

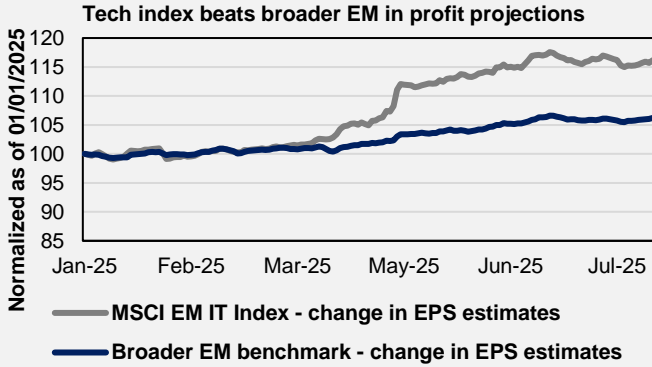
# Daily Market View

Investment Strategy | August 19, 2025

## Markets saw a quiet start to a key Jackson Hole week

- ▶ President Trump met President Zelenskiy and European allies.
- ▶ Long-end UST yields and Gilt yields rallied.
- ▶ The USD index and oil prices advanced while gold fluctuated.

Chart of the day: AI craze driving EM earnings bets



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ EU exports to the US plunged 10% YoY in June, hitting their lowest since late 2023 at just over EUR40bn. The bloc's trade surplus also shrank sharply—from EUR12.7bn to EUR1.8bn—amid ongoing tariff pressures.
- ▶ In the US, builder confidence dipped slightly in August, with the NAHB/Wells Fargo Housing Market Index falling to 32 from 33. Current sales eased to 35, future sales held at 43, and buyer traffic rose to 22—still historically low. Readings below 50 reflect continued pessimism in the single-family housing market.
- ▶ Property website Rightmove reported that UK home asking prices fell 1.3% between July 13 and August 9, reflecting the typical mid-summer dip. This follows sharper-than-usual declines in the prior two months. Year-on-year, prices edged up 0.3%.

## Rates and Fixed Income

- ▶ Yields on longer-dated Treasuries increased more rapidly than those at the front end, possibly reflecting rising inflation expectations.
- ▶ Global fixed income indexes fell, led by Global Treasuries.

## Currencies

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

## Equities

- ▶ The MSCI All Country World Index saw a modest decline, remaining near its recent peak. The S&P 500 finished unchanged but remained close to its record-high set last Friday.
- ▶ The pan-European STOXX 600 index ended slightly higher, maintaining gains achieved since March.
- ▶ Japan's Nikkei reached another record level, while MSCI's broadest Asia-Pacific index outside Japan closed flat after reaching a four-year high last week.
- ▶ GCC markets mostly fell with the exception of MSM30 and DFM.

## Commodities

- ▶ Oil prices advanced following the meeting between Presidents Trump and Zelenskiy.
- ▶ Gold prices marginally declined on Monday.

## Key events in the day ahead

- ▶ US building permits (Jul, prelim), and US housing starts (Jul).
- ▶ Japan trade (Jul) and Japan core machine orders (Jun)
- ▶ China PBOC decision on loan prime rates
- ▶ RBNZ rate decision

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.36	0.00	-1.00	6.00
UAE Eibor 3m	4.24	2.14	6.26	-11.83
UAE Eibor 12m	4.13	9.62	-18.24	-2.74
US 3m Bills	4.22	0.98	-10.91	-11.43
US 10yr Treasury	4.33	1.75	-14.78	-14.35
German 10yr Bund	2.76	-2.50	5.10	17.30
UK 10yr Gilt	4.74	4.20	11.30	8.90
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	494	-0.26	0.81	2.30
Global Treasuries	207	-0.34	0.62	1.68
Global Corporate	297	-0.18	1.38	3.80
EM USD Sovereign	438	0.02	2.69	5.03
EM LCY Sovereign	159	-0.26	0.03	2.11
Global High Yield	1,802	-0.04	1.70	4.48
Currencies				
Dollar Index	98.17	0.32	-0.46	-2.89
EUR USD	1.1661	-0.36	0.52	4.46
GBP USD	1.3504	-0.37	0.90	1.66
USD JPY	147.89	0.48	-0.66	1.50
Equities				
S&P 500	6,449	-0.01	3.29	8.24
Dow Jones	44,912	-0.08	2.02	5.29
NASDAQ	21,630	0.03	4.60	12.59
STOXX 600	554	0.08	1.66	0.86
DAX	24,315	-0.18	1.06	2.30
Nikkei 225	43,714	0.77	10.17	15.79
FTSE 100	9,158	0.21	2.45	5.45
SENSEX	81,274	0.84	-1.57	-1.28
Hang Seng	25,177	-0.37	2.39	7.85
MSCI World	4,171	-0.09	3.46	7.96
MSCI EM	1,273	0.05	2.63	8.59
Regional Equities				
ADX	10,213	-0.08	0.62	5.79
DFM	6,129	0.05	3.63	12.35
Tadawul	10,886	-0.11	-0.55	0.41
DSM	11,516	-0.62	2.63	8.37
MSM30	4,930	0.18	4.48	8.52
BHSE	1,934	-0.06	-1.00	0.83
KWSE	8,674	-0.24	0.95	6.35
Commodities				
BBG Commodity Index	100.3	-0.08	-3.24	-0.65
Brent USD/bbl	66.6	1.14	-3.07	1.82
WTI USD/bbl	63.4	0.99	-4.66	1.49
Gold USD/t oz	3,332.7	-0.10	0.25	4.03
Silver USD/t oz	38.0	0.05	0.83	17.73
Platinum USD/t oz	1,329.9	-0.87	-2.82	34.14
Aluminium	2,588.5	-0.77	0.37	4.09
Copper USD/MT	9,626.5	0.06	0.65	0.97
Digital Assets				
Bitcoin	116,474	-0.76	0.03	12.31
Ether	4,334.4	-2.12	42.49	68.58
Solana	183.2	-0.97	13.94	7.99
XRP	3.1	0.13	7.50	28.04
Volatility				
VIX	14.99	-0.66	-13.75	-13.05
MOVE	81.82	6.73	-8.02	-15.39

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 19, 2025. Performance in local currency terms.

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