

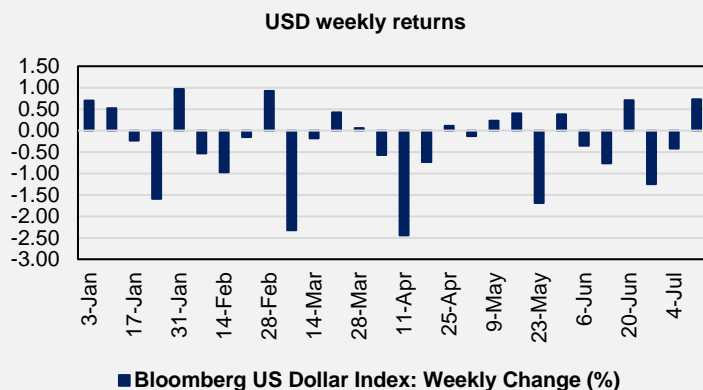
Daily Market View

Investment Strategy | July 14, 2025

Global stocks dropped as tariff fears returned

- ▶ The US recorded a USD27bn budget surplus in June.
- ▶ UK's economy contracted unexpectedly in May.
- ▶ Trump announced 30% tariffs on the EU and Mexico.

Chart of the day: Dollar's best weekly return since February



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The US posted a USD27bn surplus in June, boosted by USD26.6bn in tariff revenues. Despite the monthly surplus, the fiscal year-to-date deficit stands near USD1.3tn.
- ▶ UK GDP fell 0.1% MoM in May after a 0.3% drop in April. Services rose slightly, but industrial and construction output declined.
- ▶ Inflation in France rose to 0.9% YoY in June, mainly driven by higher services and food prices, while energy costs dropped.
- ▶ In China, exports rose 5.8% YoY, as firms accelerated shipments ahead of new tariffs. Imports grew 1.1% YoY, showing a modest recovery in domestic demand.

Rates and Fixed Income

- ▶ The 10Y UST yields closed higher on inflation concerns.
- ▶ Global fixed income indexes fell, led by long-duration bonds.

Currencies

- ▶ The USD index rose as tariff escalation raised inflation concerns.
- ▶ The EUR ended flat, while the GBP fell versus the USD on weak UK GDP data.
- ▶ The JPY remained under pressure under pressure, ahead of election uncertainty in Japan, and rising UST yields.

Equities

- ▶ Global stocks fell on Friday, as US tariff threats triggered a risk-off sentiment. US and European markets declined, while Asian stocks were mixed. European stocks underperformed the most.
- ▶ GCC stock markets rose, with the exception of Saudi and Bahrain.

Commodities

- ▶ Oil prices rose supported by the IEA report which forecasted a tighter supply outlook.
- ▶ Gold prices rose on strong haven demand. Silver prices jumped to the highest level since 2011.
- ▶ Copper and aluminium prices fell on Friday.

Key events in the day ahead

- ▶ China GDP (2Q)
- ▶ China retail sales, industrial productions, Fixed Assets (Jun)
- ▶ India CPI (Jun).

Performance snapshot*

| Rates | Latest | 1D (bp) | 1M(bp) | 3M(bp) |
|---------------------|----------|---------|--------|--------|
| SOFR | 4.31 | 0.00 | 3.00 | -2.00 |
| UAE Eibor 3m | 4.24 | 0.40 | 17.29 | 1.88 |
| UAE Eibor 12m | 4.16 | -19.97 | -22.35 | 3.63 |
| US 3m Bills | 4.33 | -1.96 | -3.26 | 3.16 |
| US 10yr Treasury | 4.41 | 5.95 | 5.01 | 3.54 |
| German 10yr Bund | 2.73 | 2.00 | 24.70 | 21.30 |
| UK 10yr Gilt | 4.62 | 2.70 | 14.50 | -3.80 |
| Fixed Income | | 1D (%) | 1M (%) | 3M(%) |
| Global Agg. Index | 492 | -0.28 | -0.18 | 1.80 |
| Global Treasuries | 207 | -0.29 | -0.55 | 1.11 |
| Global Corporate | 294 | -0.34 | 0.34 | 3.37 |
| EM USD Sovereign | 427 | -0.31 | 1.01 | 5.15 |
| EM LCY Sovereign | 159 | -0.05 | 0.75 | 4.16 |
| Global High Yield | 1,776 | -0.14 | 1.26 | 5.89 |
| Currencies | | | | |
| Dollar Index | 97.85 | 0.21 | -0.07 | -1.79 |
| EUR USD | 1.1689 | 0.03 | 0.98 | 3.16 |
| GBP USD | 1.3493 | -0.52 | -0.73 | 2.48 |
| USD JPY | 147.43 | 0.66 | 2.66 | 2.94 |
| Equities | | | | |
| S&P 500 | 6,260 | -0.33 | 3.55 | 15.79 |
| Dow Jones | 44,372 | -0.63 | 3.27 | 9.49 |
| NASDAQ | 20,586 | -0.22 | 4.69 | 22.30 |
| STOXX 600 | 547 | -1.01 | -0.45 | 9.49 |
| DAX | 24,255 | -0.82 | 2.04 | 15.75 |
| Nikkei 225 | 39,570 | -0.19 | 3.66 | 16.44 |
| FTSE 100 | 8,941 | -0.38 | 0.63 | 9.92 |
| SENSEX | 82,500 | -0.83 | 0.99 | 9.77 |
| Hang Seng | 24,140 | 0.46 | 0.43 | 12.71 |
| MSCI World | 4,047 | -0.42 | 2.59 | 15.16 |
| MSCI EM | 1,229 | -0.17 | 2.19 | 15.93 |
| Regional Equities | | | | |
| ADX | 10,065 | 0.17 | 3.83 | 8.96 |
| DFM | 5,855 | 0.43 | 7.09 | 15.80 |
| Tadawul* | 11,253 | -0.21 | 6.42 | -0.98 |
| DSM* | 10,831 | 0.03 | 5.36 | 2.95 |
| MSM30* | 4,622 | 0.43 | 2.14 | 6.22 |
| BHSE* | 1,959 | -0.09 | 4.22 | 2.19 |
| KWSE* | 8,624 | 0.22 | 7.78 | 7.66 |
| Commodities | | | | |
| BBG Commodity Index | 103.8 | 0.70 | 0.55 | 2.76 |
| Brent USD/bbl | 70.4 | 2.51 | 1.44 | 8.45 |
| WTI USD/bbl | 68.5 | 2.82 | 0.60 | 11.25 |
| Gold USD/t oz | 3,355.6 | 1.22 | -0.84 | 4.61 |
| Silver USD/t oz | 38.4 | 3.82 | 5.70 | 18.76 |
| Platinum USD/t oz | 1,382.3 | 1.13 | 6.44 | 45.07 |
| Aluminium | 2,602.5 | -0.25 | 3.97 | 10.28 |
| Copper USD/MT | 9,637.5 | -1.17 | -0.21 | 4.98 |
| Digital Assets | | | | |
| Bitcoin | 117,730. | 3.65 | 11.62 | 40.46 |
| Ether | 2,975.8 | 5.51 | 16.80 | 89.41 |
| Solana | 162.7 | 1.41 | 10.43 | 33.84 |
| XRP | 2.8 | 10.25 | 28.78 | 34.96 |
| Volatility | | | | |
| VIX | 16.40 | 3.93 | -21.23 | -56.34 |
| MOVE | 85.48 | 4.78 | -10.31 | -37.72 |

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 14, 2025. Performance in local currency terms.

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