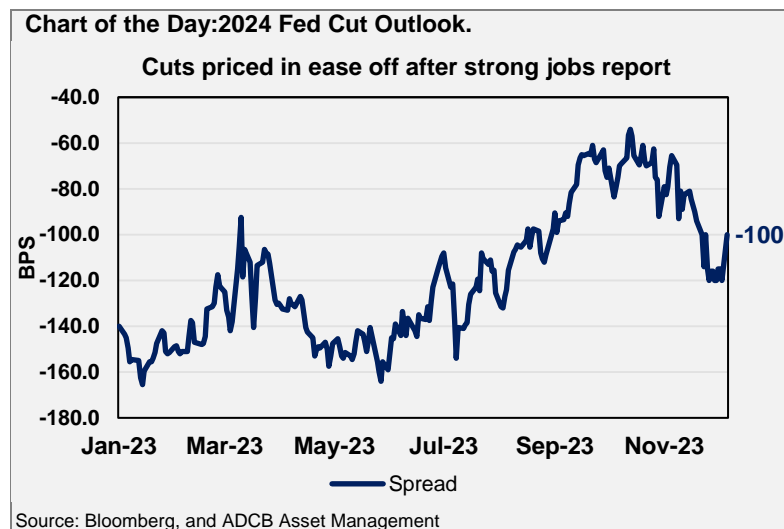


Upbeat US payrolls data tests bond market rally.

- ▶ US nonfarm payrolls increase in November.
- ▶ Equities, yields and commodities rally on Friday.
- ▶ China inflation falls at the fastest rate in three years



Macroeconomic news

- ▶ China registered the biggest drop in consumer prices in three years in November. The CPI declined by 0.5% y-o-y and m-o-m, deeper than market estimates. The producer price index (PPI) fell 3.0% y-o-y against a 2.6% drop in October, marking the 14th straight month of decline and the quickest since August.
- ▶ US nonfarm payrolls rose by a seasonally adjusted 199,000 in November, higher than October's 150,000 increase and slightly higher than Dow Jones estimates of 190,000. US unemployment rate also declined to 3.7% compared to forecasts of 3.9% and higher than October's reading of 3.9%.

Rates and Fixed Income

- ▶ Global rates increased led by short-term yields.
- ▶ Global fixed income indices declined with the exception of EM LCY Sovereign

Currencies

- ▶ Broad USD Index rebounded on Friday on upbeat payrolls data.
- ▶ USD strengthened against both EUR and GBP. JPY strengthened against the USD on BoJ policy shift hopes.

Equities

- ▶ Global equities mostly rose with European stocks outperforming the most. Asian equities, Nikkei 225 and Hang Seng declined.
- ▶ Regional stocks continued to show mixed performances. UAE stocks declined on Friday and were closed on Sunday. The rest of the GCC stocks rose on Sunday with the exception of DSM which fell 0.7%.

Commodities

- ▶ Oil prices recovered on Friday rising over 2%.
- ▶ Gold declined on Friday, however copper prices rose.

Key events in the day ahead

- ▶ Japan PPI
- ▶ UK CBI publishes latest economic forecast

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.32	0.00	0.00	1.00
UAE Eibor 3m	5.54	2.45	3.59	19.63
UAE Eibor 12m	5.53	2.67	-9.45	-0.85
US 3m Bills	5.37	-1.54	-5.19	-7.02
US 10yr Treasury	4.23	7.61	-39.85	-1.85
German 10yr Bund	2.28	8.50	-37.10	-33.80
UK 10yr Gilt	4.04	7.30	-23.20	-41.30
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	456	-0.41	3.62	2.78
Global Treasuries	195	-0.47	3.56	2.54
Global Corporate	263	-0.40	4.21	3.55
EM USD Sovereign	366	-0.25	5.75	4.07
EM LCY Sovereign	142	0.09	2.47	3.44
Global High Yield	1,472	-0.15	3.79	3.83
Currencies				
Dollar Index	104.01	0.45	-1.79	-1.00
EUR USD	1.0763	-0.29	0.89	0.63
GBP USD	1.2549	-0.36	2.67	0.62
USD JPY	144.95	0.57	-4.23	-1.60
Equities				
S&P 500	4,604	0.41	5.91	3.44
Dow Jones	36,248	0.36	6.95	5.06
NASDAQ	14,404	0.45	6.53	4.77
STOXX 600	472	0.74	5.46	4.10
DAX	16,759	0.78	9.16	6.62
Nikkei 225	32,308	-1.68	-1.04	-2.07
FTSE 100	7,554	0.54	1.33	1.52
SENSEX	69,826	0.44	7.70	5.37
Hang Seng	16,334	-0.07	-6.72	-10.26
MSCI World	3,047	0.32	5.84	3.40
MSCI EM	975	0.50	1.96	0.15
Regional Equities				
ADX	9,401	-0.74	-1.35	-2.68
DFM	3,952	-0.12	0.56	-2.65
Tadawul	11,297	0.64	3.55	0.09
DSM	9,779	-0.70	-1.29	-3.80
MSM30	4,602	0.16	1.22	-2.04
BHSE	1,943	0.01	0.55	0.02
KWSE	6,673	0.27	0.97	-5.07
Commodities				
BBG Commodity Index	97.9	0.04	-4.21	-7.69
Brent USD/bbl	75.8	2.42	-5.21	-15.66
Gold USD/t oz	2,004.7	-1.17	2.35	4.43
Copper USD/MT	8,348.0	1.54	3.95	1.28
Volatility				
VIX	12.35	-5.44	-19.23	-14.24
MOVE	121.65	-6.24	3.93	15.64

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on December 11, 2023 unless stated otherwise. Performance in local currency terms.

Prepared by the Investment Strategy Team

Ahmed Al Falahi

Analyst

Tel: +971 (0)2 497 3934

ahmed.a5@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 696 2358

kishore.muktinutalapati@adcb.com

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 696 2236

mohammed.alhemeiri@adcb.com

Nura Al Suwaidi

Analyst

Tel: +971 (0)2 497 9520

nura.alsuwaidi@adcb.com

Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0)2 696 2878

prerana.seth@adcb.com

Visit [Investment Strategy Webpage](#) to read our other reports

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.

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.