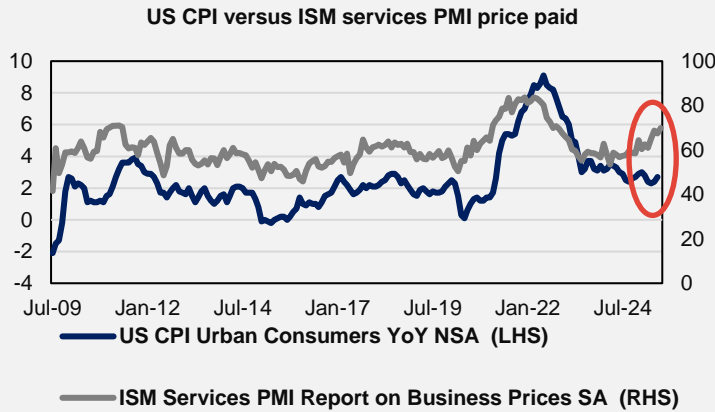


## Risk-on rally hit a pause ahead of key inflation release

- ▶ **US and China agreed to extend a tariff truce for 90 days.**
- ▶ **The Reserve Bank of Australia delivered its third rate cut.**
- ▶ **All eyes on the US July inflation release.**

Chart of the day: Mind the gap



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ The US and China have agreed to extend their trade truce by 90 days, pushing the deadline to November 10—just ahead of planned tariff hikes. President Trump formalized the extension with an executive order.
- ▶ The Reserve Bank of Australia lowered its key rate to 3.6%, in line with market expectations. This is the third time the central bank has trimmed its key interest rate.
- ▶ Japan's M2 money stock rose 1.0% YoY in July, up from 0.9% YoY in June. M3 money stock also climbed 0.6% YoY in July, from June's 0.4% YoY growth.

## Rates and Fixed Income

- ▶ UST yields were little changed as markets await July's inflation data.
- ▶ Global fixed income indexes mostly declined, barring EM USD sovereign. Global HY index ended flat.

## Currencies

- ▶ The USD index advanced on Monday.
- ▶ The EUR, the GBP and the JPY fell versus USD.

## Equities

- ▶ Global equity markets declined on Monday during a volatile trading session. Investors responded to ongoing developments in trade and geopolitics and refrained from making bets ahead of US inflation report. MSCI's global stock gauge declined c0.30%, remaining close to its July record high.
- ▶ In the US, all major indices closed lower: the Dow Jones Industrial Average decreased by 0.45%, the S&P 500 dropped 0.25%, and the Nasdaq Composite fell 0.30%.
- ▶ GCC markets mostly rose with Tadawul, BHSE and ADX being the exception. Tadawul underperformed peers.

## Commodities

- ▶ Oil prices were stable ahead of the upcoming talks between President Trump and President Putin in Alaska.
- ▶ Gold prices retreated following comments from President Trump that tariffs would not be imposed on imported gold bars.

## Key events in the day ahead

- ▶ UK labour market report (Jun)
- ▶ US CPI (Jul), and US monthly budget statement (Jul)
- ▶ Eurozone ZEW Economic Sentiment (Aug), Germany ZEW economic sentiment (Aug)

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.35	0.00	4.00	7.00
UAE Eibor 3m	4.19	0.28	-4.33	-13.74
UAE Eibor 12m	4.13	0.49	-22.81	-0.05
US 3m Bills	4.24	0.47	-10.81	-13.71
US 10yr Treasury	4.28	0.20	-6.49	-18.60
German 10yr Bund	2.70	0.60	-0.90	4.80
UK 10yr Gilt	4.57	-3.60	-3.00	-7.80
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	495	-0.14	0.15	2.89
Global Treasuries	208	-0.16	-0.04	2.46
Global Corporate	297	-0.08	0.57	4.14
EM USD Sovereign	436	0.18	1.65	4.85
EM LCY Sovereign	159	-0.10	0.01	2.44
Global High Yield	1,794	0.00	0.88	4.27
Currencies				
Dollar Index	98.52	0.35	0.89	-3.21
EUR USD	1.1615	-0.22	-0.73	4.76
GBP USD	1.3432	-0.15	-1.08	1.94
USD JPY	148.15	0.28	1.29	-0.21
Equities				
S&P 500	6,373	-0.25	1.48	9.06
Dow Jones	43,975	-0.45	-1.51	3.69
NASDAQ	21,385	-0.30	3.66	14.31
STOXX 600	547	-0.06	-1.12	0.42
DAX	24,081	-0.34	-1.54	2.18
Nikkei 225	41,820	0.00	5.48	11.09
FTSE 100	9,130	0.37	1.72	6.10
SENSEX	80,604	0.93	-3.11	-2.21
Hang Seng	24,907	0.19	3.66	5.76
MSCI World	4,113	-0.30	1.21	8.42
MSCI EM	1,256	0.15	1.98	8.07
Regional Equities				
ADX	10,302	-0.09	2.53	6.88
DFM	6,153	0.08	5.55	15.36
Tadawul	10,792	-0.99	-1.58	-1.93
DSM	11,371	0.08	3.93	7.70
MSM30	4,863	0.16	4.04	6.21
BHSE	1,938	-0.34	-0.33	0.77
KWSE	8,678	0.33	0.88	6.35
Commodities				
BBG Commodity Index	100.5	-0.25	-2.49	-1.71
Brent USD/bbl	66.6	0.06	-2.93	2.57
WTI USD/bbl	64.0	0.13	-3.92	3.24
Gold USD/t oz	3,342.4	-1.63	0.55	3.27
Silver USD/t oz	37.6	-1.91	1.65	15.37
Platinum USD/t oz	1,332.9	0.11	-2.49	35.60
Aluminium	2,583.8	-0.88	-0.96	4.29
Copper USD/MT	9,643.5	0.17	-1.11	0.56
Digital Assets				
Bitcoin	118,856	1.66	4.64	15.74
Ether	4,245.6	4.61	50.53	70.79
Solana	176.2	-1.18	9.80	2.24
XRP	3.2	-4.53	26.40	24.97
Volatility				
VIX	16.25	7.26	2.98	-11.64
MOVE	81.76	3.23	0.22	-20.54

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 12, 2025. Performance in local currency terms.

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