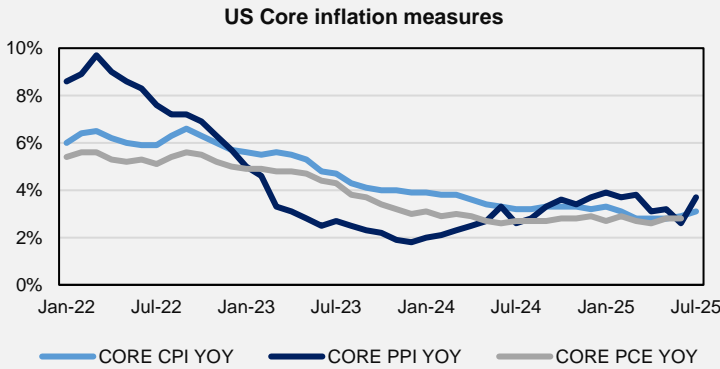


Global stock markets rose on rate cut optimism

- ▶ **US and EU released details of their recent trade agreement.**
- ▶ **Germany economy shrank by 0.3% QoQ in Q2.**
- ▶ **Commodities rose while UST yields and the USD fell.**

Chart of the day: US inflation remains above the 2% target



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Germany economy shrank by 0.3% QoQ in Q2, a downward revision from the earlier -0.1% estimate. YoY, GDP was up just 0.2%. The decline was mainly due to net exports, as imports rose sharply (1.6% QoQ) while exports fell slightly (-0.1%). Business investment dropped by 1.4%, with machinery down 1.9% and construction 2.1%. However, domestic demand grew, led by government consumption (+0.8%), and household spending edged up 0.1%.
- ▶ Federal Reserve Chair Jerome Powell on Friday indicated the possibility of an interest rate cut at the US central bank's upcoming meeting, noting that risks to the job market are increasing while inflation remains a concern, and that no final decision has been made.

Rates and Fixed Income

- ▶ US Treasury yields fell, driven by dovish signals from Fed Chair Powell suggesting a September rate cut.
- ▶ Fixed income index rose, led by Global Corporate.

Currencies

- ▶ The USD fell due to Powell's dovish tone implying rate cuts.
- ▶ The EUR, the GBP, and the JPY all rose against the USD.

Equities

- ▶ Global stock markets rose on Friday, as dovish comments from Fed Chair Powell fueled optimism over a September rate cut, boosting sentiment across markets.
- ▶ In the US, the S&P 500 rose 1.5%, and the Dow Jones jumped 1.9% to a record high. In Europe, the STOXX 600 posted modest gains.
- ▶ GCC markets mostly rose, barring KWSE, DSM and DFM.

Commodities

- ▶ Oil prices rose slightly on US inventory draws, Ukraine tensions, and Powell's dovish signals.
- ▶ Gold prices jumped as investors bet on a September US rate cut, though demand in Asian markets stayed soft due to price swings.

Key events in the day ahead

- ▶ UK markets are closed for summer bank holiday on Monday.
- ▶ US Chicago Fed National Activity Index (Jul).
- ▶ US Dallas Fed Manufacturing Index (Aug), New home sales (Jul).
- ▶ RBA Meeting Minutes.
- ▶ Germany ifo Business Climate (Aug).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.32	0.00	4.00	6.00
UAE Eibor 3m	4.25	9.84	16.13	0.58
UAE Eibor 12m	4.21	0.53	1.12	7.28
US 3m Bills	4.18	-4.80	-13.92	-15.16
US 10yr Treasury	4.25	-7.40	-12.40	-27.50
German 10yr Bund	2.72	-3.50	10.90	7.90
UK 10yr Gilt	4.69	-3.60	9.00	-5.80
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	496	0.63	0.45	2.70
Global Treasuries	208	0.65	0.18	1.94
Global Corporate	298	0.66	1.01	4.31
EM USD Sovereign	438	0.32	2.15	5.50
EM LCY Sovereign	159	0.20	0.02	1.80
Global High Yield	1,805	0.46	1.39	4.68
Currencies				
Dollar Index	97.72	-0.92	-0.14	-2.24
EUR USD	1.1718	0.92	0.15	3.98
GBP USD	1.3525	0.79	0.22	0.80
USD JPY	146.94	-0.91	-0.15	2.03
Equities				
S&P 500	6,467	1.52	2.56	10.70
Dow Jones	45,632	1.89	2.95	9.01
NASDAQ	21,497	1.88	2.49	13.58
STOXX 600	561	0.40	2.69	2.00
DAX	24,363	0.29	0.23	1.52
Nikkei 225	42,633	0.05	7.07	15.27
FTSE 100	9,321	0.13	3.42	6.66
SENSEX	81,307	-0.85	-1.09	0.44
Hang Seng	25,339	0.93	1.38	7.62
MSCI World	4,193	1.47	2.96	9.79
MSCI EM	1,267	0.38	1.04	8.68
Regional Equities				
ADX	10,209	0.08	-0.25	5.60
DFM	6,126	-0.03	1.34	12.34
Tadawul*	10,905	0.35	-0.14	2.77
DSM*	11,323	-0.18	0.54	10.34
MSM30*	5,005	0.88	4.68	11.05
BHSE*	1,935	0.20	-1.07	3.20
KWSE*	8,651	-0.18	0.38	8.80
Commodities				
BBG Commodity Index	101.6	0.60	-2.95	-0.26
Brent USD/bbl	67.7	0.09	-2.14	5.11
WTI USD/bbl	63.7	0.22	-5.27	4.02
Gold USD/t oz	3,371.9	0.96	-0.70	2.13
Silver USD/t oz	38.9	1.95	-0.11	17.64
Platinum USD/t oz	1,360.8	0.23	-6.20	25.78
Aluminum	2,625.6	1.58	-0.87	7.17
Copper USD/MT	9,643.0	0.33	-1.34	1.58
Digital Assets				
Bitcoin	117,042	4.11	0.04	5.36
Ether	4,848.2	14.31	29.01	83.54
Solana	199.6	10.41	2.91	11.80
XRP	3.1	7.36	-12.27	27.61
Volatility				
VIX	14.22	-14.34	-14.59	-29.88
MOVE	78.10	-3.01	-9.84	-21.48

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 25, 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

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

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