

The Weekly Market View

Investment Strategy | September 15 2025

Emerging markets drove global gains while Europe stalled

US

- ▶ The New York Fed Survey of Consumer Expectations showed 1-year inflation expectations ticked up to 3.2% in August, while 3-year and 5-year expectations held near 3.0% and 2.9%, respectively.
- ▶ The NFIB Small Business Optimism Index rose 0.5 points in August to 100.8, nearly three points above its long-run average, driven by improved expected real sales.
- ▶ The BLS annual revision indicated that employment growth between April 2024 and March 2025 was 911k lower than previously reported, pointing to a softer labor market backdrop.
- ▶ US producer prices declined 0.1% MoM in August after a sharp rise in July; annual PPI eased to 2.6% YoY from 3.3%, with core PPI slowing to 2.8% YoY.
- ▶ The US federal budget deficit reached USD 2.0trn in the first 11 months of FY25, USD 92bn wider than a year earlier, with revenues up 7% and outlays up 6%.
- ▶ US CPI rose 0.4% MoM in August, pushing annual inflation to 2.9%, core CPI advanced 0.3% MoM with the annual rate steady at 3.1%.
- ▶ Initial jobless claims rose to 263k in the week ending Sep 6, the highest since Oct 2021, while continuing claims held at 1.94mn.
- ▶ University of Michigan consumer sentiment fell for a second month in September, with the index at 55.4 from 58.2 in August. Current conditions eased slightly to 61.2, while expectations dropped to 51.8. Inflation expectations held at 4.8% for the year ahead, and long-run expectations rose to 3.9%.

Europe and UK

- ▶ Germany's industrial production increased 1.3% MoM in July after a small decline in June, led by autos and construction, while exports fell 0.6% MoM and the trade surplus narrowed to EUR 14.7bn.
- ▶ Eurozone Sentix investor morale weakened in September to its lowest since April, with current conditions at -18.8, underscoring persistent growth headwinds.
- ▶ France's industrial output fell 1.1% in July following a strong 3.7% rise in June, with transport equipment remaining volatile.
- ▶ UK retail sales rose 3.1% YoY in August, above the 12-month average of 2.0%, supported by solid food sales (+4.7%).
- ▶ In French politics, a parliamentary vote against the government's debt plans forced a cabinet reshuffle, with Gabriel Attal departing and Sébastien Lecornu tapped for the premiership.
- ▶ The ECB held its benchmark rate at 2% for a second consecutive meeting, citing the need to monitor the EU-US trade deal impact; staff upgraded 2025 GDP growth forecast to 1.2%.
- ▶ France's July industrial output fell 1.1% MoM after strong June gains; political uncertainty deepened as a no-confidence vote toppled the government, prompting a reshuffle.
- ▶ Germany's CPI was confirmed at 2.2% YoY in August, slightly above July's 2.0%, driven by services and energy.
- ▶ Fitch downgraded France's sovereign credit rating to A+ from AA-, citing ongoing political challenges and rising debt, marking France's lowest rating to date.
- ▶ UK monthly GDP was flat in July, in line with expectations, following 0.4% growth in June; manufacturing output fell 1.3% MoM, the sharpest decline since July 2024, while industrial production dropped 0.9% MoM.
- ▶ British house prices fell in August at their steepest pace in 18 months, with the RICS house price balance falling to -19 from -13 in July.

Asia

- ▶ China's services PMI in August recorded its fastest expansion in over a year, supported by strong domestic and international demand.
- ▶ China's August trade data disappointed as exports rose 4.4% YoY and imports 1.3% YoY, both below expectations, while CPI fell 0.4% YoY and PPI declined 2.9% YoY, marking a thirty-fourth straight month of factory-gate deflation.
- ▶ China's August credit data disappointed, with new bank lending rising by RMB590bn (below consensus RMB700bn). Household and corporate lending remained weak, while aggregate financing slightly exceeded expectations at RMB2.57trn due to higher public borrowing.

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- ▶ Japan's Q2 GDP was revised to 2.2% annualized from 1.0% prior, reflecting stronger capex and inventories.
- ▶ Japan's August PPI increased 2.7% YoY, in line with expectations, but fell 0.2% MoM.
- ▶ Japan's industrial production dropped 1.2% MoM in July, less than the 1.6% preliminary estimate, after a 2.1% rise in June; shipments fell 2.1% and inventories rose 0.9%. Production contracted 0.4% YoY.
- ▶ India's retail inflation rose to 2.1% in August from 1.6% in July, driven by food and personal care prices, though it remains within the RBI's target range, supporting a pause on rates.

Rates

- ▶ US Treasury yields ended the week mixed, with the 10-year yield easing slightly by 1bp to 4.06%, while short-term 3-month bills edged up nearly 2bp. The divergence reflected position adjustments ahead of key US data, as markets balanced Fed cut expectations with still-elevated short-end yields.
- ▶ In Europe, German Bund yields rose 5bp to 2.72%, supported by firmer inflation data, while UK Gilts climbed 3bp to 4.67% as sticky price pressures kept policy expectations elevated.
- ▶ In the GCC, UAE money market rates showed notable curve divergence: the 3-month Eibor increased by more than 4bp, while the 12-month tenor dropped nearly 16bp, reflecting improving liquidity conditions and expectations of a softer policy stance ahead.

FX

- ▶ The US dollar eased on September 9 as EUR and GBP firmed, before stabilizing on September 10 as traders pared positions ahead of US CPI; USD/JPY was choppy but firmed slightly as yield differentials remained wide.
- ▶ The dollar was little changed after PPI data on September 11, then weakened further on September 12; EUR gained 0.3%, GBP rose 0.3%, and JPY firmed 0.2%.
- ▶ The US dollar index ended flat on Friday after earlier volatility. The euro, pound, and yen all declined modestly against the dollar.
- ▶ The yen weakened slightly, with USD/JPY rising 0.17%, reflecting ongoing yield differentials.

Commodities

- ▶ Oil prices rose on Friday, lifted by a Ukrainian drone strike on a Russian port that disrupted loadings, offsetting concerns about oversupply and weak US demand.
- ▶ Gold marked its fourth consecutive weekly increase, trading near record highs as Fed rate-cut expectations supported demand.
- ▶ Industrial metals were firmer, with aluminum up 3.65% and copper 1.25% over the week.

Equities

- ▶ Global equities ended the week higher, with the MSCI World up 1.46% and MSCI EM surging 3.89%.
- ▶ In the US, the Nasdaq posted a record closing high, the S&P 500 ended flat, and the Dow fell 0.6%.
- ▶ European stocks slipped as early gains were surrendered.
- ▶ In Asia, Japan's Nikkei soared 4.07%, while Hong Kong's Hang Seng rallied 3.82% on strong tech momentum; India's Sensex rose 1.48%.
- ▶ GCC markets were mixed, Abu Dhabi's ADX slipped 0.20%, Dubai's DFM gained 0.69%, Saudi's Tadawul fell 1.90%, and Kuwait's KWSE surged 2.49%.

Digital Assets

- ▶ Digital assets were steady, with Bitcoin consolidating recent gains while broader crypto markets tracked global risk sentiment.
- ▶ Cryptocurrencies extended gains, with Bitcoin rising 4.13% and Ether surging 7.68%.
- ▶ Altcoins outperformed, with Solana up 16.63% and XRP advancing 9.62%, reflecting strong retail and institutional inflows into digital assets.

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	4.41	-1.00	13.00	13.00
UAE Eibor 3m	4.10	4.36	-2.28	-25.23
UAE Eibor 12m	3.91	-15.87	-36.61	-40.49
US 3m Bills	4.02	1.81	-32.84	-28.43
US 10yr Treasury	4.06	-0.99	-33.44	-72.81
German 10yr Bund	2.72	5.30	18.00	6.30
UK 10yr Gilt	4.67	2.50	12.10	-21.80
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	501	0.20	1.87	9.53
Global Treasuries	210	0.09	0.94	9.03
Global Corporate	302	0.38	3.52	11.03
EM USD Sovereign	443	0.52	5.04	10.03
EM LCY Sovereign	160	0.32	1.81	7.88
Global High Yield	1,820	0.20	4.05	9.81
Currencies				
Dollar Index	97.57	-0.22	-0.65	-10.73
EUR USD	1.1731	0.15	1.60	14.06
GBP USD	1.3566	0.35	-0.11	11.25
USD JPY	147.43	0.17	2.51	-6.61
Equities				
S&P 500	6,584	1.59	10.16	12.69
Dow Jones	45,834	0.95	8.62	7.80
NASDAQ	22,141	2.03	14.09	16.26
STOXX 600	555	1.03	1.82	9.16
DAX	23,698	0.43	0.77	16.90
Nikkei 225	44,768	4.07	18.33	16.36
FTSE 100	9,283	0.82	4.89	13.19
SENSEX	81,937	1.48	0.97	7.07
Hang Seng	26,463	3.82	10.45	37.30
MSCI World	4,253	1.46	9.02	15.48
MSCI EM	1,326	3.89	11.40	25.89
Regional Equities				
ADX	10,014	-0.20	4.71	5.44
DFM	6,031	0.69	12.41	14.97
Tadawul*	10,453	-1.90	-3.58	-14.13
DSM*	11,093	-0.05	4.39	6.82
MSM30*	5,082	-0.84	11.86	10.21
BHSE*	1,943	0.53	1.35	2.60
KWSE*	8,717	2.49	6.87	15.75
Commodities				
BBG Commodity Index	103.9	1.33	-1.44	1.03
Brent USD/bbl	67.4	2.27	-9.75	-16.18
WTI USD/bbl	63.1	1.33	-14.10	-19.11
Gold USD/t oz	3,644.4	1.57	6.14	36.49
Silver USD/t oz	42.3	2.88	16.21	41.08
Platinum USD/t oz	1,406.7	1.27	13.70	48.26
Aluminum	2,695.6	3.65	7.69	5.34
Copper USD/MT	10,004.5	1.25	3.59	10.96
Digital Assets				
Bitcoin	115,958.1	4.13	10.22	20.55
Ether	4,646.0	7.68	83.42	45.38
Solana	243.0	16.63	62.76	28.09
XRP	3.1	9.62	45.88	17.01
Volatility				
VIX	14.76	-2.77	-29.11	-21.11
MOVE	73.37	-13.98	-23.02	-28.06

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as of September 12 2025 unless stated otherwise; **Data as of September 11 2025.

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Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
9/15/2025 16:30	Empire Manufacturing	Sep	4.3	11.9
9/16/2025 16:30	Retail Sales Advance MoM	Aug	0.20%	0.50%
9/16/2025 16:30	Retail Sales Ex Auto MoM	Aug	0.40%	0.30%
9/16/2025 16:30	Import Price Index MoM	Aug	-0.30%	0.40%
9/16/2025 17:15	Industrial Production MoM	Aug	0.00%	-0.10%
9/16/2025 17:15	Capacity Utilization	Aug	77.40%	77.50%
9/17/2025 15:00	MBA Mortgage Applications	12-Sep	--	9.20%
9/17/2025 16:30	Housing Starts	Aug	1370k	1428k
9/17/2025 16:30	Building Permits	Aug P	1370k	1362k
9/17/2025 22:00	FOMC Rate Decision	17-Sep	4.25%	4.50%
9/18/2025 16:30	Initial Jobless Claims	13-Sep	--	263k
9/18/2025 16:30	Continuing Claims	6-Sep	--	1939k
9/18/2025 16:30	Philadelphia Fed Business Outlook	Sep	3	-0.3
9/18/2025 18:00	Leading Index	Aug	-0.10%	-0.10%
9/19/2025 0:00	Net Long-term TIC Flows	Jul	--	\$150.8b
9/19/2025 0:00	Total Net TIC Flows	Jul	--	\$77.8b

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
9/16/2025 8:30	Tertiary Industry Index MoM	Jul	0.10%	0.50%
9/17/2025 3:50	Trade Balance	Aug	-¥507.2b	-¥117.5b
9/18/2025 3:50	Core Machine Orders MoM	Jul	-1.30%	3.00%
9/19/2025 3:30	Natl CPI YoY	Aug	2.80%	3.10%
9/19/2025 3:30	Natl CPI Ex Fresh Food YoY	Aug	2.70%	3.10%
9/19/2025	BOJ Target Rate	19-Sep	0.50%	0.50%

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
9/16/2025 13:00	Eurozone ZEW Survey Expectations	Sep	--	25.1
9/17/2025 13:00	Eurozone CPI YoY	Aug F	2.10%	2.10%
9/17/2025 13:00	Eurozone CPI Core YoY	Aug F	2.30%	2.30%
9/15/2025-9/16/2025	Germany Wholesale Price Index YoY	Aug	--	0.50%
9/19/2025 10:00	Germany PPI YoY	Aug	--	-1.50%
9/16/2025 13:00	Germany ZEW Survey Expectations	Sep	20	34.7
9/16/2025 13:00	Germany ZEW Survey Current Situation	Sep	--	-68.6
9/19/2025 10:45	France Manufacturing Confidence	Sep	--	96
9/19/2025	France Retail Sales SA YoY	Aug	--	-1.90%

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
9/15/2025 3:01	Rightmove House Prices MoM	Sep	--	-1.30%
9/16/2025 10:00	Average Weekly Earnings 3M/YoY	Jul	--	4.60%
9/16/2025 10:00	ILO Unemployment Rate 3Mths	Jul	--	4.70%
9/16/2025 10:00	Claimant Count Rate	Aug	--	4.40%
9/16/2025 10:00	Jobless Claims Change	Aug	--	-6.2k
9/17/2025 10:00	CPI YoY	Aug	--	3.80%
9/17/2025 10:00	CPI Core YoY	Aug	--	3.80%
9/17/2025 10:00	Retail Price Index	Aug	--	406.2
9/17/2025 10:00	RPI YoY	Aug	--	4.80%
9/18/2025 15:00	Bank of England Bank Rate	18-Sep	4.00%	4.00%
9/19/2025 3:01	GfK Consumer Confidence	Sep	--	-17
9/19/2025 10:00	Retail Sales Inc Auto Fuel YoY	Aug	--	1.10%
9/19/2025 10:00	Retail Sales Ex Auto Fuel MoM	Aug	--	0.50%

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China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
9/12/2025-9/15/2025	China New Yuan Loans CNY YTD	Aug	13570.9b	12870.0b
9/12/2025-9/15/2025	China Aggregate Financing CNY YTD	Aug	26487.0b	23990.0b
9/12/2025-9/15/2025	China Money Supply M2 YoY	Aug	8.60%	8.80%
9/15/2025 6:00	China Retail Sales YTD YoY	Aug	4.70%	4.80%
9/15/2025 6:00	China Industrial Production YTD YoY	Aug	6.20%	6.30%
9/15/2025 10:30	India Wholesale Prices YoY	Aug	0.34%	-0.58%
9/15/2025	India Unemployment Rate	Aug	--	5.20%

GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
9/05/2025-9/20/2025	Qatar CPI YoY	Jul	--	0.07%
9/15/2025 10:00	Saudi Arabia CPI YoY	Aug	--	2.10%
9/15/2025-9/30/2025	Bahrain GDP Constant Prices YoY	2Q	--	2.70%
9/18/2025-9/20/2025	Kuwait CPI YoY	Aug	--	2.39%

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