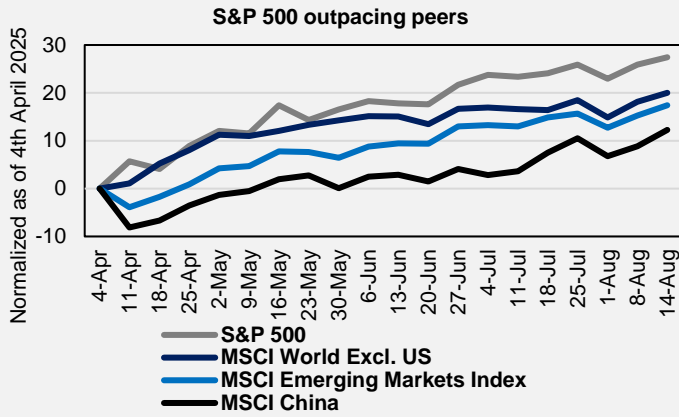


Stocks and bonds gained on September Fed rate cut bets

- ▶ German July CPI remained unchanged from June.
- ▶ Stock volatility hit the lowest since December 2024.
- ▶ Focus today will be on Eurozone Q2 GDP print and US PPI.

Chart of the day: Return of US exceptionalism?



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Germany's CPI remained at 2% YoY in July, unchanged from June and marking the lowest since last October. Earlier figures were 2.1% YoY in May and April, and 2.2% YoY in March.
- ▶ Japan's machine tool orders rose 3.6% YoY in July, led by a 5.3% jump in foreign demand, while domestic orders dipped 0.7%. Orders fell 3.6% MoM, reversing June's 3.5% gain.

Rates and Fixed Income

- ▶ UST yields declined with markets fully pricing in a 25bp rate reduction in September.
- ▶ Global fixed income indexes posted gains across the board. Global Treasuries were the best performers.

Currencies

- ▶ The USD fell for the second day in a row to its lowest in two weeks.
- ▶ The EUR, the GBP and the JPY strengthened versus USD.

Equities

- ▶ Global stocks hit a record high for the second day, lifted by Fed rate cut hopes and a pause on tariffs for Chinese imports. Traders now see a 94% chance of a September cut, up from 57% last month. The MSCI All Country World Index rose 0.52%, while the S&P 500, Nasdaq, and Dow all closed higher.
- ▶ European stocks advanced 0.54%, almost reaching two-week highs, while Japan's Nikkei rose for the sixth straight day, breaking the 43,000 level for the first time and hitting a fresh high.
- ▶ MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.54%.
- ▶ GCC markets mostly rose except for UAE stocks. Saudi equities ended flat.

Commodities

- ▶ Oil prices continued to decline ahead of Trump's meeting with Russian President Vladimir Putin.
- ▶ Gold and silver prices rose strongly on Wednesday.

Key events in the day ahead

- ▶ China retail sales (Jul), Industrial Production (Jul), Fixed Assets (Jul)
- ▶ US weekly jobless claims, and US PPI (Jul)
- ▶ Eurozone GDP (Q2, preliminary)
- ▶ Norges central bank decision

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.36	0.00	3.00	7.00
UAE Eibor 3m	4.18	-12.24	-1.34	-20.19
UAE Eibor 12m	4.11	-9.41	-8.16	-8.39
US 3m Bills	4.20	-1.86	-13.20	-18.38
US 10yr Treasury	4.23	-5.62	-20.07	-30.37
German 10yr Bund	2.68	-6.40	-4.90	-1.90
UK 10yr Gilt	4.59	-3.70	-1.10	-12.40
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	497	0.55	1.14	3.32
Global Treasuries	209	0.59	1.01	2.78
Global Corporate	299	0.55	1.62	4.73
EM USD Sovereign	438	0.46	2.74	5.36
EM LCY Sovereign	160	0.33	0.45	2.75
Global High Yield	1,804	0.35	1.66	4.54
Currencies				
Dollar Index	97.84	-0.26	-0.25	-3.17
EUR USD	1.1705	0.26	0.35	4.74
GBP USD	1.3576	0.56	1.11	2.36
USD JPY	147.38	-0.31	-0.23	0.43
Equities				
S&P 500	6,467	0.32	3.16	9.74
Dow Jones	44,922	1.04	1.04	6.83
NASDAQ	21,713	0.14	5.20	13.40
STOXX 600	551	0.54	0.71	1.28
DAX	24,186	0.67	0.10	2.80
Nikkei 225	43,275	1.30	9.67	13.50
FTSE 100	9,165	0.19	1.86	6.76
SENSEX	80,540	0.38	-2.08	-0.97
Hang Seng	25,614	2.58	5.83	8.35
MSCI World	4,178	0.52	3.12	9.07
MSCI EM	1,277	1.57	3.94	8.80
Regional Equities				
ADX	10,283	-0.13	2.18	6.87
DFM	6,091	-0.44	4.01	13.65
Tadawul	10,763	-0.06	-0.74	-2.19
DSM	11,635	1.87	4.43	10.19
MSM30	4,900	0.14	2.58	7.02
BHSE	1,949	0.46	0.19	1.33
KWSE	8,689	0.69	0.98	6.49
Commodities				
BBG Commodity Index	100.4	0.11	-3.29	-1.99
Brent USD/bbl	65.6	-0.74	-5.17	-0.70
WTI USD/bbl	62.7	-0.82	-6.46	-0.79
Gold USD/t oz	3,355.9	0.23	0.37	5.62
Silver USD/t oz	38.5	1.56	0.96	19.48
Platinum USD/t oz	1,343.3	0.04	-1.85	36.36
Aluminium	2,613.0	-0.09	0.94	3.18
Copper USD/MT	9,746.5	0.88	2.00	1.01
Digital Assets				
Bitcoin	122,951	2.31	2.29	18.71
Ether	4,719.5	2.13	57.04	81.50
Solana	200.3	4.57	22.87	13.25
XRP	3.3	-0.84	11.59	27.40
Volatility				
VIX	14.49	-1.63	-15.76	-22.18
MOVE	77.31	-0.14	-14.79	-23.25

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 14, 2025. Performance in local currency terms.

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