

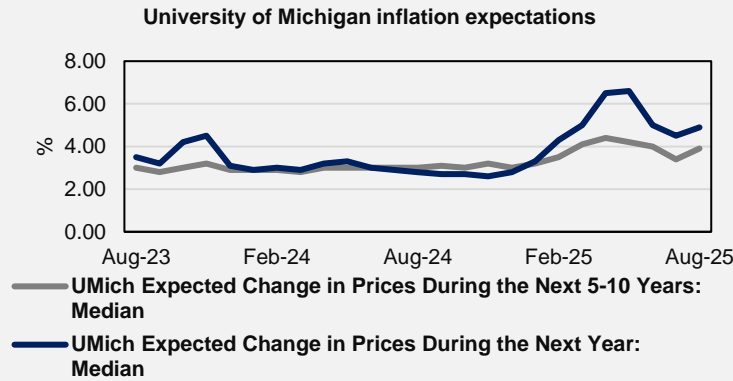
# Daily Market View

Investment Strategy | August 18, 2025

## US stocks slid from all-time high on mixed US data

- ▶ US retail sales climbed in July, buoyed by online sales.
- ▶ Inflation concerns weigh on US consumer sentiment.
- ▶ Japan Q2'25 GDP beat expectations.

### Chart of the day: US inflation expectations pick up



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ US retail sales rose 0.5% MoM in July, matching forecasts, after a revised 0.9% MoM gain in June. On a YoY basis, sales were up 3.9%. Auto dealership sales led the increase, rising 1.6%, while online sales grew 0.8%. However, spending at restaurants and bars fell 0.4%, a potential sign of household financial strain.
- ▶ US consumer sentiment fell unexpectedly in August to 58.6 from 61.7, according to preliminary data from the University of Michigan—its first decline since April. Inflation expectations also rose, with consumers anticipating a 4.9% increase over the next year and 3.9% over the next five to ten years.
- ▶ Japan's economy expanded 0.3% QoQ in Q2'25, surpassing market expectations of 0.1% growth despite headwinds from US tariffs. The improvement from Q1's revised 0.1% gain was largely driven by a rebound in exports.

## Rates and Fixed Income

- ▶ UST yields climbed in reaction to strong US retail sales report and rise in consumer inflation expectations.
- ▶ Global fixed income indexes declined barring Global HY.

## Currencies

- ▶ The USD index declined on Friday, ending the week lower.
- ▶ The EUR, the GBP and the JPY rose versus the USD.
- ▶ USDJPY fell supported by stronger than expected Japan GDP data.

## Equities

- ▶ Global stocks remained mostly unchanged on Friday, continuing to trade near record highs as US President Trump and Russian President Putin met in Alaska to discuss Ukraine.
- ▶ The S&P 500 and Nasdaq fell, influenced primarily by losses in technology, financials, industrials, and utilities sectors.
- ▶ GCC markets mostly declined on Sunday, barring Saudi stocks. On Friday, the DFM gained while the ADX posted a decline.

## Commodities

- ▶ Oil prices fell on Friday ahead of Trump-Putin Alaska summit.
- ▶ Gold and silver prices were flat on Friday.

## Key events in the day ahead

- ▶ UK Rightmove House Prices (Aug)
- ▶ US NAHB Housing Market Index (Aug)
- ▶ Eurozone balance of trade (Jun)
- ▶ European leaders, Zelenskiy meet Trump at the White House

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.34	0.00	-3.00	3.00
UAE Eibor 3m	4.21	7.48	4.12	-2.53
UAE Eibor 12m	4.04	-14.79	-27.87	-14.98
US 3m Bills	4.21	-0.14	-11.89	-14.38
US 10yr Treasury	4.32	3.11	-16.53	-11.55
German 10yr Bund	2.79	7.60	7.60	16.60
UK 10yr Gilt	4.70	5.50	7.10	3.60
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	495	-0.07	1.08	2.63
Global Treasuries	208	-0.08	0.96	2.08
Global Corporate	297	-0.02	1.57	4.05
EM USD Sovereign	438	-0.10	2.67	5.16
EM LCY Sovereign	159	-0.05	0.29	2.48
Global High Yield	1,803	0.06	1.73	4.58
Currencies				
Dollar Index	97.85	-0.41	-0.77	-3.00
EUR USD	1.1703	0.47	0.88	4.61
GBP USD	1.3554	0.16	1.27	1.87
USD JPY	147.19	-0.39	-1.14	1.04
Equities				
S&P 500	6,450	-0.29	3.30	9.01
Dow Jones	44,946	0.08	2.10	6.20
NASDAQ	21,623	-0.40	4.57	13.14
STOXX 600	554	-0.06	1.58	1.21
DAX	24,359	-0.07	1.24	2.80
Nikkei 225	43,378	1.71	9.33	14.89
FTSE 100	9,139	-0.42	2.24	5.85
SENSEX	80,598	0.00	-2.39	-2.34
Hang Seng	25,270	-0.98	2.77	7.75
MSCI World	4,175	0.01	3.56	8.65
MSCI EM	1,272	0.04	2.58	8.43
Regional Equities				
ADX	10,222	-0.29	1.58	6.20
DFM	6,126	0.50	4.60	13.47
Tadawul	10,897	0.59	-0.44	0.52
DSM	11,588	-0.52	3.27	9.05
MSM30	4,921	-0.18	4.30	8.33
BHSE	1,935	-0.58	-0.94	0.89
KWSE	8,696	-0.02	1.20	6.61
Commodities				
BBG Commodity Index	100.4	0.37	-3.17	-1.25
Brent USD/bbl	65.9	-1.48	-4.16	2.05
WTI USD/bbl	62.8	-1.81	-5.59	1.91
Gold USD/t oz	3,336.2	0.02	0.35	2.97
Silver USD/t oz	38.0	-0.04	0.78	16.42
Platinum USD/t oz	1,341.6	-1.32	-1.97	34.94
Aluminium	2,608.7	-0.29	1.16	4.82
Copper USD/MT	9,621.0	-0.46	0.60	0.88
Digital Assets				
Bitcoin	117,370	-0.50	0.80	13.44
Ether	4,428.3	-2.41	45.57	74.51
Solana	185.0	-3.85	15.06	9.01
XRP	3.1	-0.07	7.35	26.32
Volatility				
VIX	15.09	1.75	-13.18	-15.37
MOVE	76.66	-0.14	-13.82	-22.29

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 18, 2025. Performance in local currency terms.

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