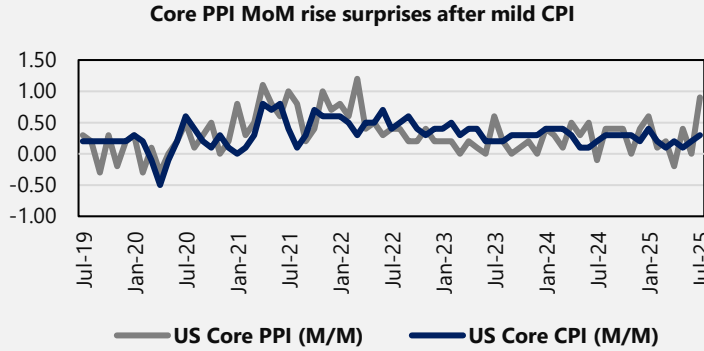


## Markets dial back Fed cut bets amid rising US wholesale inflation

- ▶ **US July PPI rose at the fastest rate in three years.**
- ▶ **UK Q2'25 GDP preliminary estimate beat expectations.**
- ▶ **China July retail sales, industrial production disappointed.**

Chart of the day: US producer prices surged in July



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ China's fixed asset investments grew 1.6% YoY in July (consensus: 2.7%, previous: 2.8%). Industrial production increased 5.7% YoY (consensus: 6.0%, previous: 6.8%). Retail sales grew 3.7% YoY during July (consensus: 4.6%, previous: 4.8%).
- ▶ US Producer Price Index rose 0.9% MoM in July, the fastest pace since June 2022 and 3.3% YoY. Service costs jumped 1.1% MoM, the highest since March 2022. Core PPI (excluding food and energy) increased 0.9% MoM.
- ▶ The UK economy grew 0.3% QoQ in Q2'25, beating expectations of 0.1%. Growth was driven by services. Monthly GDP data showed a rebound of 0.4% MoM in June after a 0.1% dip in May.
- ▶ Eurozone economy grew 0.1% QoQ in Q2'25, with annual GDP up 1.4%, matching initial estimates and market expectations. Separately, Industrial production fell 1.3% MoM but rose 0.2% YoY in June.

## Rates and Fixed Income

- ▶ UST yields rose after the hot US PPI print reduced market expectations of Fed rate cut. While money markets still expect a 25bp rate cut at the September meeting, the odds fell to c85%.
- ▶ Global fixed income indexes fell across the board, led by Global Treasuries.

## Currencies

- ▶ The USD gained, snapping two-day decline, on strong PPI print.
- ▶ The EUR, the GBP and the JPY weakened versus USD.

## Equities

- ▶ Global stocks dipped slightly on Thursday as strong US inflation data dampened hopes for Fed rate cuts. The S&P 500 hit a new closing high, while the Dow and Nasdaq were nearly unchanged
- ▶ GCC markets mostly posted gains, but ADX and BHSE fell.

## Commodities

- ▶ Oil prices climbed c2% amid concerns over possible disruptions to Russian crude exports ahead of the Trump-Putin meeting.
- ▶ Gold and silver prices fell as upbeat US PPI report reduced aggressive rate cut expectations.

## Key events in the day ahead

- ▶ Trump-Putin Alaska summit
- ▶ US retail sales (Jul)
- ▶ US industrial production (Jul)
- ▶ US University of Michigan consumer sentiment (Aug, prelim)

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.33	0.00	-4.00	2.00
UAE Eibor 3m	4.14	-4.00	-3.36	-10.01
UAE Eibor 12m	4.19	7.86	-13.07	-0.19
US 3m Bills	4.21	1.24	-11.75	-14.24
US 10yr Treasury	4.28	5.23	-19.64	-14.66
German 10yr Bund	2.71	3.20	0.00	9.00
UK 10yr Gilt	4.64	5.20	1.60	-1.90
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	496	-0.36	1.15	2.69
Global Treasuries	208	-0.39	1.04	2.16
Global Corporate	297	-0.35	1.59	4.07
EM USD Sovereign	438	-0.07	2.77	5.26
EM LCY Sovereign	159	-0.07	0.34	2.53
Global High Yield	1,802	-0.13	1.67	4.52
Currencies				
Dollar Index	98.25	0.42	-0.37	-2.60
EUR USD	1.1648	-0.49	0.41	4.12
GBP USD	1.3532	-0.32	1.11	1.71
USD JPY	147.76	0.26	-0.75	1.43
Equities				
S&P 500	6,469	0.03	3.60	9.32
Dow Jones	44,911	-0.02	2.02	6.12
NASDAQ	21,711	-0.01	5.00	13.60
STOXX 600	554	0.55	1.64	1.27
DAX	24,378	0.79	1.32	2.88
Nikkei 225	42,649	-1.45	7.49	12.96
FTSE 100	9,177	0.13	2.67	6.29
SENSEX	80,598	0.07	-2.39	-2.34
Hang Seng	25,519	-0.37	3.78	8.81
MSCI World	4,174	-0.09	3.55	8.64
MSCI EM	1,272	-0.39	2.54	8.39
Regional Equities				
ADX	10,251	-0.31	0.99	6.50
DFM	6,095	0.06	3.07	12.90
Tadawul	10,834	0.65	-1.37	-1.55
DSM	11,649	0.12	4.12	8.90
MSM30	4,930	0.61	3.46	7.59
BHSE	1,946	-0.14	-0.19	1.19
KWSE	8,697	0.09	0.97	5.85
Commodities				
BBG Commodity Index	100.0	-0.34	-3.52	-1.61
Brent USD/bbl	66.8	1.84	-2.72	3.58
WTI USD/bbl	64.0	2.09	-3.85	3.80
Gold USD/t oz	3,335.4	-0.61	0.33	2.94
Silver USD/t oz	38.0	-1.27	0.82	16.46
Platinum USD/t oz	1,359.5	1.21	-0.66	36.74
Aluminium	2,616.1	0.12	1.45	5.12
Copper USD/MT	9,665.5	-0.83	1.06	1.34
Digital Assets				
Bitcoin	117,957	-4.06	1.30	14.01
Ether	4,537.5	-3.85	49.16	78.81
Solana	192.4	-3.95	19.67	13.38
XRP	3.1	-5.61	7.43	26.42
Volatility				
VIX	14.83	2.35	-14.67	-16.83
MOVE	76.77	-0.70	-13.69	-22.18

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 15, 2025. Performance in local currency terms.

## Prepared by the Investment Strategy Team

**Mohammed Al Hemeiri**  
Senior Analyst  
Tel: +971 (0)2 8126450  
[mohammed.alhemeiri@adcb.com](mailto:mohammed.alhemeiri@adcb.com)

**Prerana Seth, CFA**  
Fixed Income Strategist  
Tel: +971 (0)2 8126449  
[prerana.seth@adcb.com](mailto:prerana.seth@adcb.com)

**Kishore Muktinutalapati**  
Head - Investment Strategy  
Tel: +971 (0)2 8126457  
[kishore.muktinutalapati@adcb.com](mailto:kishore.muktinutalapati@adcb.com)

Visit [Investment Strategy Webpage](#) to read our other reports

Awarded Best Private Bank UAE & Middle East | Best for HNW Clients UAE & Middle East | Best for Investment Research UAE & Middle East – Euromoney 2025

## Disclaimer

ADCB Asset Management Limited (“AAML”), is a member of ADCB Group, licensed by Financial Services Regulatory Authority in Abu Dhabi Global Markets under financial services permission number 170036.8

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige ADCB Group to enter into any transaction.

The content of this publication should not be considered as legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication. Investment products are not available to US persons.

Information and opinions contained herein is are based on various sources, including but not limited to public information, annual reports and statistical data that AAML considers accurate and reliable. However, AAML makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for customers who are either retail or professional investors.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. AAML expressly disclaims any obligation to update or revise any forward looking statement to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB Group does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication. Opinions expressed herein may differ from opinions expressed by other businesses or affiliates of ADCB Group.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB Group. They are subject to investment risk, including possible of loss of principal amount invested. This publication may not be reproduced or circulated without ADCB Group written authority. The manner of circulation and distribution may be restricted by law or regulation in certain jurisdictions. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorized use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.