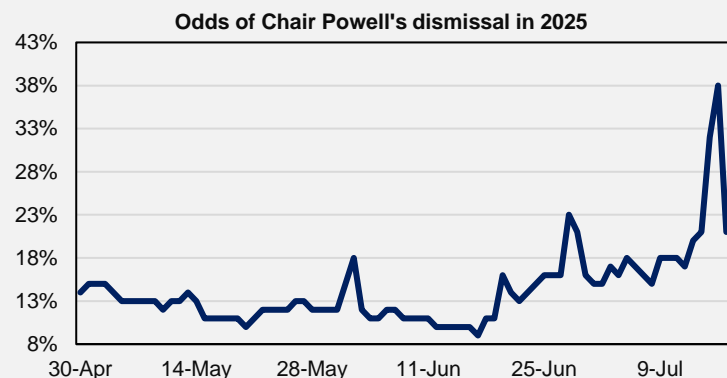


US equities edged higher amid cautious optimism

- ▶ US wholesale inflation was softer than expected in June.
- ▶ US industrial production rose more than expected in June.
- ▶ UK June inflation surprisingly rose its highest since Jan 2024.

Chart of the day: Odds of the Chair's dismissal spiked before subsiding



Macroeconomic news

- ▶ In the US, producer price inflation for June came in below expectations, with headline PPI at 2.3% YoY and core PPI at 2.6% YoY.
- ▶ US industrial production rose 0.3% MoM in June and 0.7% YoY, after remaining unchanged in April and May. Manufacturing production grew 0.1% MoM in June. Index for mining decreased 0.3% MoM while the index for utilities rose 2.8% MoM.
- ▶ UK inflation rose to 3.6% YoY in June, the highest since January 2024 and above forecasts of 3.4%. Inflation has increased steadily from a low of 1.7% YoY last September. Core inflation rose 3.7% YoY, slightly above May's 3.5 YoY%.

Rates and Fixed Income

- ▶ The 10Y US treasury yield fell, after softer PPI data eased inflation fears and boosted hopes for Fed rate cuts.
- ▶ Global aggregate bond index rose, but EM bonds and Global HY fell.

Currencies

- ▶ The USD index fell on concerns over Fed independence after reports Trump might fire Chair Powell (see chart of the day).
- ▶ The EUR, the GBP, and the JPY rose against the USD.

Equities

- ▶ Global stocks saw modest gains, while European shares declined, with the STOXX 600 down 0.57% on weakness in chip stocks.
- ▶ The Dow rose 0.53%, the S&P 500 gained 0.32%, and the Nasdaq added 0.25%.
- ▶ GCC stock markets fell, with the exception of DFM and ADX.

Commodities

- ▶ Oil prices fell due to weaker demand signals from rising US fuel inventories, especially gasoline and distillates.
- ▶ Gold prices rose, as investors sought safety amid trade tensions and a pullback in US yields.

Key events in the day ahead

- ▶ US Continuing Jobless Claims, Initial Jobless Claims.
- ▶ US retail sales (Jun), Philadelphia Fed Manufacturing Index (Jul).
- ▶ Eurozone CPI (Jun).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.37	0.00	6.00	5.00
UAE Eibor 3m	4.12	-5.29	-10.21	-8.27
UAE Eibor 12m	4.20	-11.28	-2.12	7.56
US 3m Bills	4.33	0.21	2.54	2.27
US 10yr Treasury	4.46	-2.60	6.65	13.04
German 10yr Bund	2.69	-2.50	15.20	21.50
UK 10yr Gilt	4.64	1.40	8.90	7.30
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	490	0.08	-0.15	0.99
Global Treasuries	206	0.10	-0.53	0.16
Global Corporate	293	0.09	0.45	2.57
EM USD Sovereign	426	-0.10	0.88	4.05
EM LCY Sovereign	159	-0.11	0.61	3.65
Global High Yield	1,771	-0.08	1.15	4.95
Currencies				
Dollar Index	98.39	-0.23	-0.43	-0.99
EUR USD	1.1639	0.37	1.18	2.54
GBP USD	1.3422	0.26	-0.37	1.24
USD JPY	148.04	-0.58	1.94	3.92
Equities				
S&P 500	6,264	0.32	4.70	18.57
Dow Jones	44,255	0.53	4.83	13.06
NASDAQ	20,730	0.25	6.20	27.29
STOXX 600	542	-0.57	-0.08	6.99
DAX	24,009	-0.21	2.45	13.22
Nikkei 225	39,663	-0.04	2.92	15.38
FTSE 100	8,927	-0.13	1.05	7.87
SENSEX	82,634	0.08	1.29	5.20
Hang Seng	24,518	-0.29	2.24	14.59
MSCI World	4,036	0.11	3.43	16.17
MSCI EM	1,240	-0.07	3.56	16.16
Regional Equities				
ADX	10,176	0.25	6.71	9.90
DFM	5,974	1.02	11.21	18.04
Tadawul*	11,039	-0.51	0.59	-4.28
DSM*	10,811	-0.06	1.58	2.13
MSM30*	4,601	-0.25	1.93	5.49
BHSE*	1,947	-0.33	1.34	1.49
KWSE*	8,528	-0.92	2.83	5.50
Commodities				
BBG Commodity Index	104.0	0.36	-2.57	1.09
Brent USD/bbl	68.5	-0.28	-10.37	0.82
WTI USD/bbl	66.4	-0.21	-11.30	2.63
Gold USD/t oz	3,349.2	0.60	-1.00	0.99
Silver USD/t oz	37.9	0.54	2.16	16.45
Platinum USD/t oz	1,422.4	3.94	12.52	46.19
Aluminium	2,576.8	-0.08	1.11	9.03
Copper USD/MT	9,563.0	-0.01	-2.82	5.28
Digital Assets				
Bitcoin	119,972.	3.03	14.44	42.30
Ether	3,381.7	11.17	33.68	114.90
Solana	174.7	8.71	18.45	32.74
XRP	3.1	6.86	40.94	46.28
Volatility				
VIX	17.16	-1.27	-14.80	-47.43
MOVE	89.52	0.64	-4.40	-25.03

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 17, 2025. Performance in local currency terms.

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