

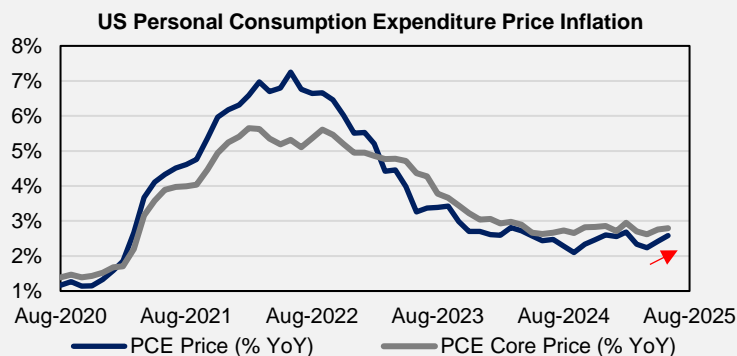
# Daily Market View

Investment Strategy | August 1, 2025

## Stocks slipped on inflation concerns

- ▶ US PCE inflation for June rose more than expected.
- ▶ Eurozone unemployment rate remained unchanged in June.
- ▶ China's Caixin PMI unexpectedly fell to 49.5 in July.

Chart of the day: US PCE price inflation for June was slightly hotter than expected



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ US Personal income rose slightly more than expected while personal spending disappointed. The PCE price index rose 2.6% YoY during June, higher than May month's 2.4% YoY. Core PCE price index rose 2.8% YoY during June.
- ▶ US initial claims (week ending July 26), increase by 1K, reaching 218K, up from 217K. US employers announced 62,075 job cuts in July, a 29% increase from June.
- ▶ Eurozone unemployment rate remained unchanged at 6.2% in June, outperforming the forecasted 6.3%. Germany's unemployment rate held steady at 6.3% in July, slightly better than the expected 6.4%.
- ▶ China's Caixin PMI unexpectedly fell to 49.5 in July down from 50.4 in June, indicating a contraction in manufacturing activity.

## Rates and Fixed Income

- ▶ Treasury yields for longer maturities eased before the July jobs report, but the 2Y yield rose slightly.
- ▶ Fixed income indices fell, except for EM USD Sovereign.

## Currencies

- ▶ The USD index closed higher on Thursday.
- ▶ The EUR rose, while the GBP and the JPY fell against the USD.

## Equities

- ▶ Global equities slipped as strong corporate earnings were tempered by inflation concerns and investor caution ahead of President Trump's trade agreement deadline.
- ▶ The Dow fell 0.74%, the S&P 500 dropped 0.37%, and the Nasdaq edged down 0.03%; only two S&P sectors gained.
- ▶ MSCI's global stock gauge and Europe's STOXX 600 both declined, hurt by disappointing earnings and new US tariffs.

## Commodities

- ▶ Oil prices dropped 1% after a surprise rise in US crude inventories
- ▶ Gold prices were volatile between tariff uncertainty and strong economic data.

## Key events in the day ahead

- ▶ Worldwide Manufacturing PMIs (Jul, final).
- ▶ UK nationwide home price index (Jul).
- ▶ Eurozone inflation (Jul, flash).
- ▶ US: Non-Farm Payrolls, unemployment, and Average Hourly Earnings (Jul).
- ▶ US: ISM Manufacturing PMI (Jul), and consumer sentiment (Jul, final).

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.32	0.00	-8.00	-4.00
UAE Eibor 3m	4.19	-11.5	4.72	-6.41
UAE Eibor 12m	4.17	4.21	-5.20	5.94
US 3m Bills	4.34	-0.05	0.99	2.49
US 10yr Treasury	4.37	0.40	9.71	6.57
German 10yr Bund	2.70	-1.10	3.10	16.20
UK 10yr Gilt	4.57	-3.40	-4.30	6.10
Fixed Income		1D	1M (%)	3M(%)
Global Agg. Index	490	-0.15	-1.44	0.51
Global Treasuries	206	-0.23	-1.94	-0.41
Global Corporate	294	-0.04	-0.66	2.36
EM USD Sovereign	432	0.06	0.67	4.35
EM LCY Sovereign	158	-0.16	-0.98	1.74
Global High Yield	1,782	-0.01	0.18	4.22
Currencies				
Dollar Index	99.97	0.15	3.30	-0.06
EUR USD	1.1415	0.09	-3.25	1.04
GBP USD	1.3207	-0.23	-3.15	-0.49
USD JPY	150.75	0.83	4.94	3.99
Equities				
S&P 500	6,339	-0.37	1.80	11.48
Dow Jones	44,131	-0.74	-0.79	6.81
NASDAQ	21,122	-0.03	3.58	17.49
STOXX 600	546	-0.75	0.91	1.80
DAX	24,065	-0.81	1.16	4.24
Nikkei 225	41,070	1.02	3.29	11.51
FTSE 100	9,133	-0.05	4.08	6.24
SENSEX	81,186	-0.36	-2.67	0.85
Hang Seng	24,773	-1.60	2.28	10.08
MSCI World	4,076	-0.48	0.99	9.44
MSCI EM	1,243	-0.74	1.06	9.70
Regional Equities				
ADX	10,371	0.17	4.54	8.26
DFM	6,159	-0.79	8.64	16.40
Tadawul*	10,920	0.05	-3.16	-1.20
DSM*	11,262	1.01	4.01	6.85
MSM30*	4,781	0.67	3.88	5.83
BHSE*	1,956	0.00	-0.27	1.82
KWSE*	8,618	0.42	0.14	6.14
Commodities				
BBG Commodity Index	101.2	-2.00	-2.44	-0.27
Brent USD/bbl	72.5	-0.97	4.95	18.34
WTI USD/bbl	69.3	-1.06	2.68	18.82
Gold USD/t oz	3,289.9	0.45	-2.01	1.53
Silver USD/t oz	36.7	-1.13	0.44	14.69
Platinum USD/t oz	1,292.1	-1.60	-9.18	33.83
Aluminium	2,563.9	-1.37	-1.46	6.62
Copper USD/MT	9,606.0	-0.96	-5.08	4.47
Digital Assets				
Bitcoin	116,491	-0.56	5.91	20.76
Ether	3,734.7	-0.93	43.63	102.95
Solana	175.4	-0.42	14.76	16.74
XRP	3.1	-1.34	33.96	37.69
Volatility				
VIX	16.72	8.01	2.08	-32.03
MOVE	79.84	-2.49	-7.26	-25.61

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 01, 2025. Performance in local currency terms.

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