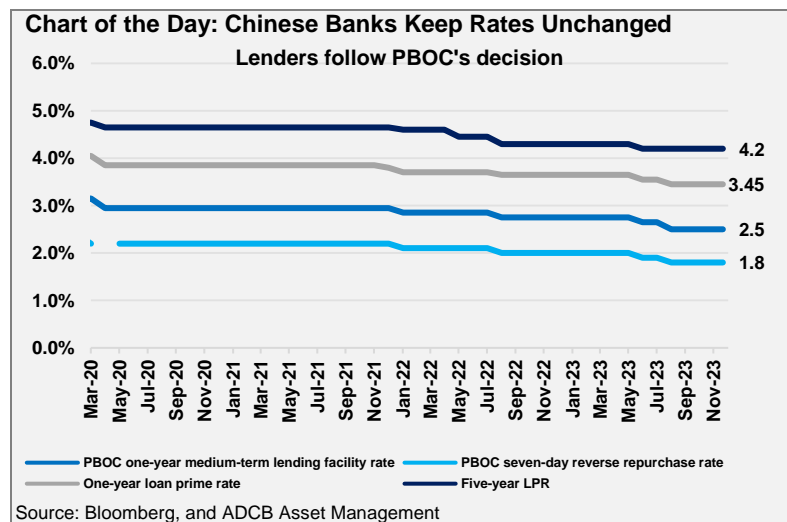


Markets optimism remains on rate cut hopes

- ▶ Eurozone annual inflation confirmed at 2.4% in November.
- ▶ Global rates fall led by German 10yr Bund.
- ▶ Global fixed income and equities post gains.



Macroeconomic news

- ▶ Eurozone CPI was finalized at 2.4% yoy in November, down from October's 2.9% yoy. Core CPI was finalized at 3.6% yoy, down from prior month's 4.2% yoy.
- ▶ UK CPI rose 3.9% y-o-y in November, down from a 4.6% rise seen in October, lower than market expectations of 4.4%. Core CPI rose 5.1% y-o-y in November when compared to a 5.7% growth in October and below expectations of 5.6%.
- ▶ Atlanta Federal Reserve President Raphael Bostic said he sees no urgent need to cut US interest rates and anticipates possible rate reductions later in the year, conditional on inflation's trajectory.

Rates and Fixed Income

- ▶ Global rates decreased led by German 10yr Bund.
- ▶ Global fixed income posted gains, led by Global Treasuries.

Currencies

- ▶ Broad USD Index weakened on Tuesday.
- ▶ GBP and EUR strengthened against USD. JPY weakened against USD.

Equities

- ▶ Global equities posted gains on Tuesday. Japanese equities outperformed the most.
- ▶ Regional equities mostly rose. DSM outperformed, MSM30 and BHSE declined.

Commodities

- ▶ Commodities recorded gains on Tuesday. Oil prices inched higher.
- ▶ Copper and gold prices rose.

Key events in the day ahead

- ▶ US existing home sales
- ▶ US conference board consumer confidence

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.32	0.00	1.00	1.00
UAE Eibor 3m	5.30	-4.71	-6.00	18.47
UAE Eibor 12m	5.46	-1.32	-8.48	-14.07
US 3m Bills	5.36	-1.87	-2.13	-9.17
US 10yr Treasury	3.93	-0.01	-48.85	-37.13
German 10yr Bund	2.02	-6.30	-59.50	-69.20
UK 10yr Gilt	3.65	-4.30	-47.30	-73.90

Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	467	0.36	4.05	5.59
Global Treasuries	200	0.39	3.98	5.58
Global Corporate	270	0.36	4.72	6.51
EM USD Sovereign	377	0.17	6.77	7.18
EM LCY Sovereign	144	0.11	1.69	4.27
Global High Yield	1,510	0.32	4.73	6.32

Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	102.17	-0.38	-1.23	-2.88
EUR USD	1.0981	0.52	0.37	2.70
GBP USD	1.2732	0.66	1.82	2.82
USD JPY	143.84	0.74	-3.07	-2.55

Equities		1D (%)	1M (%)	3M (%)
S&P 500	4,768	0.59	4.86	7.07
Dow Jones	37,558	0.68	6.85	8.47
NASDAQ	15,003	0.66	5.03	9.43
STOXX 600	477	0.36	4.55	4.45
DAX	16,744	0.56	5.30	6.47
Nikkei 225	33,219	1.41	-0.51	-0.94
FTSE 100	7,638	0.31	1.89	-0.19
SENSEX	71,437	0.17	8.81	5.68
Hang Seng	16,505	-0.75	-7.16	-7.95
MSCI World	3,153	0.70	4.94	6.67
MSCI EM	999	0.07	1.34	2.30

Regional Equities		1D (%)	1M (%)	3M (%)
ADX	9,494	0.18	-0.85	-3.29
DFM	3,998	0.17	-0.12	-1.26
Tadawul	11,713	0.32	5.35	6.14
DSM	10,143	2.17	-0.38	-1.26
MSM30	4,571	-0.38	-0.93	-2.95
BHSE	1,914	-0.05	-1.59	-0.41
KWSE	6,766	0.00	2.14	-3.41

Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	99.6	0.47	-3.03	-7.28
Brent USD/bbl	79.2	1.64	-3.75	-16.10
Gold USD/t oz	2,040.4	0.65	3.15	5.51
Copper USD/MT	8,439.0	0.19	2.33	1.43

Volatility		1D (%)	1M (%)	3M (%)
VIX	12.53	-0.24	-6.56	-10.50
MOVE	115.03	-2.90	-0.05	15.82

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on December 20, 2023 unless stated otherwise. Performance in local currency terms.

Daily Market View

December 20, 2023

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