

Daily Market View

Investment Strategy | August 5, 2025

Global stocks jumped on rate cut bets and dip buying.

- ▶ US factory orders declined sharply in June.
- ▶ EU Sentix investor confidence for Aug unexpectedly slipped.
- ▶ Oil prices declined on OPEC+ supply increase concerns

Chart of the day: STOXX 600 climbed



Macroeconomic news

- ▶ Investor confidence in the Eurozone took a sharp hit in August, with Sentix Investor Confidence Index plunging from 4.5 to -3.7, well below expectations of 6.2.
- ▶ The US factory orders declined in June but by slightly less than feared. New orders for US-manufactured goods fell in June as commercial aircraft orders plunged, reversing the surge in plane orders that had driven the overall upswing in orders in the prior month. Factory orders tumbled 4.8% MoM after an upwardly revised 8.3% MoM increase in May. Consensus had forecast factory orders would decline 4.9% MoM after a previously reported 8.2% MoM jump in May. Orders were up 3.8% on a YoY basis in June.

Rates and Fixed Income

- ▶ The 10y UST yields dropped further on Fed rate cut bets.
- ▶ Fixed income indices rose, led by EM LCY Sovereign.

Currencies

- ▶ The USD index stabilized after Friday's decline.
- ▶ The EUR fell while the GBP was flat against the USD. The JPY rose against the USD.

Equities

- ▶ The S&P 500 advanced nearly 1.5% on Monday as investors returned to the market after four consecutive days of declines, including Friday's notable sell-off which was the steepest drop since April 21. All three major indices – the S&P 500, Nasdaq, and Dow Jones – recorded their most significant single-day gains since May 27, driven primarily by post-sell-off bargain hunting amid a relatively quiet news day.
- ▶ GCC markets mostly rose, barring KWSE, ADX and BHSE.

Commodities

- ▶ Oil prices declined following OPEC+ decisions to increase output in September.
- ▶ Gold prices extended their rally to a third consecutive session, supported by economic data that heightened expectations for potential interest rate cuts by the Federal Reserve.

Key events in the day ahead

- ▶ Worldwide Services/Composite PMIs (Jul).
- ▶ Eurozone PPI (Jun).
- ▶ France industrial production (Jun).
- ▶ US trade (Jun) and ISM Services PMI (Jul).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.34	0.00	-1.00	2.00
UAE Eibor 3m	4.17	-10.85	2.39	2.76
UAE Eibor 12m	4.18	5.18	6.15	5.98
US 3m Bills	4.24	-2.12	-10.66	-5.73
US 10yr Treasury	4.19	-2.36	-15.34	-10.23
German 10yr Bund	2.62	-5.50	1.70	8.40
UK 10yr Gilt	4.51	-1.90	-4.50	-0.50
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	495	0.33	-0.38	1.45
Global Treasuries	208	0.41	-0.75	0.63
Global Corporate	297	0.19	0.20	3.26
EM USD Sovereign	433	0.33	0.98	4.84
EM LCY Sovereign	159	0.69	-0.68	1.90
Global High Yield	1,787	0.25	0.34	4.53
Currencies				
Dollar Index	98.85	0.10	1.94	-0.98
EUR USD	1.1572	-0.13	-1.75	1.96
GBP USD	1.3285	0.05	-2.67	-0.55
USD JPY	147.14	-0.24	1.78	3.02
Equities				
S&P 500	6,330	1.47	0.81	12.90
Dow Jones	44,174	1.34	-1.46	8.19
NASDAQ	21,054	1.95	2.20	19.02
STOXX 600	541	0.90	-0.10	0.79
DAX	23,758	1.42	-0.13	2.19
Nikkei 225	40,291	-1.25	1.21	9.39
FTSE 100	9,128	0.66	3.46	6.17
SENSEX	81,019	0.52	-2.89	0.47
Hang Seng	24,733	0.92	3.42	9.14
MSCI World	4,073	1.24	0.28	10.46
MSCI EM	1,237	0.89	0.44	8.76
Regional Equities				
ADX	10,299	-0.17	3.18	7.02
DFM	6,126	0.22	6.47	14.43
Tadawul*	10,839	0.06	-3.34	0.13
DSM*	11,180	0.11	3.81	6.46
MSM30*	4,800	0.62	3.75	5.14
BHSE*	1,949	-0.11	-0.14	1.60
KWSE*	8,551	-0.51	-0.83	4.96
Commodities				
BBG Commodity Index	100.4	-0.20	-2.87	-1.82
Brent USD/bbl	68.8	-1.31	0.67	10.64
WTI USD/bbl	66.3	-1.54	-1.06	12.18
Gold USD/t oz	3,371.0	0.22	1.02	-1.11
Silver USD/t oz	37.4	1.01	1.30	12.61
Platinum USD/t oz	1,334.0	1.03	-4.57	35.06
Aluminium	2,551.5	-0.52	-0.80	5.45
Copper USD/MT	9,622.5	0.91	-2.73	2.63
Digital Assets				
Bitcoin	114,821.	0.80	6.41	21.84
Ether	3,700.9	4.54	46.04	104.57
Solana	167.3	2.18	12.75	14.93
XRP	3.0	1.43	34.57	43.46
Volatility				
VIX	17.52	-14.03	-1.52	-25.89
MOVE	87.95	4.91	-0.66	-15.80

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 05, 2025. Performance in local currency terms.

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