

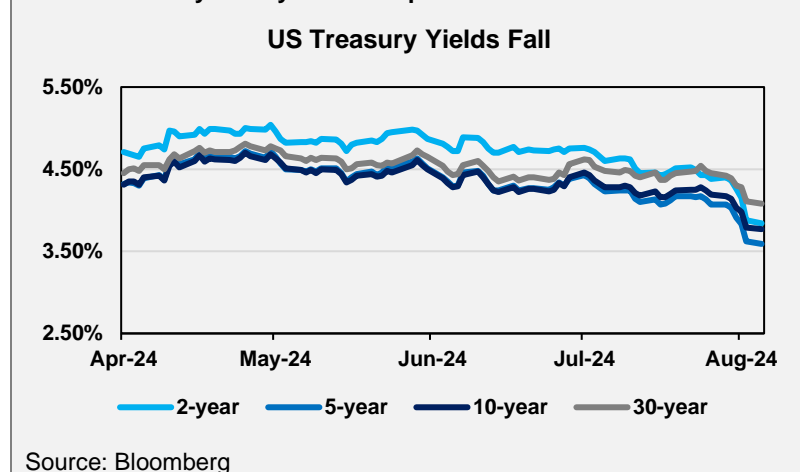
Daily Market View

August 5, 2024

Weak US jobs fuelled growth slowdown fears

- ▶ Growth in US non-farm payrolls missed estimates.
- ▶ US unemployment rate rose to three - year high.
- ▶ Global equities fell while safe-havens- USTs and Yen rally.

Chart of the day: UST yields slumped across the curve.



Macroeconomic news

- ▶ US non-farm payrolls increased by 114,000 jobs in July, below the downwardly revised figure of 179,000 in June, and much lower than the 175,000 advance, forecasted by economists polled by Reuters.
- ▶ US unemployment rate rose to 4.3% in July, the highest in three years from 4.1% in June. The increase in the unemployment marked the fourth straight monthly increase.
- ▶ US average hourly earnings grew 0.2% m-o-m compared to the 0.3% m-o-m in June. Hourly earnings rose 3.6% y-o-y in July versus the 3.8% y-o-y increase in June.

Rates and Fixed Income

- ▶ Global rates declined, led by 10Y UST yields, as markets started to price in c100bp Fed rate cuts by end-2024.
- ▶ Fixed income indices rose with the exception of Global HY.

Currencies

- ▶ Broader USD index came under pressure on US growth concerns and increased Fed rate cut expectations.
- ▶ The EUR, GBP and the JPY all strengthened against the USD. The USDJPY settled at 146 level for the first time since January.

Equities

- ▶ Global equities declined sharply with most of the major stock indices falling close to, or over 2% on Friday. The Nikkei 225 underperformed and fell c6%.
- ▶ UAE stocks fell on Friday, GCC equities also declined on Sunday.

Commodities

- ▶ BBG commodity index declined on Friday.
- ▶ Brent crude prices dropped 3.41%, copper also declined. Gold inched lower.

Key events in the day ahead

- ▶ Eurozone PPI
- ▶ US ISM Services Index

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.35	0.00	2.00	4.00
UAE Eibor 3m	5.14	-10.03	-18.50	-10.79
UAE Eibor 12m	4.90	-2.85	-51.55	-52.31
US 3m Bills	5.17	-7.78	-20.82	-22.12
US 10yr Treasury	3.79	-18.56	-56.83	-79.07
German 10yr Bund	2.17	-7.00	-43.40	-36.70
UK 10yr Gilt	3.83	-5.40	-36.90	-45.80
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	476	1.22	3.98	5.16
Global Treasuries	202	1.40	4.67	5.05
Global Corporate	280	0.95	3.01	5.26
EM USD Sovereign	395	0.30	2.33	4.29
EM LCY Sovereign	148	0.41	2.12	3.26
Global High Yield	1,600	-0.04	1.65	3.54
Currencies				
Dollar Index	103.21	-1.16	-1.83	-1.99
EUR USD	1.0911	1.16	0.92	1.81
GBP USD	1.2801	0.37	0.31	2.28
USD JPY	146.53	-2.25	-9.07	-4.71
Equities				
S&P 500	5,347	-1.84	-3.44	5.58
Dow Jones	39,737	-1.51	1.09	3.95
NASDAQ	16,776	-2.43	-7.76	5.90
STOXX 600	498	-2.73	-3.80	-1.07
DAX	17,661	-2.33	-4.28	-1.31
Nikkei 225	35,910	-5.81	-12.23	-6.08
FTSE 100	8,175	-1.31	-0.81	0.03
SENSEX	80,982	-1.08	1.16	8.54
Hang Seng	16,946	-2.08	-6.01	-6.93
MSCI World	3,449	-1.97	-3.38	3.82
MSCI EM	1,061	-2.44	-3.89	0.79
Regional Equities				
ADX	9,292	-0.79	1.82	2.97
DFM	4,237	-1.00	4.22	2.33
Tadawul	11,754	-2.42	3.32	-2.48
DSM	10,057	-0.73	0.57	5.41
MSM30	4,647	-0.43	-0.46	-2.22
BHSE	1,951	-1.00	-1.58	-2.84
KWSE	7,071	-1.99	3.30	2.57
Commodities				
BBG Commodity Index	94.7	-0.85	-7.29	-6.06
Brent USD/bbl	76.8	-3.41	-12.15	-8.20
Gold USD/t oz	2,443.2	-0.05	3.62	6.24
Copper USD/MT	8,977.0	-0.23	-7.71	-7.07
Volatility				
VIX	23.39	25.82	90.78	59.33
MOVE	112.26	10.25	9.17	11.48

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 5th, 2024. Performance in local currency terms.

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