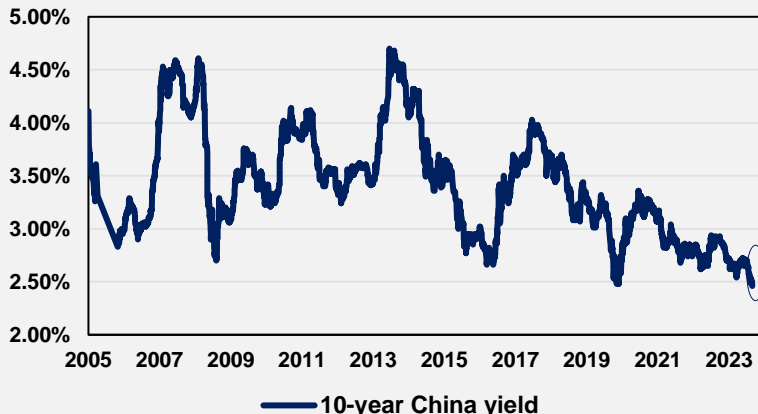


All eyes on the first Fed meeting.

- ▶ Eurozone economy stagnated in 2023.
- ▶ ECB policy maker emphasizes "smooth transition".
- ▶ Commodities rise and global equities end mixed.

Chart of the Day: China 10YR yield declines.

China Yields Back at Lowest in Two Decades



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Eurozone economy stagnated last year, barely avoiding a recession and was weighed down by an industrial weakness in Germany. Eurozone Q4 GDP rose 0.1% y-o-y and 0.0% q-o-q.
- ▶ US job openings unexpectedly rose in December suggesting the labor market remains strong. Job openings in December rose to 9.026mn, up 101,000 from the revised figure of 8.925mn.
- ▶ Chinese Manufacturing PMI rose to 49.2 in January up from December's 49.0 figure. Non-manufacturing PMI also rose in January to 50.7 from 50.4 in December.

Rates and Fixed Income

- ▶ Global rates were mixed. 10Y UST yields declined. 10Y German Bunds and 10YR UK gilts rose.
- ▶ Global fixed income indices rose with EM LCY Sovereign outperforming.

Currencies

- ▶ Broad USD declined on Tuesday.
- ▶ EUR strengthened against the USD. GBP and JPY slightly weakened against the USD.

Equities

- ▶ Global equities were mixed on Tuesday. EM underperformed DM.
- ▶ GCC equities declined mostly with the exception of Kuwait and Bahrain, the latter outperforming on the day. Saudi fell over 2%.

Commodities

- ▶ BBG commodity index rose c1%.
- ▶ Oil and gold prices jumped as geopolitical tensions continued to rise.

Key events in the day ahead

- ▶ FOMC rate decision
- ▶ ADP payroll
- ▶ Germany and France CPI

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.31	0.00	-7.00	0.00
UAE Eibor 3m	5.27	-0.16	-5.27	-20.47
UAE Eibor 12m	5.07	4.58	-7.05	-63.19
US 3m Bills	5.35	-0.58	2.03	-10.03
US 10yr Treasury	4.03	-4.21	15.28	-86.23
German 10yr Bund	2.27	3.30	24.40	-55.40
UK 10yr Gilt	3.90	2.50	36.40	-66.00
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	462	0.12	-2.01	6.84
Global Treasuries	197	0.11	-2.61	6.04
Global Corporate	270	0.14	-1.09	8.81
EM USD Sovereign	373	0.21	-1.61	10.33
EM LCY Sovereign	144	0.32	-1.38	6.32
Global High Yield	1,519	0.07	-0.22	9.51
Currencies				
Dollar Index	103.40	-0.20	2.04	-2.57
EUR USD	1.0845	0.11	-1.81	2.17
GBP USD	1.2700	-0.07	-0.21	4.35
USD JPY	147.61	0.07	4.77	-1.00
Equities				
S&P 500	4,925	-0.06	3.25	18.19
Dow Jones	38,467	0.35	2.06	16.82
NASDAQ	15,510	-0.76	3.32	21.27
STOXX 600	486	0.16	1.39	12.64
DAX	16,972	0.18	1.32	15.33
Nikkei 225	36,066	0.11	7.77	17.49
FTSE 100	7,666	0.44	-0.87	4.63
SENSEX	71,140	-1.11	-1.57	10.96
Hang Seng	15,703	-2.32	-7.88	-9.78
MSCI World	3,237	0.01	2.13	17.38
MSCI EM	981	-0.97	-4.30	6.37
Regional Equities				
ADX	9,519	-0.33	-0.62	2.51
DFM	4,168	-0.05	2.68	8.59
Tadawul	11,986	-2.18	-0.42	13.76
DSM	10,110	-0.41	-6.65	6.21
MSM30	4,587	-0.10	0.15	0.96
BHSE	2,070	1.43	5.00	7.19
KWSE	7,329	0.29	7.50	13.40
Commodities				
BBG Commodity Index	98.9	0.97	0.21	-5.38
Brent USD/bbl	82.9	0.57	7.57	-5.24
Gold USD/t oz	2,037.0	0.19	-1.26	2.05
Copper USD/MT	8,462.0	0.49	-0.17	4.34
Volatility				
VIX	13.31	-2.13	6.91	-32.61
MOVE	104.26	-1.96	-9.04	-20.96

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 10AM UAE time - January 31 2024. Performance in local currency terms.

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