

Daily Market View

December 5, 2023

Mixed Monday

- ▶ Tokyo CPI growth slows down in November.
- ▶ US factory orders fell 3.6% m-o-m.
- ▶ Bad day for commodities, most equities fall as well.

Chart of the Day: Big Cuts Priced For 2024



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Japan's Tokyo CPI growth slowed in November and came in at 2.6% y-o-y, lower than 3.0% estimates and lower than October's revised figure of 3.2%.
- ▶ New orders for US made goods fell higher than expected in October, constrained by weakening demand for durable goods and transportation equipment. Factory orders fell 3.6% m-o-m (versus Bloomberg estimations of -3.0%) after a downwardly revised 2.3% figure in September according to the US Commerce Department's Consensus Bureau.

Rates and Fixed Income

- ▶ Global rates mostly rose with the exception of German 10yr Bund.
- ▶ Global fixed income indices came in mixed. Global Corporate underperformed while EM USD Sovereign overperformed.

Currencies

- ▶ EUR, GBP, and JPY all weakened against the USD.

Equities

- ▶ Global equities declined. Hang Seng and NASDAQ underperformed. DAX was relatively unchanged meanwhile SENSEX rose 2%.
- ▶ Regional stocks came in mixed, Qatar underperformed while Bahrain rose 0.52%. UAE stock exchanges were closed for the national day holiday.

Commodities

- ▶ Gold fell 2% as the dollar firmed.
- ▶ Oil prices fell on concern about a drop in demand and uncertainty of the duration of OPEC+ supply cuts.
- ▶ Copper declined due to a stronger dollar, resurfacing doubts over Chinese demand as well as an increase in stocks in LME.

Key events in the day ahead

- ▶ US ISM Services
- ▶ US JOLTS job openings
- ▶ Eurozone final PMI & PPI

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.39	0.00	7.00	8.00
UAE Eibor 3m	5.44	0.00	-9.11	22.68
UAE Eibor 12m	5.62	0.00	-7.10	16.19
US 3m Bills	5.37	2.01	-2.17	-3.73
US 10yr Treasury	4.25	5.73	-31.95	7.41
German 10yr Bund	2.35	-0.80	-29.10	-19.50
UK 10yr Gilt	4.19	5.40	-9.40	-23.40
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	454	-0.07	3.07	1.48
Global Treasuries	194	0.00	3.00	1.01
Global Corporate	262	-0.17	3.63	2.54
EM USD Sovereign	363	0.19	4.42	2.29
EM LCY Sovereign	142	0.09	3.21	1.82
Global High Yield	1,467	0.10	3.16	3.08
Currencies				
Dollar Index	103.71	0.43	-1.25	-0.50
EUR USD	1.0836	-0.44	0.98	0.52
GBP USD	1.2633	-0.61	2.04	0.34
USD JPY	147.21	0.27	-1.46	0.68
Equities				
S&P 500	4,570	-0.54	4.85	1.20
Dow Jones	36,204	-0.11	6.29	3.92
NASDAQ	14,185	-0.84	5.25	1.10
STOXX 600	466	-0.09	4.85	1.67
DAX	16,405	0.04	8.00	3.56
Nikkei 225	33,231	-0.60	4.01	1.59
FTSE 100	7,513	-0.22	1.28	0.65
SENSEX	68,865	2.05	6.99	5.32
Hang Seng	16,646	-1.09	-5.76	-9.44
MSCI World	3,027	-0.46	4.95	1.24
MSCI EM	980	-0.19	3.37	-0.55
Regional Equities				
ADX	9,539	0.00	0.30	-2.53
DFM	3,988	0.00	1.47	-2.50
Tadawul	11,191	0.12	3.11	-2.61
DSM	9,960	-0.81	2.55	-2.30
MSM30	4,668	0.21	3.91	-2.73
BHSE	1,950	0.52	1.67	-0.11
KWSE	6,637	-0.26	1.58	-5.27
Commodities				
BBG Commodity Index	100.0	-1.46	-4.98	-6.31
Brent USD/bbl	78.0	-1.08	-8.08	-11.88
Gold USD/t oz	2,029.4	-2.07	1.85	4.61
Copper USD/MT	8,417.0	-0.46	4.29	-1.15
Volatility				
VIX	13.08	3.56	-12.27	-0.08
MOVE	118.25	6.04	-0.41	14.90

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on December 05, 2023 unless stated otherwise.
Performance in local currency terms.

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