

Daily Market View

Investment Strategy | August 26, 2025

Wall street slipped on Fed uncertainty

- ▶ Germany Ifo business climate index rose slightly in August.
- ▶ New home sales in the US decreased in July.
- ▶ Oil prices ended higher and gold prices remained stable.

Chart of the day: Slowing job market in the US



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Germany Ifo business climate index rose to 89.0 in August from 88.6 in July, its highest in over a year. Expectations improved to 91.6, showing growing optimism, though the current conditions component dipped slightly to 86.4, underscoring lingering economic challenges.
- ▶ Chicago Fed National activity index edged lower and fell to -0.19 in July from -0.18 in June, signaling continued below-trend US economic activity.
- ▶ The Dallas Fed's business activity index for Texas manufacturing fell to -1.8 in August 2025 from 0.9 in July, indicating only a mild contraction. The production index came in at 15.3, down from July's reading of 21.3 but still well above average.
- ▶ New home sales in the US decreased from an upwardly revised level in the month of July, according to a report released by the Commerce Department on Monday. The Commerce Department said new home sales fell by 0.6% to an annual rate of 652K in July after surging by 4.1% to an upwardly revised rate of 656K in June.

Rates and Fixed Income

- ▶ US Treasury yields rose, with the 10Y UST yields edging up to 4.28%, as markets balanced dovish Fed signals against inflation and tariff concerns.
- ▶ Fixed income index fell, with the exception of EM LCY Sovereign.

Currencies

- ▶ The USD ended higher on Monday.
- ▶ The EUR, the GBP, and the JPY all declined versus the USD.

Equities

- ▶ Global stock markets slipped, as wall street declined after Friday's rally, with S&P 500 down 0.4% and the Dow slipping 0.8% while Asian stocks held gains due to Fed September rate cut signals.
- ▶ GCC markets ended mixed on Monday.

Commodities

- ▶ Oil prices climbed amid ongoing Russia-Ukraine peace talks.
- ▶ Gold prices remained relatively stable on Monday despite a USD rise.

Key events in the day ahead

- ▶ US Durable goods orders (Jul).
- ▶ US S&P/Case-Shiller Home Price (Jun).
- ▶ US Conference Board consumer confidence (Aug).
- ▶ France consumer confidence (Aug).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.36	0.00	8.00	10.00
UAE Eibor 3m	4.27	1.12	14.56	15.67
UAE Eibor 12m	4.22	0.68	2.39	-1.38
US 3m Bills	4.19	0.99	-11.42	-13.96
US 10yr Treasury	4.28	2.14	-6.89	-23.59
German 10yr Bund	2.76	3.50	16.70	19.00
UK 10yr Gilt	4.69	0.00	12.40	1.20
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	495	-0.14	0.03	2.07
Global Treasuries	208	-0.18	-0.32	1.20
Global Corporate	298	-0.16	0.62	3.82
EM USD Sovereign	437	-0.16	1.90	5.24
EM LCY Sovereign	160	0.39	0.35	1.89
Global High Yield	1,805	-0.03	1.21	4.63
Currencies				
Dollar Index	98.43	0.73	1.07	-0.69
EUR USD	1.1655	-0.54	-0.85	2.58
GBP USD	1.3488	-0.27	-0.31	-0.36
USD JPY	147.54	0.41	0.76	3.49
Equities				
S&P 500	6,439	-0.43	2.06	10.97
Dow Jones	45,282	-0.77	1.75	8.84
NASDAQ	21,449	-0.22	2.66	14.47
STOXX 600	559	-0.44	2.66	2.51
DAX	24,273	-0.37	0.96	2.72
Nikkei 225	42,808	0.41	7.63	15.20
FTSE 100	9,321	0.00	3.30	6.92
SENSEX	81,636	0.40	-0.67	-0.10
Hang Seng	25,830	1.94	2.79	9.44
MSCI World	4,174	-0.45	2.43	9.77
MSCI EM	1,285	1.49	3.00	9.78
Regional Equities				
ADX	10,207	-0.02	0.27	5.60
DFM	6,135	0.15	1.84	12.28
Tadawul*	10,898	-0.06	-0.20	2.71
DSM*	11,293	-0.26	0.28	10.06
MSM30*	5,010	0.11	4.79	11.17
BHSE*	1,936	0.09	-0.98	3.29
KWSE*	8,641	-0.11	0.26	8.67
Commodities				
BBG Commodity Index	101.7	0.08	-2.85	-0.96
Brent USD/bbl	68.8	1.58	0.31	6.21
WTI USD/bbl	64.8	1.79	-2.13	5.31
Gold USD/t oz	3,373.9	0.06	-1.70	0.49
Silver USD/t oz	38.6	-0.81	-1.83	15.23
Platinum USD/t oz	1,346.0	-1.09	-6.84	22.64
Aluminum	2,625.6	0.00	-1.33	6.79
Copper USD/MT	9,643.0	0.00	-1.79	0.50
Digital Assets				
Bitcoin	109,574	-6.38	-8.51	1.21
Ether	4,353.3	-10.21	17.40	71.16
Solana	186.6	-6.51	-7.04	5.29
XRP	2.8	-8.54	-20.17	21.51
Volatility				
VIX	14.79	4.01	-10.36	-33.65
MOVE	77.56	-0.69	-13.72	-23.14

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – August 26, 2025. Performance in local currency terms.

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