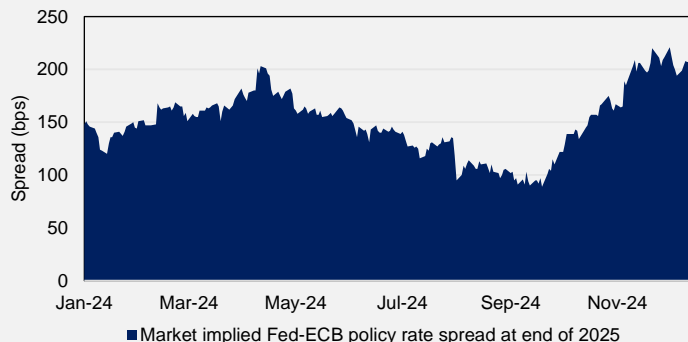


Global stocks fell after ECB cut rates

- ▶ US PPI rose more than expected.
- ▶ US initial jobless claims rose to 242k last week.
- ▶ ECB cut its deposit rates by 25bp to 3%.

Chart of the day: Central Bank Policy Divergence

Markets price Fed rate 200bp higher than ECB in a year



Source: Bloomberg

Macroeconomic news

- ▶ US PPI rose 0.4% MoM and 3.0% YoY higher than expected figures – of 0.2% MoM and 2.6% YoY.
- ▶ US initial jobless claims rose to 242k last week, increasing by 17k from the previous figure and higher than expected level of 220k.
- ▶ The European Central Bank lowered its deposit rate by 25bp to 3%. This is the ECB's fourth interest rate cut this year.

Rates and Fixed Income

- ▶ Global rates rose led by German 10yr Bund.
- ▶ Fixed income asset classes declined with the exception of EM LCY.
- ▶ Global Corporates underperformed the most.

Currencies

- ▶ The USD index rose on Thursday.
- ▶ EUR and JPY rose against the USD, while GBP continued to weaken against the USD.

Equities

- ▶ Global equities fell on Thursday after ECB cut interest rates for a fourth time this year. DM equities underperformed EM. Nikkei 225 outperformed the most, while NASDAQ underperformed the most.
- ▶ GCC indices had mixed performances. MSM30 outperformed while Tadawul underperformed.

Commodities

- ▶ BBG commodity Index fell on Thursday.
- ▶ Oil prices slipped on Thursday. Gold and Copper prices fell too.

Key events in the day ahead

- ▶ Eurozone Industrial Production.
- ▶ France CPI.
- ▶ Japan industrial production.
- ▶ UK Consumer Confidence and Manufacturing Production.

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	4.62	0.00	3.00	-70.00
UAE Eibor 3m	4.37	7.27	-26.60	-53.60
UAE Eibor 12m	4.27	0.44	-12.63	3.53
US 3m Bills	4.33	-3.16	-16.89	-67.50
US 10yr Treasury	4.33	5.67	-12.34	67.44
German 10yr Bund	2.21	7.80	-18.50	9.30
UK 10yr Gilt	4.36	4.50	-15.80	60.10
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	471	-0.30	0.90	-3.21
Global Treasuries	199	-0.25	1.07	-3.96
Global Corporate	280	-0.40	0.80	-1.93
EM USD Sovereign	413	-0.23	1.64	1.58
EM LCY Sovereign	150	0.03	1.26	-0.99
Global High Yield	1,678	-0.09	0.97	2.44
Currencies				
Dollar Index	106.96	0.23	0.45	5.18
EUR USD	1.0501	0.12	-0.64	-4.68
GBP USD	1.2703	-0.31	-0.06	-2.56
USD JPY	152.26	-0.16	-2.03	7.26
Equities				
S&P 500	6,051	-0.54	1.10	8.95
Dow Jones	43,914	-0.53	-0.10	7.47
NASDAQ	19,903	-0.66	3.50	14.41
STOXX 600	519	-0.14	3.51	2.20
DAX	20,426	0.13	7.49	11.43
Nikkei 225	39,849	1.21	2.91	11.87
FTSE 100	8,312	0.12	3.50	1.44
SENSEX	81,290	-0.29	4.63	-0.29
Hang Seng	20,397	1.20	2.89	19.22
MSCI World	3,826	-0.42	1.57	6.91
MSCI EM	1,113	0.41	1.76	5.12
Regional Equities				
ADX	9,276	0.05	-1.02	-0.51
DFM	4,812	0.34	1.66	10.70
Tadawul	12,099	-0.41	1.42	2.83
DSM	10,529	0.17	1.04	2.74
MSM30	4,546	0.64	-2.34	-3.79
BHSE	2,006	-0.30	-1.93	2.65
KWSE	7,331	0.07	0.59	2.57
Commodities				
BBG Commodity Index	99.0	-0.68	2.40	5.18
Brent USD/bbl	73.4	-0.15	1.56	3.97
Gold USD/t oz	2,686.4	-1.17	3.99	6.80
Copper USD/MT	9,038.5	-0.42	0.77	0.34
Volatility				
VIX	13.92	2.50	-0.71	-21.31
MOVE	82.66	0.32	-19.02	-20.36

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – December 13th, 2024. Performance in local currency terms.

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