

Daily Market View

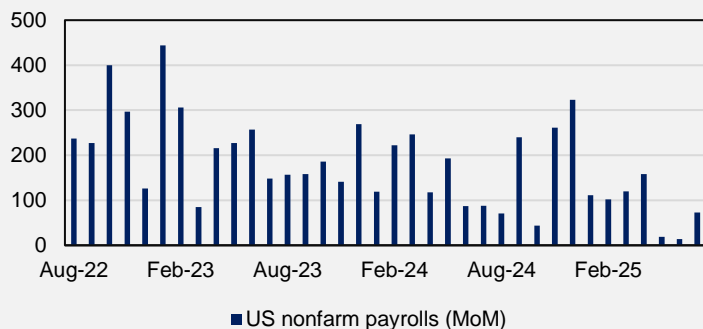
Investment Strategy | August 4, 2025

Global equity markets fell sharply on Friday on weak US data.

- ▶ US ISM Manufacturing index unexpectedly slipped in July.
- ▶ US July nonfarm payrolls surprised on the downside.
- ▶ UST yields declined as markets raised Fed rate cut bets.

Chart of the day: US payroll growth slowed

Prior two months revised down by nearly 260K



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The US ISM Manufacturing index unexpectedly slipped further into contraction zone, the PMI fell to 48.0, down from 49.0 in June.
- ▶ The US economy added 73k non-farm payrolls in July, below expectations of 110k. The unemployment ticked up to 4.2%, reflecting soft job growth. June's job creation was revised significantly downward to 14k from the previously reported 147k.
- ▶ Final reading of UMich consumer sentiment for July came in weaker than the preliminary reading and fell short of consensus expectations.
- ▶ In Eurozone, flash consumer price inflation for July came at 2.0% YoY unchanged from June and slightly higher the consensus expectations for 1.9% YoY.

Rates and Fixed Income

- ▶ US Treasury yields sank, with traders pricing a 69% chance of a September rate cut – up from just 37.7% earlier. The 10Y yield dropped to 4.22%, and the 2Y yield fell to 3.72%.
- ▶ Fixed income indices rose, except for EM LCY Sovereign.

Currencies

- ▶ The USD index fell on soft US jobs report.
- ▶ The EUR, the GBP and the JPY all rose against the USD.

Equities

- ▶ Global equity markets fell sharply on Friday after a weak US jobs report increased expectations for Federal Reserve rate cuts in September. MSCI's global equities index registered its largest loss since April.
- ▶ Major US indices declined on Friday, with Dow Jones down 1.23%, S&P 500 off 1.60%, and Nasdaq falling 2.24%.
- ▶ European stocks and Asian stocks also fell on Friday.
- ▶ GCC equity markets fell, tracking the decline in global equities.

Commodities

- ▶ Oil prices fell amid OPEC production concerns.
- ▶ Gold rose to a one-week high as investors sought safe havens.

Key events in the day ahead

- ▶ Canada markets are closed for holiday (Civic Holiday).
- ▶ UK markets are closed for holiday (Bank Holiday).
- ▶ US Conference Board employment index (Jun).
- ▶ US Factory Orders (Jun).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.39	0.00	4.00	6.00
UAE Eibor 3m	4.28	8.99	9.24	14.05
UAE Eibor 12m	4.13	-3.46	5.77	-1.50
US 3m Bills	4.27	-7.14	-8.54	-4.35
US 10yr Treasury	4.22	-15.81	-12.98	-12.74
German 10yr Bund	2.68	-1.60	6.40	16.20
UK 10yr Gilt	4.53	-4.10	-1.40	2.00
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	493	0.73	-0.60	1.35
Global Treasuries	207	0.78	-1.02	0.45
Global Corporate	296	0.70	0.09	3.23
EM USD Sovereign	432	0.09	0.64	4.61
EM LCY Sovereign	158	-0.19	-1.42	1.52
Global High Yield	1,783	0.05	0.13	4.32
Currencies				
Dollar Index	99.14	-0.83	2.02	-0.69
EUR USD	1.1587	1.44	-1.40	2.52
GBP USD	1.3279	0.42	-2.73	0.04
USD JPY	147.40	-2.18	1.62	2.24
Equities				
S&P 500	6,238	-1.60	-0.66	10.40
Dow Jones	43,589	-1.23	-2.77	5.75
NASDAQ	20,650	-2.24	0.24	15.72
STOXX 600	536	-1.89	-1.47	-0.28
DAX	23,426	-2.66	-2.12	0.35
Nikkei 225	40,800	-0.66	2.55	10.78
FTSE 100	9,069	-0.70	2.78	5.49
SENSEX	80,600	-0.72	-3.17	-0.24
Hang Seng	24,508	-1.07	1.82	8.90
MSCI World	4,023	-1.31	-0.99	8.50
MSCI EM	1,226	-1.37	-0.87	7.60
Regional Equities				
ADX	10,317	-0.52	3.37	7.85
DFM	6,112	-0.77	6.33	14.36
Tadawul*	10,833	-0.80	-3.73	-1.43
DSM*	11,168	-0.83	3.11	6.74
MSM30*	4,770	-0.22	3.21	4.59
BHSE*	1,952	-0.21	-0.39	1.59
KWSE*	8,594	-0.27	-0.35	5.94
Commodities				
BBG Commodity Index	100.6	-0.56	-2.68	-0.55
Brent USD/bbl	69.7	-3.94	1.26	15.67
WTI USD/bbl	67.3	-2.79	0.49	17.85
Gold USD/t oz	3,363.5	2.07	0.89	1.62
Silver USD/t oz	37.0	0.88	0.53	14.01
Platinum USD/t oz	1,320.4	2.19	-4.10	36.96
Aluminium	2,565.0	0.04	-0.90	6.01
Copper USD/MT	9,535.5	-0.73	-4.36	1.70
Digital Assets				
Bitcoin	113,905.	-2.22	5.72	17.35
Ether	3,540.4	-5.20	42.11	91.63
Solana	163.7	-6.66	11.47	10.38
XRP	3.0	-1.46	35.38	35.71
Volatility				
VIX	20.38	21.89	16.59	-10.14
MOVE	83.83	5.00	-2.63	-17.33

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 04, 2025. Performance in local currency terms.

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