

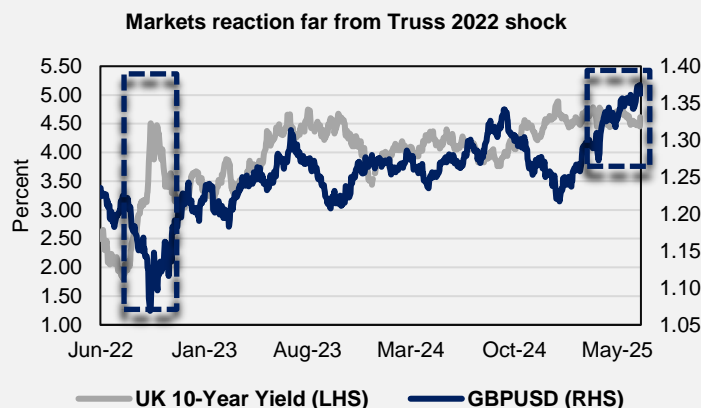
Daily Market View

Investment Strategy | July 3, 2025

Stocks climbed to record, powered by rally in tech stocks

- ▶ US private payrolls fell for the first time in two years
- ▶ US reached a trade deal with Vietnam
- ▶ All eyes on US nonfarm payrolls report

Chart of the day: Nerves around UK finances



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ ADP report showed that US private payrolls lost 33K jobs in June, marking the first decline since March 2023. Market expectations were of an increase of 98k. The May job growth figure was revised lower to 29k jobs added from 37k jobs added previously.
- ▶ The seasonally adjusted unemployment rate in the Eurozone was 6.3% in May, up from 6.2% in April and more than market expectations.
- ▶ China Caixin services PMI fell to 50.6 in June from 51.1 in May, lower than market expectations. This also marked the lowest reading since September 2024. Caixin composite PMI rose to 51.3 in June from 49.6 in May.

Rates and Fixed Income

- ▶ DM sovereign bond yields rose amid concerns over deficit worries, especially in the UK. 10Y UK gilt yields jumped the most as speculation over Chancellor Reeves' possible exit reignited concerns over the country's fiscal position.
- ▶ Fixed income indices fell, coming under pressure from rising yields.

Currencies

- ▶ The USD index ended marginally lower, on weak private payrolls.
- ▶ The GBP was the worst performing major currency on worries over UK fiscal prospects. The EURUSD fell while the USDJPY rose.

Equities

- ▶ Global stocks rose to all-time highs, led by US equities. A rally in big tech stocks fuelled the gains with the markets extending its advance on reports of finalization of US-Vietnam trade deal. Japanese equities underperformed for the second day in a row.
- ▶ GCC stock markets were mixed. DFM index underperformed peers.

Commodities

- ▶ Oil prices jumped on US-Vietnam trade deal, despite reports showing the largest buildup in US inventories in three months.
- ▶ Gold prices rose as disappointing ADP payrolls reports fuelled Fed rate cut expectations.

Key events in the day ahead

- ▶ US Nonfarm Payrolls (Jun), Unemployment rate (Jun)
- ▶ US ISM Services (Jun)
- ▶ Final June Composite PMIs (US, Eurozone, UK)

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.44	0.00	12.00	5.00
UAE Eibor 3m	4.15	2.99	-5.50	-18.12
UAE Eibor 12m	4.22	0.41	2.50	-2.59
US 3m Bills	4.33	0.46	0.72	3.57
US 10yr Treasury	4.28	3.53	-17.68	10.80
German 10yr Bund	2.66	9.00	13.90	-2.30
UK 10yr Gilt	4.61	15.80	-2.60	-2.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	497	-0.28	1.76	4.19
Global Treasuries	210	-0.38	1.54	4.47
Global Corporate	296	-0.15	2.30	4.19
EM USD Sovereign	429	-0.06	2.39	3.22
EM LCY Sovereign	160	-0.08	1.69	5.59
Global High Yield	1,779	0.00	2.27	4.92
Currencies				
Dollar Index	96.78	-0.04	-2.47	-7.18
EUR USD	1.1799	-0.06	3.75	9.32
GBP USD	1.3636	-0.80	0.88	5.52
USD JPY	143.66	0.17	-0.22	-3.98
Equities				
S&P 500	6,227	0.47	4.31	10.55
Dow Jones	44,484	-0.02	4.62	5.94
NASDAQ	20,393	0.94	5.12	16.87
STOXX 600	541	0.18	-1.32	0.29
DAX	23,790	0.49	-1.25	5.55
Nikkei 225	39,762	-0.56	6.18	11.62
FTSE 100	8,775	-0.12	-0.14	1.62
SENSEX	83,410	-0.34	3.31	9.71
Hang Seng	24,221	0.62	3.02	4.37
MSCI World	4,036	0.37	3.64	10.60
MSCI EM	1,230	0.08	6.23	10.77
Regional Equities				
ADX	9,920	-0.09	2.36	5.88
DFM	5,669	-0.41	2.67	11.24
Tadawul*	11,130	0.07	1.13	-5.33
DSM*	10,699	0.01	-0.13	4.18
MSM30*	4,525	0.25	-1.46	5.74
BHSE*	1,950	0.32	1.55	2.58
KWSE*	8,381	-0.34	1.36	5.89
Commodities				
BBG Commodity Index	103.7	1.51	1.41	-2.63
Brent USD/bbl	69.1	2.98	5.30	-7.22
WTI USD/bbl	67.5	3.06	6.37	-5.27
Gold USD/t oz	3,357.5	0.56	0.12	7.84
Silver USD/t oz	36.6	1.43	5.89	8.48
Platinum USD/t oz	1,422.7	4.62	31.77	43.84
Aluminium	2,617.8	0.70	5.64	6.17
Copper USD/MT	10,045.0	-0.16	3.84	4.14
Digital Assets				
Bitcoin	109,213.	3.08	4.11	27.22
Ether	2,591.9	7.29	-1.44	36.53
Solana	153.0	4.39	-0.45	20.21
XRP	2.3	3.82	2.44	6.11
Volatility				
VIX	16.64	-1.13	-5.51	-22.64
MOVE	91.37	-2.26	-5.78	-14.12

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 03, 2025. Performance in local currency terms.

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