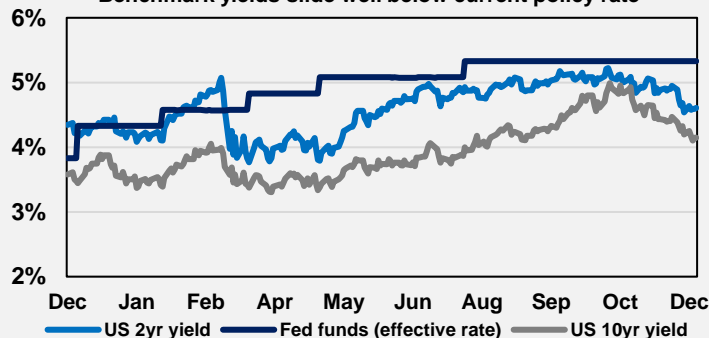


## Thursday brought AI fuelled-rally in US equities

- JPY strengthened, UST yields rose and USD weakened on BoJ policy shift comments.
- Eurozone Final GDP shows contraction in third quarter.
- All eyes on the US labour market data.

### Chart of the Day: Bond Traders Ignore Cautious Fed Officials.

Benchmark yields slide well below current policy rate



Source: Bloomberg, and ADCB Asset Management

### Macroeconomic news

- US initial jobless claims came in at 220,000, in line with expected figures from Bloomberg and only 1,000 higher revised figure of the previous week.
- The Bank of Japan policy makers hinted that the central bank may shift away from its ultra-low interest rate plan much sooner than previously thought. BoJ Governor Kazuo Ueda mentioned that policy management would "become even more challenging from the year-end and heading into next year."
- The Euro area 3Q23 GDP remained flat y-o-y which was revised down from the initially estimated 0.1% expansion.

### Rates and Fixed Income

- Global rates came in mixed, 10Y UST yields rose the most.
- Global fixed income indices also came in mixed. Global Treasuries outperformed and EM LCY Sovereign underperformed.

### Currencies

- USD Index came under pressure on Thursday.
- JPY strengthened against the USD on BoJ policy shift hints. EUR and GBP rose marginally versus the USD.

### Equities

- Global equities mostly declined on Thursday. US stocks rose led by NASDAQ. European and Asian stocks declined reversing yesterday's gain. DM outperformed EM.
- Regional stocks declined with the exception of Saudi which rose 0.46% on the day, Dubai underperformed.

### Commodities

- BBG index recovered slightly rising 0.28% but oil prices continued to decline.
- Gold prices rose marginally. Copper prices declined despite positive China trade data.

### Key events in the day ahead

- US labour market data
- Germany CPI

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.32	0.00	0.00	2.00
UAE Eibor 3m	5.52	4.48	6.25	20.27
UAE Eibor 12m	5.51	-0.91	-13.73	-5.13
US 3m Bills	5.39	-0.60	-3.47	-6.61
US 10yr Treasury	4.15	4.55	-34.30	-13.02
German 10yr Bund	2.19	-0.90	-42.60	-46.20
UK 10yr Gilt	3.97	2.50	-27.20	-56.50
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	457	0.10	3.69	3.38
Global Treasuries	196	0.21	3.79	3.19
Global Corporate	264	-0.08	4.11	4.21
EM USD Sovereign	367	-0.05	5.50	4.46
EM LCY Sovereign	142	-0.12	2.40	3.03
Global High Yield	1,474	0.02	3.70	4.12
Currencies				
Dollar Index	103.54	-0.59	-1.94	-1.26
EUR USD	1.0794	0.28	0.79	0.62
GBP USD	1.2594	0.27	2.52	0.70
USD JPY	144.13	-2.16	-4.54	-2.39
Equities				
S&P 500	4,586	0.80	4.63	2.69
Dow Jones	36,117	0.17	5.88	4.86
NASDAQ	14,340	1.37	5.05	3.37
STOXX 600	469	-0.27	5.56	3.19
DAX	16,629	-0.16	9.19	5.64
Nikkei 225	32,858	-1.76	2.15	-1.15
FTSE 100	7,514	-0.02	1.51	1.18
SENSEX	69,522	-0.19	7.00	5.53
Hang Seng	16,346	-0.71	-6.96	-11.40
MSCI World	3,037	0.55	5.16	2.76
MSCI EM	970	-0.50	1.27	-1.15
Regional Equities				
ADX	9,470	-0.11	-0.79	-1.49
DFM	3,956	-0.33	-0.23	-2.02
Tadawul	11,225	0.46	2.71	-0.64
DSM	9,848	-0.24	-1.89	-2.88
MSM30	4,594	-0.14	0.86	-2.70
BHSE	1,942	-0.03	0.89	-0.02
KWSE	6,655	-0.01	1.48	-4.49
Commodities				
BBG Commodity Index	97.8	0.28	-4.42	-8.05
Brent USD/bbl	74.1	-0.34	-6.90	-18.27
Gold USD/t oz	2,028.5	0.14	4.01	5.84
Copper USD/MT	8,221.0	-0.92	1.64	-2.07
Volatility				
VIX	13.06	0.69	-9.62	-9.62
MOVE	129.74	3.81	10.79	16.56

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 8AM GST on December 08, 2023 unless stated otherwise. Performance in local currency terms.

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