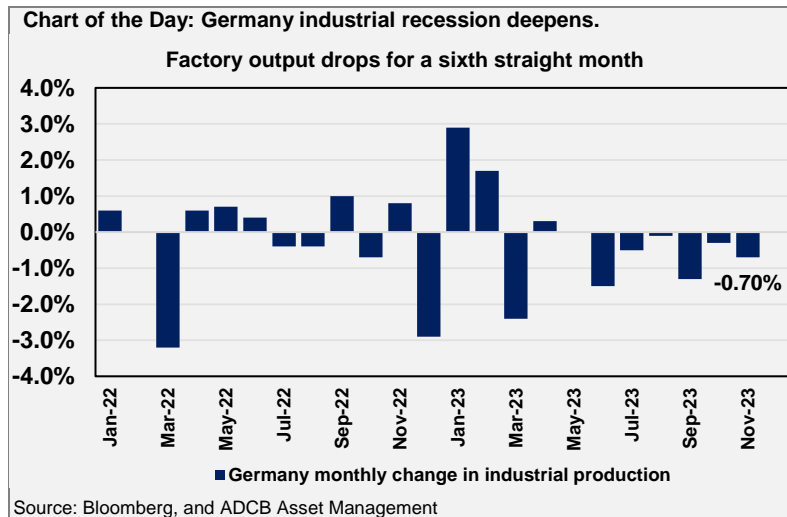


European stocks fell on Monday.

- ▶ ECB official says that there may not be rate cuts this year.
- ▶ Germany narrowly escaped a contraction in Q4.
- ▶ US markets closed on Monday for MLK holiday.



Macroeconomic news

- ▶ ECB policy maker Robert Holzmann at the World Economic Forum in Davos, said that the ECB may not lower interest rates this year given lingering inflation and geopolitical risks.
- ▶ Germany narrowly avoided a recession as their GDP fell 0.3% between October and December according to a preliminary estimate on Monday. With the previous three months revised up to 0% from 0-1%, it avoided a second consecutive quarter of contraction.

Rates and Fixed Income

- ▶ 10Y UK Gilt and German 10Y Bund yields rose on Monday.
- ▶ Global fixed income indexes declined on Monday.

Currencies

- ▶ EUR/USD remained relatively unchanged, while GBP weakened against the USD.
- ▶ JPY weakened against the USD on Monday.

Equities

- ▶ Global equities were mostly lower. European markets declined on Monday while US markets closed for Martin Luther King Day. Nikkei 225 and Sensex rose.
- ▶ GCC equities had mixed performances as UAE and Bahrain stocks declined. The rest of the GCC stocks rose as Kuwait and Qatar outperformed.

Commodities

- ▶ Oil and copper declined on Monday.
- ▶ Gold rose as safe-haven demand were boosted by rising tensions in the Middle-East.

Key events in the day ahead

- ▶ Japan PPI
- ▶ UK unemployment
- ▶ Germany CPI, ZEW survey expectations.

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.31	0.00	-1.00	0.00
UAE Eibor 3m	5.10	-3.25	-40.22	-27.11
UAE Eibor 12m	4.94	-13.98	-57.03	-64.53
US 3m Bills	5.35	0.00	-2.42	-13.11
US 10yr Treasury	3.94	0.00	2.80	-67.34
German 10yr Bund	2.23	4.90	21.70	-50.40
UK 10yr Gilt	3.80	0.40	11.00	-58.90

Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	466	-0.18	-0.19	7.17
Global Treasuries	199	-0.24	-0.46	6.84
Global Corporate	270	-0.10	0.12	8.39
EM USD Sovereign	375	0.00	-0.43	10.10
EM LCY Sovereign	145	-0.21	0.10	6.31
Global High Yield	1,518	-0.03	0.89	9.23

Currencies		1D	1M	3M
Dollar Index	102.40	0.00	-0.14	-3.98
EUR USD	1.0950	-0.01	0.50	4.19
GBP USD	1.2727	-0.20	0.36	4.81
USD JPY	145.73	0.59	2.52	-2.57

Equities		1D	1M	3M
S&P 500	4,784	0.00	1.37	10.54
Dow Jones	37,593	0.00	0.77	11.65
NASDAQ	14,973	0.00	1.07	11.68
STOXX 600	474	-0.54	-0.51	5.57
DAX	16,622	-0.49	-0.77	9.45
Nikkei 225	35,902	0.91	8.89	11.10
FTSE 100	7,595	-0.39	0.24	-0.06
SENSEX	73,328	1.05	2.58	10.63
Hang Seng	16,216	-0.17	-3.43	-8.97
MSCI World	3,165	-0.10	1.25	10.59
MSCI EM	995	-0.11	-0.57	4.61

Regional Equities		1D	1M	3M
ADX	9,778	-0.14	2.95	3.11
DFM	4,101	-0.07	2.50	3.44
Tadawul	12,122	0.05	5.02	14.51
DSM	10,534	0.65	6.10	4.09
MSM30	4,613	0.12	0.52	-3.62
BHSE	1,986	-0.04	3.67	2.05
KWSE	7,264	0.68	7.36	9.67

Commodities		1D	1M	3M
BBG Commodity Index	98.0	0.00	-0.95	-6.96
Brent USD/bbl	78.2	-0.18	2.09	-14.02
Gold USD/t oz	2,056.6	0.37	1.83	6.40
Copper USD/MT	8,238.5	-0.61	-2.74	4.40

Volatility		1D	1M	3M
VIX	13.25	4.33	7.90	-31.42
MOVE	106.51	0.00	-7.98	-17.00

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 10AM UAE time on Tuesday, January 16 2024.

Performance in local currency terms.

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