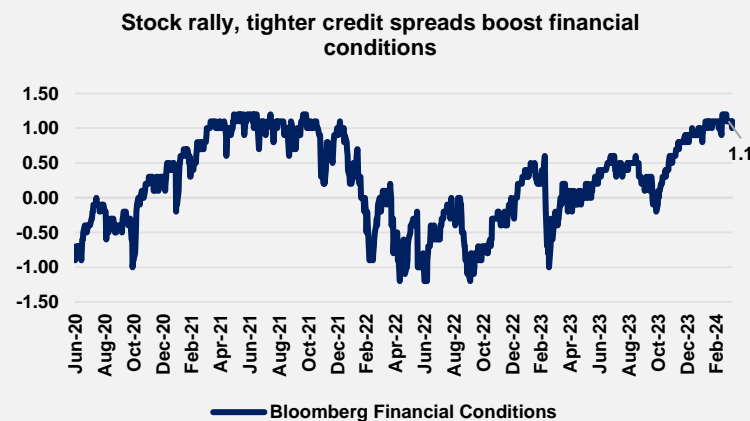


Equites and bond rebound on Wednesday

- ▶ Powell sticks with Fed's cautious rate-cut strategy.
- ▶ US private payrolls expanded while US ISM services PMI disappointed.
- ▶ Global equities and fixed income posted modest gains.

Chart of the Day: US financial conditions loosen.



Source: Bloomberg

Macroeconomic news

- ▶ Fed Chair Jay Powell stressed the need for more data and confidence in inflation stabilizing at the 2% target. Atlanta Fed president Raphael Bostic suggested waiting until the fourth quarter for a rate reduction, anticipating only a modest decrease in 2024.
- ▶ US ADP report indicated that private sector job growth expanded in March at its fastest pace since July 2023.
- ▶ US ISM services PMI disappointed and edged lower to 51.4 in March from 52.6 in February.

Rates and Fixed Income

- ▶ Global rates declined led by 10Y UK Gilt yields.
- ▶ Fixed income indices recorded positive returns, led by Global corporate.

Currencies

- ▶ Broader USD index inched lower.
- ▶ The EUR and GBP strengthened against USD. JPY continued to weaken against the USD.

Equities

- ▶ Global equities came in mixed, DAX outperformed, while Hang Seng underperformed.
- ▶ GCC equities mostly declined, Tadawul outperformed while KWSE underperformed the most.

Commodities

- ▶ Broader commodity index rose on Wednesday.
- ▶ Oil, copper and gold prices rose.

Key events in the day ahead

- ▶ US initial jobless claims
- ▶ Eurozone PPI

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.34	0.00	3.00	-6.00
UAE Eibor 3m	5.13	-13.09	-16.73	-29.97
UAE Eibor 12m	5.29	2.69	2.42	16.77
US 3m Bills	5.36	0.45	0.26	-0.23
US 10yr Treasury	4.35	-0.19	19.47	41.78
German 10yr Bund	2.40	-0.50	7.20	32.70
UK 10yr Gilt	4.06	-2.90	4.50	41.80
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	459	0.18	-0.68	-1.90
Global Treasuries	195	0.16	-0.97	-2.71
Global Corporate	269	0.24	-0.19	-0.58
EM USD Sovereign	383	0.15	0.97	1.65
EM LCY Sovereign	145	0.11	-0.47	-0.37
Global High Yield	1,549	0.17	0.70	2.30
Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	104.25	-0.54	0.43	2.00
EUR USD	1.0836	0.61	-0.19	-0.97
GBP USD	1.2652	0.59	-0.42	0.28
USD JPY	151.70	0.09	1.10	6.84
Equities		1D (%)	1M (%)	3M (%)
S&P 500	5,211	0.11	2.62	9.88
Dow Jones	39,127	-0.11	1.40	3.74
NASDAQ	16,277	0.23	2.12	10.24
STOXX 600	510	0.29	2.77	6.59
DAX	18,368	0.46	3.78	9.53
Nikkei 225	39,452	-0.97	-1.61	17.89
FTSE 100	7,937	0.03	3.81	2.80
SENSEX	73,877	-0.04	0.27	2.76
Hang Seng	16,725	-1.22	3.48	-0.38
MSCI World	3,410	0.18	2.17	8.40
MSCI EM	1,043	-0.64	2.10	2.64
Regional Equities		1D (%)	1M (%)	3M (%)
ADX	9,209	-0.47	-0.29	-3.95
DFM	4,240	-0.69	-0.14	3.64
Tadawul	12,622	1.17	1.22	4.12
DSM	9,692	-1.05	-6.67	-9.49
MSM30	4,663	-0.19	-0.84	1.62
BHSE	2,022	-0.36	0.37	3.33
KWSE	7,272	-1.31	-2.11	5.20
Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	101.9	1.20	4.74	3.89
Brent USD/bbl	89.4	0.48	8.91	17.74
Gold USD/t oz	2,300.0	0.85	8.08	11.71
Copper USD/MT	8,932.0	0.13	5.96	5.95
Volatility		1D (%)	1M (%)	3M (%)
VIX	14.33	-1.92	-0.90	8.56
MOVE	97.88	1.36	-11.28	-22.94

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 10AM UAE time – April 4, 2024. Performance in local currency terms.

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