

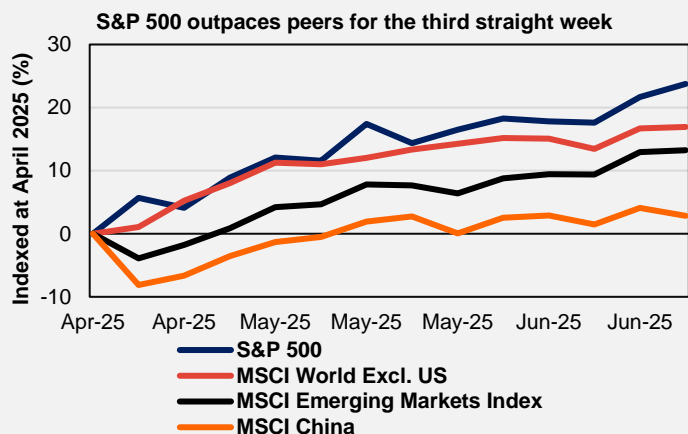
# Daily Market View

Investment Strategy | July 7, 2025

## Markets turn jittery as tariff deadline looms

- ▶ President Trump signed the big, beautiful bill into law
- ▶ US markets were closed for Independence day holiday
- ▶ Gold and yen rallied as investors sought safe-haven assets

Chart of the day: Is US exceptionalism back?



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ Eurozone producer prices declined for the third straight month in May, largely due to the sharp fall in energy prices. Producer prices decreased 0.6% MoM in May, though slower than the 2.2% MoM decline in April. On a yearly basis, producer price inflation softened to 0.3%, as expected, from 0.7% in April.
- ▶ Germany's factory orders dropped more-than-expected in May, suggesting that the country's manufacturing sector recovery lost momentum. Over the month, factory orders declined 1.4% in May after increasing by a revised 1.6% in April. Data missed the estimates of -0.1%.

## Rates and Fixed Income

- ▶ US treasury markets were closed for holiday. 10Y German bund yields declined marginally.
- ▶ UK gilts resumed their slide after a selloff on Wednesday that was driven by fiscal concerns.
- ▶ Global aggregate bond index recorded gains, led by Global Treasuries.

## Currencies

- ▶ The euro strengthened versus the USD on renewed trade tensions.
- ▶ The pound sterling ended flat versus the USD.
- ▶ The yen rose versus the USD on increased safe-haven demand.

## Equities

- ▶ Global stocks posted marginal declines on revival of trade tensions. US markets were closed for holiday. Europe's Stoxx 600 closed c0.5% lower, recovering from a steeper intraday decline. EM stocks came under pressure, underperforming DM peers.
- ▶ GCC stock markets mostly rose on Sunday, led by Saudi equities. ADX was flat while DFM ended marginally higher on Friday.

## Commodities

- ▶ Brent crude prices ended lower ahead of the OPEC+ meeting which delivered another oversized production hike.
- ▶ Gold prices rose as investors sought safe-haven assets.

## Key events in the day ahead

- ▶ Eurozone retail sales (May)
- ▶ Japan Eco Watchers Survey Current SA (Jun)
- ▶ Germany Industrial Production (May)

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.40	0.00	12.00	5.00
UAE Eibor 3m	4.15	-3.99	-9.36	-11.10
UAE Eibor 12m	4.12	4.80	-5.24	-12.40
US 3m Bills	4.35	0.00	1.35	10.87
US 10yr Treasury	4.35	0.00	-0.95	35.14
German 10yr Bund	2.61	-0.80	7.90	2.90
UK 10yr Gilt	4.55	1.20	-5.20	10.60
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	497	0.10	1.34	2.86
Global Treasuries	210	0.13	1.17	2.60
Global Corporate	296	0.08	1.79	3.76
EM USD Sovereign	429	0.00	2.13	4.38
EM LCY Sovereign	160	-0.06	1.82	5.35
Global High Yield	1,781	0.04	2.15	6.65
Currencies				
Dollar Index	97.18	0.00	-1.63	-5.67
EUR USD	1.1778	0.18	3.16	7.50
GBP USD	1.3650	-0.04	0.71	5.92
USD JPY	144.47	-0.32	1.19	-1.67
Equities				
S&P 500	6,279	0.00	5.17	23.75
Dow Jones	44,829	0.00	5.66	17.00
NASDAQ	20,601	0.00	5.86	32.16
STOXX 600	541	-0.48	-1.79	9.03
DAX	23,787	-0.61	-2.01	15.24
Nikkei 225	39,811	0.06	5.47	17.85
FTSE 100	8,823	0.00	0.25	9.53
SENSEX	83,433	0.23	3.01	10.71
Hang Seng	23,916	-0.64	1.11	4.67
MSCI World	4,061	-0.04	4.03	22.10
MSCI EM	1,232	-0.43	5.05	13.24
Regional Equities				
ADX	9,982	0.01	2.53	11.54
DFM	5,753	0.09	3.93	19.88
Tadawul*	11,316	0.63	5.44	-1.97
DSM*	10,752	-0.07	4.52	2.91
MSM30*	4,565	0.33	1.36	5.44
BHSE*	1,947	0.00	2.36	1.81
KWSE*	8,444	0.53	7.66	6.22
Commodities				
BBG Commodity Index	103.4	0.00	0.98	3.73
Brent USD/bbl	68.3	-0.73	5.30	4.15
WTI USD/bbl	67.0	0.00	6.60	8.08
Gold USD/t oz	3,337.2	0.33	-1.05	9.84
Silver USD/t oz	37.0	0.34	7.14	24.96
Platinum USD/t oz	1,397.9	1.53	27.78	51.43
Aluminium	2,588.3	-0.52	4.71	6.98
Copper USD/MT	9,970.5	-1.48	1.39	6.10
Digital Assets				
Bitcoin	107,741.	-2.04	7.20	30.89
Ether	2,491.3	-4.19	3.82	38.56
Solana	146.9	-3.91	3.57	26.40
XRP	2.2	-2.49	7.74	8.06
Volatility				
VIX	17.48	6.72	-5.41	-41.77
MOVE	86.09	0.00	-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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