

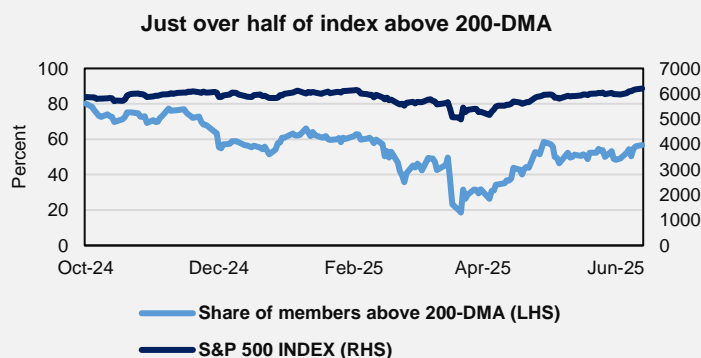
Daily Market View

Investment Strategy | July 1, 2025

Global equities end June on a high amid trade optimism

- ▶ China Caixin PMI shows factory activity returning to growth
- ▶ German annual inflation rate unexpectedly fell in June
- ▶ The USD ended the first half of 2025 with a decline

Chart of the day: S&P 500 breath remains soft



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The Dallas Fed Manufacturing Index improved modestly to -12.7 in June from -15.3 in May, though still signalling contraction for the sixth consecutive month.
- ▶ Germany's June CPI came in at annual 2.0%, down from May's 2.1% YoY and below the 2.2% YoY forecast, while core inflation softened to 2.7% YoY, reflecting cooling energy and food prices.
- ▶ China's official manufacturing PMI came in at 49.7 in June, up 0.2 percentage points from May, showing a consecutive increase for two months, but remained in contractionary zone. The official non-manufacturing PMI, which includes services and construction, rose to 50.5 in June from 50.3 in May. However, the private Caixin S&P Global manufacturing PMI came in at 50.4 in June, beating expectations and rebounding from 48.3 in May.

Rates and Fixed Income

- ▶ 10Y UST yields fell, as fading inflation concerns and a dovish shift in Fed expectations drove bond prices higher.
- ▶ Fixed income indices rose, led by Global Corporate.

Currencies

- ▶ The USD index ended June with a decline, marking a clear shift in sentiment toward the USD.
- ▶ The EUR and the JPY rose against the USD while the GBP ended flat against the USD.

Equities

- ▶ Global stocks hit an intraday record on Monday on hopes US trade negotiations with key partners would continue to progress. Japanese equities were the best performers. In the US, the Dow Jones rose 0.63%, the S&P 500 rose 0.52%, and the NASDAQ rose 0.47%. European shares finished lower.
- ▶ GCC stock markets ended mixed on Monday.

Commodities

- ▶ Oil prices fell on prospects of more OPEC+ supply and easing Middle East tensions.
- ▶ Gold prices gained on dollar weakness with all eyes on jobs data.

Key events in the day ahead

- ▶ US JOLTS Job openings (May)
- ▶ US ISM Manufacturing (Jun)
- ▶ Eurozone Inflation (Jun)

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.39	0.00	4.00	5.00
UAE Eibor 3m	4.14	-1.46	-6.95	-19.16
UAE Eibor 12m	4.10	-12.18	-11.80	-14.53
US 3m Bills	4.29	-0.31	-4.19	-0.06
US 10yr Treasury	4.23	-4.89	-17.24	-2.14
German 10yr Bund	2.61	1.50	10.70	-12.00
UK 10yr Gilt	4.49	-1.50	-15.80	-20.50
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	497	0.26	1.89	4.63
Global Treasuries	210	0.24	1.77	5.00
Global Corporate	296	0.38	2.31	4.45
EM USD Sovereign	428	0.30	2.22	3.36
EM LCY Sovereign	159	0.18	1.79	5.54
Global High Yield	1,775	0.26	2.31	4.73
Currencies				
Dollar Index	96.88	-0.54	-2.47	-6.89
EUR USD	1.1763	0.38	3.67	8.64
GBP USD	1.3714	-0.01	1.89	5.98
USD JPY	144.23	-0.29	0.15	-3.74
Equities				
S&P 500	6,205	0.52	4.96	11.18
Dow Jones	44,095	0.63	4.32	6.04
NASDAQ	20,370	0.47	6.57	17.59
STOXX 600	541	-0.42	-1.33	-0.13
DAX	23,910	-0.51	-0.37	6.45
Nikkei 225	40,487	0.84	6.64	9.07
FTSE 100	8,761	-0.43	-0.13	1.18
SENSEX	83,606	-0.54	2.65	8.00
Hang Seng	24,072	-0.87	3.36	2.76
MSCI World	4,026	0.43	4.22	10.78
MSCI EM	1,223	-0.47	5.65	9.11
Regional Equities				
ADX	9,958	0.72	2.81	6.28
DFM	5,706	0.38	4.11	11.96
Tadawul*	11,164	-0.35	1.45	-5.10
DSM*	10,749	-0.17	1.81	4.77
MSM30*	4,501	-0.14	-1.70	5.32
BHSE*	1,944	0.33	1.08	2.23
KWSE*	8,455	0.20	3.62	6.59
Commodities				
BBG Commodity Index	102.0	-0.84	2.03	-3.57
Brent USD/bbl	67.6	-0.24	5.81	-8.18
WTI USD/bbl	65.1	-0.63	7.11	-6.13
Gold USD/t oz	3,297.3	0.70	0.25	6.88
Silver USD/t oz	36.1	0.33	9.48	5.81
Platinum USD/t oz	1,359.4	1.33	28.51	37.84
Aluminium	2,597.8	0.08	5.60	3.25
Copper USD/MT	10,040.0	-0.11	3.99	3.79
Digital Assets				
Bitcoin	107,606.	0.41	2.14	30.03
Ether	2,503.8	3.16	-2.33	36.39
Solana	156.6	9.62	-0.67	22.25
XRP	2.3	8.75	2.57	7.06
Volatility				
VIX	16.73	2.51	-8.88	-24.91
MOVE	90.26	2.65	-5.74	-10.94

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 01, 2025. Performance in local currency terms.

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