

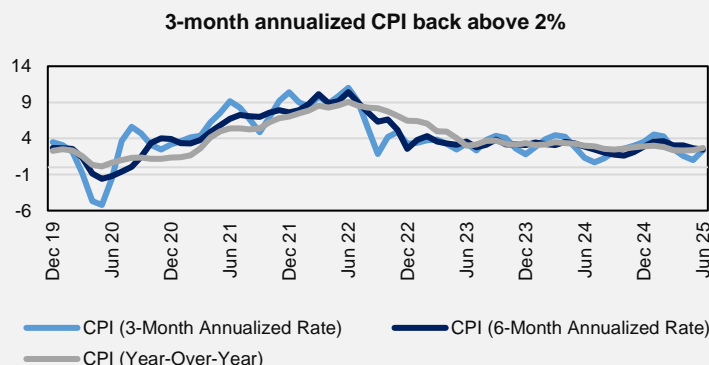
Daily Market View

Investment Strategy | July 16, 2025

Equities and bonds fell on lower Fed rate cut bets

- ▶ US inflation accelerated in June, but matched expectations
- ▶ Eurozone industrial production grew 1.7% MoM during May
- ▶ UST yields and the USD rose on slight rise in US inflation

Chart of the day: US inflation rose in June



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ US headline CPI rose 0.3% MoM, and 2.7% YoY in June as expected but marked an acceleration from May. However, the core CPI print pointed to a downside surprise coming at 0.2% MoM and 2.9% MoM although the inflation accelerated. This marked the fifth consecutive month of downside surprise on US consumer price inflation.
- ▶ ZEW Investor sentiment across the Eurozone improved to a four-month high this month of 36.1 but still came in shy of market estimates for 37.8. German investor economic sentiment index increased to 52.7 points from 47.5 points in June. Consensus expected a reading of 50.8.

Rates and Fixed Income

- ▶ US Treasury yields increased to their highest levels in over a month following a slight rise in US inflation.
- ▶ Global fixed income indexes fell, with the exception of EM LCY Sovereign.

Currencies

- ▶ The USD index rose on Tuesday. The dollar strengthened to a 15-week high against the yen, rising 0.81%.
- ▶ The EUR, the GBP, and the JPY fell against the USD.

Equities

- ▶ MSCI's global equities index declined on Tuesday after reaching a record high. The S&P 500 and Dow Jones fell around 0.4% and 1% respectively while tech-heavy Nasdaq rose 0.18% supported by chip stocks. European equities declined, while Asian markets rose on optimism around Chinese stimulus and strong tech momentum.
- ▶ GCC stock markets were mixed on Tuesday. DFM outperformed while Tadawul underperformed the most.

Commodities

- ▶ Oil prices fell on hopes of diplomatic progress in the Russia-Ukraine conflict, easing supply concerns.
- ▶ Gold prices edged slightly lower amid tariff uncertainty and expected rise in June inflation.

Key events in the day ahead

- ▶ US PPI (Jun).
- ▶ US Industrial Production (Jun).
- ▶ UK CPI (Jun).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.33	0.00	1.00	2.00
UAE Eibor 3m	4.17	-1.98	2.91	-7.35
UAE Eibor 12m	4.32	12.76	2.55	20.57
US 3m Bills	4.33	-0.21	-2.28	2.38
US 10yr Treasury	4.48	4.80	3.51	20.45
German 10yr Bund	2.71	-1.70	18.50	20.30
UK 10yr Gilt	4.63	2.50	9.20	2.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	490	-0.37	-0.38	0.87
Global Treasuries	206	-0.42	-0.87	0.05
Global Corporate	293	-0.32	0.38	2.42
EM USD Sovereign	426	-0.10	1.03	4.38
EM LCY Sovereign	159	0.03	0.66	3.97
Global High Yield	1,772	-0.15	1.11	5.30
Currencies				
Dollar Index	98.62	0.55	0.63	-0.77
EUR USD	1.1596	-0.57	0.10	1.94
GBP USD	1.3387	-0.36	-1.62	1.16
USD JPY	148.90	0.81	3.28	4.45
Equities				
S&P 500	6,244	-0.40	3.49	18.35
Dow Jones	44,023	-0.98	3.55	10.98
NASDAQ	20,678	0.18	4.96	26.80
STOXX 600	545	-0.37	-0.36	7.47
DAX	24,060	-0.42	1.52	12.90
Nikkei 225	39,678	0.55	3.57	16.97
FTSE 100	8,938	-0.66	0.71	8.01
SENSEX	82,571	0.39	0.95	7.17
Hang Seng	24,590	1.60	2.20	16.78
MSCI World	4,031	-0.50	2.42	16.22
MSCI EM	1,240	0.97	3.53	17.12
Regional Equities				
ADX	10,151	0.87	5.90	9.61
DFM	5,914	0.98	9.38	17.03
Tadawul*	11,095	-1.05	1.20	-3.42
DSM*	10,818	0.45	2.72	1.97
MSM30*	4,613	-0.30	1.59	5.39
BHSE*	1,953	0.06	2.16	1.92
KWSE*	8,608	-0.17	4.58	6.73
Commodities				
BBG Commodity Index	103.7	-0.10	-1.93	1.19
Brent USD/bbl	68.7	-0.72	-6.17	4.34
WTI USD/bbl	66.5	-0.69	-7.32	6.48
Gold USD/t oz	3,329.3	-0.55	-2.06	0.06
Silver USD/t oz	37.7	-1.13	3.84	15.08
Platinum USD/t oz	1,368.5	0.00	9.55	40.81
Aluminium	2,578.9	-0.38	1.20	9.53
Copper USD/MT	9,564.0	0.09	-2.61	5.17
Digital Assets				
Bitcoin	116,440.	-3.13	11.54	38.59
Ether	3,042.0	1.22	21.12	90.74
Solana	160.7	-1.39	8.08	25.87
XRP	2.9	-1.96	32.17	35.92
Volatility				
VIX	17.38	1.05	-19.54	-42.30
MOVE	88.95	-1.96	-8.47	-27.42

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 16, 2025. Performance in local currency terms.

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