year but the central bank remains data dependent and indicated that the half point rate cuts should not be viewed as the new pace. The ECB also cut its deposit facility rate by 25bp but retained its "meeting by meeting" stance. The Bank of England held the bank rate unchanged at 5% but vote composition and meeting minutes had a hawkish tilt. The Bank of Japan kept its interest rates unchanged for the second straight month, signalling it was in no rush to raise rates. Bank of Canada, Riksbank (of Sweden), and Swiss National Bank also lowered their policy rates by 25bp as expected. Finally, China's central bank unveiled its biggest stimulus since the pandemic.

In economic data, US August jobs report slightly disappointed but unemployment dropped to 4.2%. US headline inflation met expectations but core inflation, core services inflation and US PPI saw an upward surprise. However, Fed's preferred measure core PCE disappointed. In activity, the final release of US Q3'24 GDP showed economy grew 3% QoQ while retail sales and ISM services surprised on the upside. Preliminary September PMI also indicated strong service sector expansion. On the other hand, both August ISM manufacturing and flash September PMI pointed to weak manufacturing activity. In Eurozone, the final release of Q2'24 GDP was weaker than expected at 0.2% QoQ. August retail sales disappointed while September flash composite PMI fell to an 8-month low. Headline inflation and core inflation growth eased in August. In the UK, August CPI matched expectations but services inflation rose. UK private sector activity increased during September, but growth slowed since August. In China, August CPI disappointed while PPI remained in deflationary territory. August import growth, retail sales and industrial data missed expectations while exports growth was upbeat.

**Equities:** The broad MSCI All Country World index of developed and emerging market equities rose 6.61% in Q3'24. EM equities outperformed DM equities in Q3'24. In DM, Canada was the best performer in Q3'24 while Japan underperformed the most. In EM, APac ex Japan was the best performer. Amongst sectors, all sectors recorded gains with the exception of energy. Real estate was the best performer.

**Fixed income:** Global aggregate bonds gained in Q3'24, slightly outperforming global equities. In fact, all global bond indices rose in Q3'24. Global treasuries led the performance as UST yields declined with markets pricing in Fed rate cut bets. On the other hand, EU IG underperformed the most. In duration, the 20 year+ USTs bond index outperformed other maturity segments in Q3'24.

**Commodities:** Aggregate commodity index fell in Q3'24, dragged by energy component. Precious metals outperformed with silver prices rising 6.92%. Gold rose 13.23% in Q3'24, reaching new record highs. Industrial metals jumped with LME Copper spot prices rising 3.06% boosted by China stimulus measures in September. Brent crude oil prices fell sharply by 16.94% and was the biggest underperformer in commodities despite the escalating Middle-east tensions.

**FX:** The USD index recorded a negative quarter, as major central banks including the Fed reduced interest rates. However, the magnitude of the USD losses subsided in September. The EUR and the GBP both strengthened versus the USD with latter outperforming the most on a hawkish BoE stance. USDJPY fell as a result of unwinding of carry trades in August and amidst broad USD weakness and Fed easing.

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**Others:** Cryptocurrencies had a negative Q3'24 underperforming major asset classes. Global REITs was the best performer in Q3'24, benefitting the most with the start of the Fed easing cycle.

## Exhibit 1: Performance of major asset classes

Major asset classes	1Y	YTD	6M	3M	1M
Cryptocurrencies index	114.28%	22.05%	-22.43%	-6.94%	7.99%
Commodity Aggregate	-4.29%	1.72%	0.86%	-0.64%	4.43%
Global REIT	26.31%	10.27%	12.50%	15.18%	2.76%
Global Equities	31.76%	18.66%	9.67%	6.61%	2.32%
Global HY Credit	18.98%	9.59%	7.31%	6.21%	1.95%
Global Aggregate Bonds	11.99%	3.60%	5.80%	6.98%	1.70%
Dollar Index spot	-5.08%	-0.55%	-3.55%	-4.81%	-0.90%

Source: Bloomberg, and ADCB Asset Management | Notes: \*based on Bloomberg total return indices in USD terms as at close of September 30, 2024.

## Exhibit 2: Performance of major global bond indices

Global bond indices*	1Y	YTD	6M	3M	1M
EM LCY sovereign	13.05%	5.70%	6.82%	7.03%	2.32%
EM USD sovereign	19.71%	8.63%	6.77%	6.56%	1.98%
Global High Yield	18.98%	9.59%	7.31%	6.21%	1.95%
Global Corporate	14.64%	5.33%	6.14%	6.31%	1.83%
Global Treasuries	10.88%	2.57%	5.62%	7.80%	1.81%
US IG	14.28%	5.32%	5.74%	5.84%	1.77%
Global Aggregate Credit	14.27%	5.14%	6.08%	6.28%	1.77%
Global Infl-Linked	12.03%	3.19%	5.07%	5.96%	1.71%
Global Aggregate	11.99%	3.60%	5.80%	6.98%	1.70%
US HY	15.74%	8.00%	6.44%	5.28%	1.62%
EM USD Corp + Quasi-Sov	14.44%	7.71%	6.30%	5.10%	1.55%
EU Treasury	9.31%	1.97%	2.64%	4.02%	1.31%
EU IG	9.56%	3.83%	3.35%	3.27%	1.23%
US Treasury	9.72%	3.84%	4.84%	4.74%	1.20%
EU HY	12.10%	6.27%	4.66%	3.35%	0.91%

Source: Bloomberg, and ADCB Asset Management | Notes: \*based on Bloomberg total return indices in USD terms as at close of September 30, 2024.

## Exhibit 3: Performance of US Treasury index – by maturity

US Treasury Index by maturity*	1Y	YTD	6M	3M	1M
10-20 Year	15.75%	3.64%	6.21%	7.63%	2.17%
20+ Year	15.18%	1.58%	5.62%	7.96%	1.91%
7-10 Year	10.98%	4.06%	5.57%	5.74%	1.35%
5-7 Year	10.16%	4.48%	5.39%	5.07%	1.20%
3-5 Year	8.54%	4.21%	4.76%	4.17%	0.99%
1-3 Year	6.79%	4.13%	3.84%	2.91%	0.81%

Source: Bloomberg, and ADCB Asset Management | Notes: \*based on Bloomberg total return indices in USD terms as at close of September 30, 2024.

## Exhibit 4: Performance of EU Treasury index – by maturity

EU Treasury Index by maturity*	1Y	YTD	6M	3M	1M
10+ Year	14.74%	0.92%	1.93%	5.71%	1.61%
7-10 Year	10.54%	2.38%	3.06%	4.56%	1.54%
20+ Year	16.64%	-0.66%	0.89%	6.19%	1.52%
5-7 Year	8.64%	2.37%	3.15%	4.04%	1.44%
3-5 Year	6.78%	2.27%	2.99%	3.20%	1.17%
1-3 Year	4.94%	2.50%	2.63%	2.16%	0.79%

Source: Bloomberg, and ADCB Asset Management | Notes: \*based on Bloomberg total return indices in USD terms as at close of September 30, 2024.

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

EM USD sovereign	1Y	YTD	6 month	3 month	1 month
EM sovereign HY	25.00%	12.55%	7.70%	7.21%	2.64%
EM USD sovereign	19.71%	8.63%	6.77%	6.56%	1.98%
EM sovereign IG	13.49%	4.43%	5.75%	5.94%	1.31%
<b>Region</b>					
Asia	15.99%	5.92%	5.99%	5.70%	2.01%
Philippines	14.48%	4.38%	6.37%	6.37%	1.96%
Malaysia	11.92%	4.82%	5.41%	5.32%	1.92%
Indonesia	14.37%	4.24%	6.24%	6.42%	1.62%
South Korea	11.76%	4.45%	5.48%	5.29%	1.20%
China	10.32%	4.66%	5.41%	4.85%	1.14%
EMEA	16.82%	7.19%	6.08%	5.81%	1.46%
Egypt	55.87%	30.67%	7.47%	9.19%	4.01%
South Africa	23.39%	8.38%	12.96%	8.49%	2.67%
Turkey	19.62%	8.77%	8.08%	6.14%	2.37%
Bahrain	14.27%	8.87%	7.24%	5.60%	2.00%
Kuwait	7.84%	3.68%	3.49%	3.55%	1.24%
Hungary	17.54%	4.49%	6.32%	5.85%	1.04%
Qatar	14.37%	4.93%	6.56%	5.65%	0.96%
Oman	14.42%	6.14%	5.97%	5.01%	0.87%
Poland	13.88%	3.97%	5.35%	5.39%	0.74%
UAE	12.73%	4.73%	5.75%	5.24%	0.74%
Saudi Arabia	12.46%	3.90%	5.19%	4.94%	0.65%
LATAM	25.73%	11.93%	8.15%	8.04%	2.73%
Argentina	114.22%	51.38%	18.92%	13.81%	7.75%
Chile	16.12%	5.08%	6.75%	6.80%	1.81%
Mexico	14.13%	3.29%	4.23%	6.07%	1.72%
Brazil	13.07%	5.87%	5.75%	6.69%	1.67%
Colombia	17.47%	2.72%	5.15%	6.09%	1.50%
Peru	15.19%	4.41%	6.31%	6.42%	1.48%

Source: Bloomberg, and ADCB Asset Management | Notes: \*based on Bloomberg total return indices in USD terms as at close of September 30, 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	18.78%	11.60%	7.61%	5.58%	2.06%
EM USD Corp + Quasi-Sov IG	14.44%	7.71%	6.30%	5.10%	1.55%
EM USD Corp + Quasi-Sov	12.70%	6.16%	5.76%	4.90%	1.34%
<b>Region</b>					
Asia	13.11%	6.80%	5.71%	4.58%	1.44%
Indonesia	18.57%	6.52%	6.59%	6.46%	1.86%
Malaysia	14.39%	5.22%	5.98%	6.18%	1.70%
Thailand	16.55%	6.67%	6.03%	5.43%	1.51%
China	12.55%	7.07%	5.77%	4.41%	1.50%
India	15.59%	8.98%	6.73%	4.90%	1.38%
Philippines	18.83%	12.05%	5.49%	3.57%	1.15%
South Korea	9.46%	5.23%	4.62%	3.56%	1.01%
EMEA	12.65%	6.96%	5.93%	4.69%	1.14%
South Africa	15.58%	8.29%	7.29%	5.68%	1.98%
Turkey	14.67%	8.65%	6.20%	4.49%	1.48%
Bahrain	10.90%	6.37%	5.62%	4.48%	1.37%
Kuwait	10.95%	7.21%	5.85%	4.14%	1.16%
UAE	10.98%	5.85%	5.53%	4.48%	1.13%

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Poland	14.00%	6.85%	6.19%	5.18%	1.02%
Saudi Arabia	12.28%	4.92%	5.55%	4.73%	0.94%
Qatar	11.46%	5.72%	5.59%	4.52%	0.94%
LATAM	18.36%	9.90%	7.58%	6.32%	2.18%
Argentina	35.48%	20.52%	15.70%	11.63%	6.00%
Peru	15.68%	9.96%	6.59%	5.93%	2.89%
Mexico	20.58%	10.25%	7.95%	6.59%	2.40%
Chile	15.25%	7.86%	7.65%	6.41%	1.80%
Brazil	15.33%	9.21%	6.04%	5.33%	1.69%
Colombia	17.37%	7.86%	6.38%	5.28%	1.09%

Source: Bloomberg, and ADCB Asset Management | Notes: \*based on Bloomberg total return indices in USD terms as at close of September 30, 2024.

## Exhibit 7: Performance of equities – by region

Equities: Regions*	1Y	YTD	6M	3M	1M
APac ex Japan	29.35%	19.94%	17.50%	10.57%	7.87%
EM	26.05%	16.86%	14.16%	8.72%	6.68%
Canada	26.75%	13.95%	9.60%	12.00%	2.63%
EM EMEA	19.19%	9.99%	8.85%	7.14%	2.37%
ACWI	31.76%	18.66%	9.67%	6.61%	2.32%
US	35.64%	21.32%	9.99%	5.82%	2.12%
DM	32.43%	18.86%	9.16%	6.36%	1.83%
GCC	10.83%	4.01%	0.99%	6.44%	1.06%
Europe ex UK	25.83%	12.01%	5.81%	6.18%	0.42%
UK	23.32%	15.41%	11.93%	7.94%	0.26%
EM LatAm	2.83%	-12.52%	-8.91%	3.75%	0.11%
Japan	21.55%	12.35%	1.21%	5.72%	-0.58%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: \*based on MSCI total return indices in USD terms as at close of September 30, 2024.

## Exhibit 8: Performance of equities – by sector

Equities: Sectors*	1Y	YTD	6M	3M	1M
Cons. Discr.	25.32%	14.12%	7.76%	9.37%	7.43%
Materials	20.71%	8.21%	6.20%	9.67%	5.44%
Utilities	35.73%	22.53%	20.74%	16.57%	5.39%
Comm. Services	37.27%	25.56%	12.73%	4.30%	5.27%
Real Estate	30.04%	12.34%	13.39%	16.78%	4.03%
Industrials	33.68%	18.02%	8.19%	10.16%	3.14%
IT	48.35%	26.19%	12.62%	1.12%	1.90%
Financials	36.21%	21.10%	10.81%	10.67%	1.60%
Cons. Staples	18.11%	12.09%	9.19%	9.40%	1.54%
Health Care	20.84%	14.08%	6.57%	6.22%	-2.66%
Energy	3.09%	6.19%	-2.93%	-2.16%	-3.09%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: \*based on MSCI total return indices in USD terms as at close of September 30, 2024.

## Exhibit 9: Performance of equities – by factors and themes

Equities: Factors and themes*	1Y	YTD	6M	3M	1M
HK Tech	21.20%	26.23%	36.64%	33.69%	33.45%
Mid cap	26.31%	13.41%	7.13%	9.83%	2.85%
NYSE FANG+	54.76%	30.86%	14.08%	0.86%	2.81%
Growth	36.45%	21.03%	10.53%	4.07%	2.54%
Nasdaq-100	36.33%	19.22%	9.89%	1.92%	2.48%
US Large Cap Growth	43.14%	26.11%	12.84%	2.10%	2.45%
Large cap	32.75%	19.64%	10.13%	6.05%	2.23%
Small cap	24.62%	11.29%	7.10%	8.80%	2.13%
Value	26.89%	16.24%	8.78%	9.42%	2.10%

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Momentum	46.47%	32.13%	9.17%	2.79%	1.98%
Dividend yield	23.12%	14.88%	9.11%	9.87%	1.93%
Quality	37.92%	22.57%	10.11%	3.58%	0.89%

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 September 30, 2024.

## Exhibit 10: Performance of select country equity indices

Equities: Select countries*	1Y	YTD	6M	3M	1M
China	23.89%	29.34%	32.24%	23.49%	23.90%
China A	14.86%	19.77%	18.93%	21.45%	22.37%
Hong Kong	14.75%	10.95%	25.61%	24.43%	17.08%
South Africa	36.70%	21.40%	30.32%	16.09%	6.56%
Qatar	11.23%	6.22%	10.21%	10.55%	5.23%
Spain	35.91%	20.93%	11.79%	13.66%	5.18%
Australia	31.63%	14.23%	13.33%	11.52%	5.18%
Germany	32.13%	16.89%	9.18%	10.73%	3.73%
Canada	26.75%	13.95%	9.60%	12.00%	2.63%
US	35.64%	21.32%	9.99%	5.82%	2.12%
India	40.33%	25.41%	18.24%	7.29%	2.11%
UAE	6.37%	9.79%	9.41%	12.02%	2.09%
Taiwan	52.67%	30.04%	15.66%	0.49%	1.52%
France	16.36%	5.49%	-0.37%	7.68%	1.35%
Mexico	-3.36%	-18.51%	-18.92%	-3.39%	1.21%
Saudi Arabia	11.18%	2.17%	-2.43%	5.31%	0.92%
UK	23.32%	15.41%	11.93%	7.94%	0.26%
Kuwait	8.90%	9.20%	0.81%	3.67%	-0.48%
Japan	21.55%	12.35%	1.21%	5.72%	-0.58%
Brazil	2.64%	-12.90%	-5.98%	7.14%	-0.86%
Switzerland	21.60%	10.42%	11.85%	8.51%	-1.19%
Netherlands	38.72%	15.73%	0.23%	-4.54%	-1.44%
South Korea	9.29%	-5.18%	-6.69%	-5.59%	-2.99%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: \*based on MSCI total return indices in USD terms as at close of September 30, 2024.

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