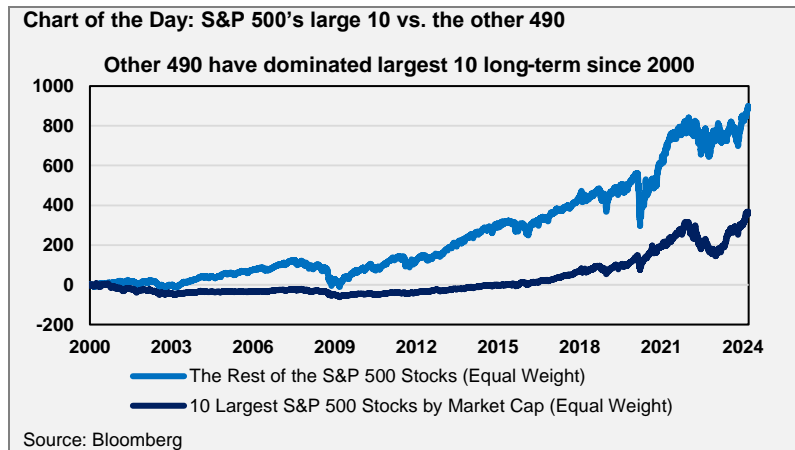


Hot inflation data spurs doubts on rate cuts

- ▶ US CPI increased 0.4% m-o-m and 3.5% y-o-y.
- ▶ ECB held interest rates at 4%.
- ▶ US PPI declined to 0.2% m-o-m and 2.1% y-o-y in March.



Macroeconomic news

- ▶ Hot US inflation data put doubts over a first interest rate cut. US CPI increased 0.4% m-o-m and 3.5% y-o-y, while core CPI advanced 0.4% m-o-m and 3.8% y-o-y, both increasing higher than expected.
- ▶ The ECB held interest rates at a record high on Thursday but signalled it could start cutting as soon as June. The ECB deposit rate was left unchanged at 4%. Money markets priced around 75 basis points of cuts this year according to Reuters.
- ▶ Preliminary US economic sentiment for April from the University of Michigan declined from 79.4 in March to 77.9, lower than estimates of 79.0.
- ▶ US final demand PPI declined to 0.2% m-o-m and 2.1% y-o-y in March from 0.6% m-o-m and 2.1% in February.

Rates and Fixed Income

- ▶ Global rates declined on Friday.
- ▶ Fixed income indices were mixed, Global Treasuries outperformed.

Currencies

- ▶ Broader USD index rose on Friday.
- ▶ The EUR and GBP weakened against the USD. JPY was relatively flat against the USD.

Equities

- ▶ Global equities ended mixed as US stocks fell sharply, FTSE100 outperformed while Hang Seng underperformed. EM underperformed DM on Friday.
- ▶ GCC equities had mixed performances on Sunday, MSM30 outperformed while KWSE underperformed.

Commodities

- ▶ Broader Commodity index rose on Friday.
- ▶ Oil rose amid rising middle east tensions, copper outperformed.

Key events in the day ahead

- ▶ China GDP
- ▶ UK Jobless Claims Change
- ▶ Germany ZEW Survey Expectations

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.31	0.00	0.00	0.00
UAE Eibor 3m	5.24	0.00	5.61	3.51
UAE Eibor 12m	5.14	0.00	-24.54	8.55
US 3m Bills	5.38	-1.54	-1.28	0.81
US 10yr Treasury	4.52	-6.49	23.13	55.58
German 10yr Bund	2.36	-10.40	-6.70	12.30
UK 10yr Gilt	4.14	-6.40	4.70	29.50
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	454	0.12	-1.56	-2.38
Global Treasuries	193	0.13	-1.93	-2.94
Global Corporate	266	0.04	-1.13	-1.54
EM USD Sovereign	380	-0.17	0.09	1.87
EM LCY Sovereign	144	-0.22	-1.40	-0.78
Global High Yield	1,538	-0.27	-0.37	1.57
Currencies				
Dollar Index	106.04	0.72	2.59	3.66
EUR USD	1.0643	-0.70	-2.23	-2.81
GBP USD	1.2452	-0.68	-2.34	-2.11
USD JPY	153.23	-0.01	3.34	4.99
Equities				
S&P 500	5,123	-1.46	-0.53	7.18
Dow Jones	37,983	-1.24	-2.37	0.72
NASDAQ	16,175	-1.62	0.29	8.05
STOXX 600	505	0.14	-0.23	6.87
DAX	17,930	-0.13	-0.07	8.36
Nikkei 225	39,524	0.21	1.85	12.76
FTSE 100	7,996	0.91	3.26	5.53
SENSEX	74,245	-1.06	1.57	3.52
Hang Seng	16,722	-2.18	-1.41	2.57
MSCI World	3,351	-1.18	-0.93	6.13
MSCI EM	1,042	-1.27	-0.67	4.72
Regional Equities				
ADX	9,237	0.00	-0.19	-6.17
DFM	4,244	0.00	-1.08	3.06
Tadawul	12,667	-0.30	-0.18	4.86
DSM	9,844	-0.80	-3.24	-5.17
MSM30	4,701	0.08	-1.85	1.95
BHSE	2,040	0.00	-0.31	2.72
KWSE	7,117	-0.98	-3.44	-0.38
Commodities				
BBG Commodity Index	102.9	0.56	3.88	5.39
Brent USD/bbl	90.5	0.79	5.89	16.85
Gold USD/t oz	2,344.4	-0.23	8.52	16.38
Copper USD/MT	9,402.0	1.75	6.94	12.84
Volatility				
VIX	17.31	16.10	20.21	39.15
MOVE	112.82	3.64	14.34	9.06

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 10AM UAE time – April 15, 2024. Performance in local currency terms.

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