

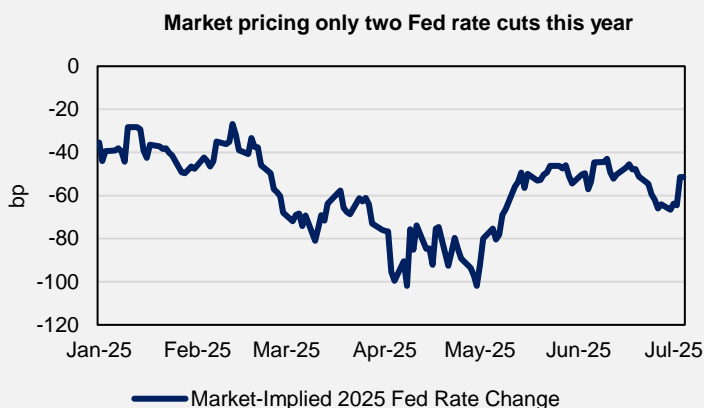
# Daily Market View

Investment Strategy | July 4, 2025

## Treasuries tumble, Equities surge on strong jobs report

- ▶ US June jobs growth exceeded expectations
- ▶ US house passed GOP megabill, set to become law
- ▶ The S&P 500 hit all-time high while the USD index rose

Chart of the day: Upbeat jobs reports quell July Fed rate cut possibility



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ US nonfarm payrolls increased 147K in June, exceeding market expectations, driven by a jump in state and local government employment. However, private payrolls rose 74K in June, the least since October and largely due to health care. The unemployment rate declined to 4.1% in June from 4.2% in May. Average hourly earnings rose 0.2% MoM and 3.7% YoY in June, lower than May and market expectations.
- ▶ According to the Institute for Supply Management (ISM) survey, US services activity moved back into expansionary territory in June after stagnation in May. US ISM services rose to 50.8 in June from 49.9 in May, better than market expectations.

## Rates and Fixed Income

- ▶ UST yields rose across the curve led by short-term yields on upbeat jobs report. Markets are now pricing in no chance of July rate cut, compared with c25% probability seen before the data.
- ▶ UK gilts rebounded after UK PM Starmer backed Rachel Reeves as Chancellor.
- ▶ Global aggregate bond index fell, but EM bonds and Global HY rose.

## Currencies

- ▶ The USD index rebounded on stronger-than expected jobs report.
- ▶ The EURUSD fell while the USDJPY rose. The GBP rebounded as PM Starmer reaffirmed support for Chancellor Reeves, calming fiscal jitters.

## Equities

- ▶ Global stocks recorded strong gains. US stocks climbed to record highs on strong June jobs report. The S&P 500 hit an all-time high. NASDAQ outperformed the most.
- ▶ All GCC stock markets rose except for Bahrain, which posted losses.

## Commodities

- ▶ Oil prices pulled back on profit-taking while focus shifted to OPEC+ production boost.
- ▶ Gold prices fell as strong US jobs reports slashed Fed rate cut expectations.

## Key events in the day ahead

- ▶ US Independence Day
- ▶ Eurozone PPI (May)
- ▶ Germany Factory orders (May)

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.40	0.00	12.00	3.00
UAE Eibor 3m	4.19	4.47	-5.37	-4.40
UAE Eibor 12m	4.07	-14.42	-10.04	-16.24
US 3m Bills	4.35	2.39	1.35	5.24
US 10yr Treasury	4.35	6.88	-0.95	21.50
German 10yr Bund	2.62	-4.90	8.70	-10.60
UK 10yr Gilt	4.54	-7.00	-6.40	-9.80
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	496	-0.12	1.23	3.98
Global Treasuries	209	-0.15	1.03	4.22
Global Corporate	296	-0.07	1.71	3.99
EM USD Sovereign	429	0.12	2.13	3.30
EM LCY Sovereign	160	0.25	1.88	5.75
Global High Yield	1,781	0.09	2.11	4.84
Currencies				
Dollar Index	97.18	0.42	-1.63	-6.38
EUR USD	1.1757	-0.36	2.98	8.33
GBP USD	1.3655	0.14	0.75	4.98
USD JPY	144.93	0.88	1.51	-2.91
Equities				
S&P 500	6,279	0.83	5.17	10.73
Dow Jones	44,829	0.77	5.66	6.17
NASDAQ	20,601	1.02	5.86	17.04
STOXX 600	544	0.47	-1.32	1.27
DAX	23,934	0.61	-1.41	6.89
Nikkei 225	39,786	0.06	5.40	11.36
FTSE 100	8,823	0.55	0.25	2.49
SENSEX	83,239	-0.20	2.77	8.64
Hang Seng	24,070	-0.63	1.76	3.74
MSCI World	4,063	0.66	4.08	10.75
MSCI EM	1,237	0.55	5.50	11.27
Regional Equities				
ADX	9,981	0.61	2.52	6.93
DFM	5,748	1.39	3.83	12.44
Tadawul*	11,244	1.03	3.72	-4.58
DSM*	10,759	0.56	1.25	4.42
MSM30*	4,550	0.56	0.15	6.01
BHSE*	1,947	-0.17	1.53	2.89
KWSE*	8,399	0.22	2.98	6.30
Commodities				
BBG Commodity Index	103.4	-0.31	0.98	-3.37
Brent USD/bbl	68.8	-0.45	6.07	-8.21
WTI USD/bbl	67.0	-0.67	6.60	-6.57
Gold USD/t oz	3,326.1	-0.93	-1.38	6.12
Silver USD/t oz	36.8	0.79	6.77	8.74
Platinum USD/t oz	1,376.9	-3.22	25.86	40.90
Aluminium	2,601.9	-0.61	5.26	7.54
Copper USD/MT	10,120.0	0.75	2.91	7.69
Digital Assets				
Bitcoin	109,985.	0.71	8.76	32.79
Ether	2,600.3	0.32	7.54	43.52
Solana	152.9	-0.06	7.06	30.66
XRP	2.3	1.02	9.18	9.50
Volatility				
VIX	16.38	-1.56	-11.36	-45.44
MOVE	86.09	-5.78	-9.04	-23.13

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 04, 2025. Performance in local currency terms.

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