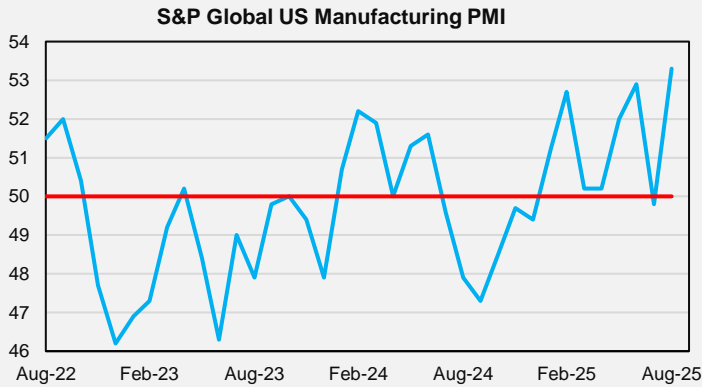


Markets hooked on Jackson Hole

- ▶ **US and EU released details of their recent trade agreement.**
- ▶ **Flash PMIs for August point to strong economic momentum.**
- ▶ **Bonds, equities, and gold fell while USD rose on Thursday.**

Chart of the day: US manufacturing activity rose at the fastest pace in at least three years



Source: S&P Global, Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ As per the EU-US trade deal, the US will keep a 15% tariff on most EU goods, including many key exports such as pharmaceuticals.
- ▶ Flash PMIs for August showed that economic momentum across developed world remains resilient helped by strong services sector and improving factory activity.
- ▶ UK consumer confidence hit its highest level this year in August, with GfK's index up two points to -17, thanks to improved personal finances following a recent interest rate cut from BoE.
- ▶ Japan's core inflation decreased for the second consecutive month in July but remained above the Bank of Japan's 2% target.

Rates and Fixed Income

- ▶ US Treasury yields climbed, with markets now seeing a reduced 70.4% chance of a September rate cut.
- ▶ Yields on benchmark German bunds and UK gilts also rose during Thursday.

Currencies

- ▶ The USD strengthened on fading Fed rate cut bets with the DXY index gaining 0.4% on Thursday.
- ▶ EUR lost 0.4% against the USD while the greenback gained 0.7% against the Japanese yen.

Equities

- ▶ The MSCI global equity index dropped 0.38%, while the Dow, S&P 500, and Nasdaq each lost around 0.34–0.40%.
- ▶ European stocks were mixed with STOXX 600 flat for the day. However, UK equity market outperformed.

Commodities

- ▶ Brent crude prices rose 1.24% buoyed by strong demand and Ukraine conflict uncertainty.
- ▶ Gold prices eased on stronger USD and price consolidation. Silver and platinum prices rose on Thursday.

Key events in the day ahead

- ▶ Jackson Hole central bankers' speeches
- ▶ Germany GDP (Q2, final)
- ▶ UK retail sales (Jul)

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.31	0.00	1.00	5.00
UAE Eibor 3m	4.16	7.30	5.78	2.81
UAE Eibor 12m	4.20	2.48	-4.38	6.05
US 3m Bills	4.23	2.28	-9.69	-10.67
US 10yr Treasury	4.33	3.70	-8.78	-27.08
German 10yr Bund	2.76	4.00	6.20	11.10
UK 10yr Gilt	4.73	5.70	5.50	-2.80
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	493	-0.36	0.32	1.96
Global Treasuries	207	-0.41	0.09	1.13
Global Corporate	296	-0.37	0.82	3.64
EM USD Sovereign	436	-0.28	2.22	5.04
EM LCY Sovereign	159	0.02	-0.12	1.59
Global High Yield	1,797	-0.20	1.22	4.04
Currencies				
Dollar Index	98.62	0.41	0.14	-0.94
EUR USD	1.1606	-0.39	-0.17	2.43
GBP USD	1.3412	-0.33	-0.03	-0.06
USD JPY	148.37	0.71	-0.30	3.26
Equities				
S&P 500	6,370	-0.40	1.17	8.99
Dow Jones	44,786	-0.34	1.00	6.99
NASDAQ	21,100	-0.34	0.98	11.80
STOXX 600	559	0.00	2.21	0.95
DAX	24,293	0.07	0.02	0.71
Nikkei 225	42,610	-0.65	7.01	14.24
FTSE 100	9,309	0.23	3.53	5.95
SENSEX	82,001	0.17	0.30	0.50
Hang Seng	25,105	-0.24	1.12	5.36
MSCI World	4,132	-0.40	1.63	7.89
MSCI EM	1,262	0.15	0.99	7.42
Regional Equities				
ADX	10,200	-0.04	-0.60	5.52
DFM	6,128	0.09	0.56	12.67
Tadawul*	10,867	-0.10	-0.17	0.00
DSM*	11,343	0.32	1.22	8.39
MSM30*	4,961	0.44	4.59	9.39
BHSE*	1,931	-0.10	-1.03	1.39
KWSE*	8,666	-0.01	1.82	8.89
Commodities				
BBG Commodity Index	101.0	0.84	-3.89	-1.50
Brent USD/bbl	67.7	1.24	-2.32	4.25
WTI USD/bbl	63.5	0.49	-5.67	3.17
Gold USD/t oz	3,338.7	-0.29	-0.34	0.72
Silver USD/t oz	38.1	0.65	-0.08	14.25
Platinum USD/t oz	1,357.6	1.30	-5.02	26.03
Aluminum	2,584.7	0.39	-1.72	4.84
Copper USD/MT	9,611.0	0.36	-0.58	0.82
Digital Assets				
Bitcoin	112,420	-1.72	-4.31	3.82
Ether	4,241.5	-2.64	20.49	69.01
Solana	180.8	-3.45	3.05	6.51
XRP	2.9	-3.11	-15.67	20.76
Volatility				
VIX	16.60	5.80	1.16	-20.46
MOVE	80.52	-0.28	-3.33	-21.14

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 22, 2025. Performance in local currency terms.

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