

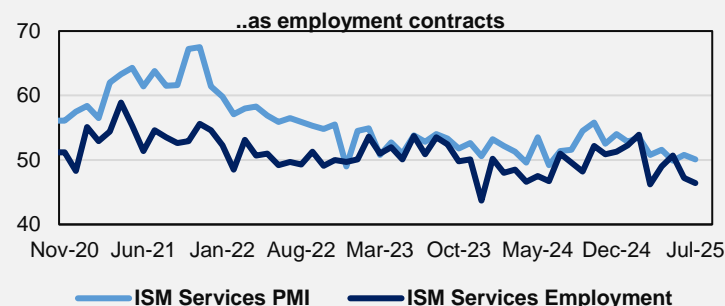
# Daily Market View

Investment Strategy | August 6, 2025

## US stocks dropped on US service activity concerns

- ▶ US ISM services surprised on the downside.
- ▶ Eurozone producer prices index (PPI) rose 0.8% MoM.
- ▶ UST yields and USD index rose on Tuesday.

Chart of the day: US service activity nearly stagnates..



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ US ISM services PMI declined from 50.8 in June to 50.1 in July, compared to forecasts of 51.5, numbers above 50 show expansion. New Orders Index declined from 51.3 in June to 50.3 in July, while Employment Index decreased from 47.2 to 46.4.
- ▶ Final US S&P global composite PMI rose to 55.1 in July, surpassing both the preliminary estimate of 54.6 and June's reading of 52.9. Final US S&P global services PMI climbed to 55.7 in July, slightly above the market expectation of 55.2.
- ▶ Eurozone producer prices rose for the first time in four months in June, largely due to an increase in energy costs. Producer prices climbed 0.8% MoM in June, reversing a 0.6% decline posted in May.
- ▶ Japan's S&P Global final services purchasing managers' index rose to 53.6 in July from 51.7 in June, marking the strongest expansion since February.
- ▶ Final Eurozone composite PMI increased to a 4-month high of 50.90 in July from 50.60 in June but came in slightly below consensus. Services PMI increased to 51 in July from 50.50 in June.

## Rates and Fixed Income

- ▶ The 10Y UST yields rose as hotter ISM services prices outweighed soft jobs data.
- ▶ Fixed income indices rose, with the exception of EM LCY Sovereign.

## Currencies

- ▶ The USD index rose, helped by the rise in ISM services prices.
- ▶ The EUR and the GBP rose, while the JPY fell against the USD.

## Equities

- ▶ Wall Street indices declined on Tuesday as data signalled weakening US services activity amid sticky price pressures
- ▶ Equities in both Europe and Asia posted gains.
- ▶ GCC markets mostly rose, barring Bahrain.

## Commodities

- ▶ Oil prices declined for a fourth consecutive session, with both major benchmarks settling at five-week lows amid heightened concerns over global economic growth and potential oversupply.
- ▶ Gold prices advanced helped by elevated trade uncertainty.

## Key events in the day ahead

- ▶ India RBI interest rate decision.
- ▶ Germany factory orders (Jun).
- ▶ US S&P Global Construction PMI (Jul).
- ▶ Eurozone retail sales (Jun).

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.33	0.00	0.00	3.00
UAE Eibor 3m	4.17	-0.76	4.28	2.11
UAE Eibor 12m	4.12	-6.56	-12.78	1.50
US 3m Bills	4.23	-1.26	-11.09	-8.76
US 10yr Treasury	4.21	1.77	-16.94	-5.94
German 10yr Bund	2.62	0.00	-1.90	14.90
UK 10yr Gilt	4.52	0.70	-7.00	5.60
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	495	0.03	0.06	1.29
Global Treasuries	208	0.03	-0.24	0.53
Global Corporate	297	0.05	0.62	3.04
EM USD Sovereign	434	0.19	1.41	4.63
EM LCY Sovereign	159	-0.07	-0.45	1.82
Global High Yield	1,789	0.10	0.58	4.41
Currencies				
Dollar Index	98.78	0.15	1.34	-0.84
EUR USD	1.1583	0.10	-0.95	2.06
GBP USD	1.3310	0.19	-2.10	-0.28
USD JPY	147.55	0.35	0.98	2.88
Equities				
S&P 500	6,299	-0.49	1.11	11.86
Dow Jones	44,112	-0.14	-0.66	7.29
NASDAQ	20,917	-0.65	2.47	17.92
STOXX 600	541	0.15	-0.39	1.49
DAX	23,846	0.37	-0.95	3.16
Nikkei 225	40,550	0.64	2.43	10.25
FTSE 100	9,143	0.16	3.82	6.82
SENSEX	80,710	-0.38	-3.27	-0.05
Hang Seng	24,903	0.68	4.25	9.74
MSCI World	4,063	-0.23	0.70	9.89
MSCI EM	1,246	0.73	1.62	9.56
Regional Equities				
ADX	10,331	0.32	3.24	7.49
DFM	6,166	0.67	6.27	15.53
Tadawul*	10,922	0.76	-1.56	0.66
DSM*	11,284	0.93	4.31	7.63
MSM30*	4,817	0.36	4.43	5.39
BHSE*	1,947	-0.13	-0.32	1.37
KWSE*	8,584	0.38	-0.28	5.35
Commodities				
BBG Commodity Index	100.3	-0.12	-2.29	-1.19
Brent USD/bbl	67.6	-1.63	-2.79	10.67
WTI USD/bbl	65.2	-1.70	-4.08	12.21
Gold USD/t oz	3,382.1	0.33	1.64	-0.14
Silver USD/t oz	37.8	1.08	2.85	16.52
Platinum USD/t oz	1,322.7	-0.85	-3.80	35.11
Aluminium	2,560.6	0.36	-1.02	6.20
Copper USD/MT	9,576.5	-0.48	-3.51	0.81
Digital Assets				
Bitcoin	113,687.	-0.99	4.60	20.05
Ether	3,576.2	-3.37	37.57	101.43
Solana	162.6	-2.81	8.36	12.91
XRP	2.9	-3.64	27.92	38.10
Volatility				
VIX	17.85	1.88	6.19	-27.91
MOVE	89.20	1.42	1.31	-15.99

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 06, 2025. Performance in local currency terms.

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