

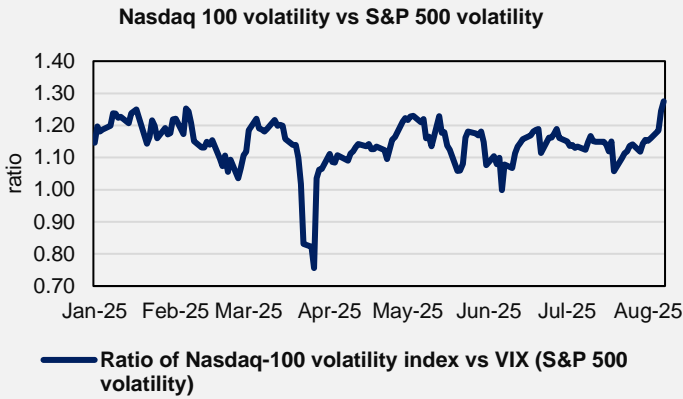
Daily Market View

Investment Strategy | August 21, 2025

Tech stocks sell-off extended for the second day in a row

- ▶ **UK July inflation beat market expectations.**
- ▶ **Fed minutes show majority members saw inflation as risk.**
- ▶ **UK Gilts led the bond rally despite the hot inflation print.**

Chart of the day: Nasdaq 100 volatility has risen vs S&P 500



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ UK consumer prices rose 3.8% YoY, the highest since January 2024, driven by sharp increases in air fares and food. Air travel costs jumped 30.2% MoM—the steepest July rise since records began in 2001—keeping inflation well above the Bank of England's 2% target.
- ▶ The Federal Reserve meeting minutes (July 29-30) show nearly all other members supported holding rates steady. Only two policymakers, Michelle Bowman and Christopher Waller, dissented from the decision to keep interest rates at 4.25% – 4.50%, preferring a 25bp cut to support the job market.
- ▶ German PPI fell 0.1% MoM in July compared with market expectations for a 0.1% rise and the June's reading of 0.1% MoM.
- ▶ Final print of Eurozone consumer price inflation for July came at 2.0% YoY, as expected and unchanged for the previous reading.

Rates and Fixed Income

- ▶ US Treasury yields edged lower after Fed minutes showed central bank divided on inflation and tariffs.
- ▶ Global aggregate bond index gained, led by Global Treasuries.

Currencies

- ▶ The USD fell after Trump called on Fed Governor Lisa Cook to resign.
- ▶ The EUR was flat, GBP weakened but the JPY rose versus USD.

Equities

- ▶ US equities dropped on Wednesday, with tech selloff extending into a second day.
- ▶ European shares rose, with the pan-European STOXX 600 index up 0.23%. UK's FTSE 100 rallied more than 1% to a record high, boosted by gains in consumer and healthcare companies.
- ▶ GCC markets mostly fell but MSM30 and BHSE rose.

Commodities

- ▶ Oil rose on a sharp drop in US crude stocks, as markets watched Ukraine peace talks.
- ▶ Gold prices rose on risk-aversion and weak USD.

Key events in the day ahead

- ▶ Flash S&P Global August PMIs (Japan, India, UK, Eurozone, and US)
- ▶ Eurozone consumer confidence (Aug, Flash)
- ▶ US existing home sales (Jul)

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.33	0.00	-1.00	6.00
UAE Eibor 3m	4.08	-17.61	-12.79	-3.42
UAE Eibor 12m	4.18	6.53	-5.51	13.70
US 3m Bills	4.21	1.24	-12.90	-11.19
US 10yr Treasury	4.29	-1.55	-16.06	-19.62
German 10yr Bund	2.72	-3.30	4.20	11.10
UK 10yr Gilt	4.67	-6.80	1.70	-3.10
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	495	0.07	0.91	2.28
Global Treasuries	208	0.10	0.73	1.63
Global Corporate	297	0.02	1.43	3.72
EM USD Sovereign	437	-0.16	2.75	4.89
EM LCY Sovereign	159	-0.08	0.02	1.76
Global High Yield	1,801	-0.11	1.64	4.11
Currencies				
Dollar Index	98.22	-0.05	-0.52	-1.90
EUR USD	1.1652	0.04	0.48	3.27
GBP USD	1.3457	-0.25	0.31	0.48
USD JPY	147.33	-0.23	-0.84	1.95
Equities				
S&P 500	6,396	-0.24	1.56	7.66
Dow Jones	44,938	0.04	1.02	5.30
NASDAQ	21,173	-0.67	1.38	10.61
STOXX 600	559	0.23	2.20	0.92
DAX	24,277	-0.60	-0.39	1.00
Nikkei 225	42,889	-1.51	7.49	14.28
FTSE 100	9,288	1.08	3.52	5.77
SENSEX	81,858	0.26	-0.49	0.83
Hang Seng	25,166	0.17	2.72	6.27
MSCI World	4,149	-0.15	2.18	7.20
MSCI EM	1,260	-0.85	1.50	7.92
Regional Equities				
ADX	10,204	-0.05	-0.37	5.12
DFM	6,122	-0.47	0.31	11.98
Tadawul	10,878	-0.03	-0.71	1.36
DSM	11,307	-1.61	0.51	9.91
MSM30	4,939	0.43	4.20	9.66
BHSE	1,933	0.29	-0.79	1.62
KWSE	8,667	-0.19	1.09	10.50
Commodities				
BBG Commodity Index	100.2	0.68	-4.09	-1.97
Brent USD/bbl	66.8	1.60	-3.86	2.23
WTI USD/bbl	63.2	1.38	-6.41	1.04
Gold USD/t oz	3,348.4	0.98	0.28	1.77
Silver USD/t oz	37.9	1.36	-0.63	14.56
Platinum USD/t oz	1,340.2	1.92	-8.62	26.65
Aluminium	2,574.6	0.60	-0.06	4.43
Copper USD/MT	9,576.5	-0.47	-0.10	0.49
Digital Assets				
Bitcoin	114,387	0.73	-4.26	6.95
Ether	4,356.5	4.77	27.30	73.27
Solana	187.3	4.82	7.90	11.15
XRP	3.0	2.34	-11.59	26.17
Volatility				
VIX	15.69	0.77	-5.02	-13.27
MOVE	80.75	-1.70	-5.63	-20.34

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 21, 2025. Performance in local currency terms.

Daily Market View

Investment Strategy | August 25, 2025

Prepared by the Investment Strategy Team

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

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

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

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