

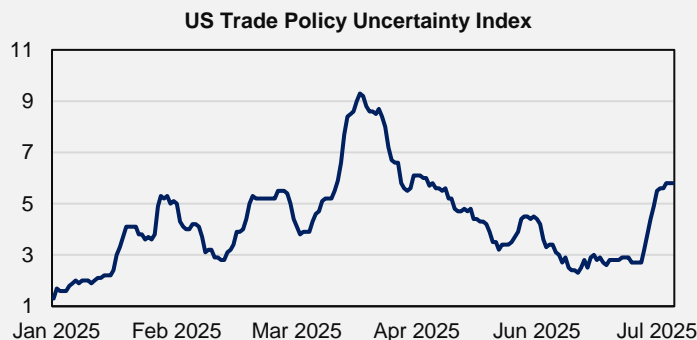
Daily Market View

Investment Strategy | July 18, 2025

Equities rose on strong US data and corporate earnings

- ▶ US jobless claims declined for a fifth straight week.
- ▶ US retail sales jumped more than expected in June.
- ▶ Eurozone inflation confirmed at 2.0% YoY in June.

Chart of the day: US trade uncertainty has risen in recent weeks but remains well below the April peak



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ In US, in the week ending July 12, the advance figure for seasonally adjusted initial claims was 221k, a decrease of 7k from the previous week's revised level. The previous week's level was revised up by 1k from 227k. The advance number for seasonally adjusted continuing claims during the week ending July 5 was 1.956m, an increase of 2k from the previous week's revised level. The previous week's level was revised down by 11k from 1.965m.
- ▶ US retail sales rebounded in June, rising 0.6% MoM after a sharp 0.9% MoM drop in May. Core retail sales rose 0.5% MoM.
- ▶ The Philadelphia Fed Manufacturing Index for July rose significantly, moving to +15.9 in July – a substantial increase of c20 points, marking the first reading after three negative readings and its highest reading since February.
- ▶ Eurozone CPI was confirmed at 2.0% YoY in June, slightly above May's 1.9%. The main drivers were services and food, while energy prices remained a deflationary factor.

Rates and Fixed Income

- ▶ The 10Y US treasury yield was quite volatile on Thursday, reacting to both economic data and corporate earnings.
- ▶ Fixed income indices ended largely lower on Thursday.

Currencies

- ▶ The USD index rose on strong US retail sales and falling jobless claims.
- ▶ The EUR, the GBP, and the JPY fell against the USD.

Equities

- ▶ US market saw gains as strong earnings and US economic data fuelled investor optimism, with the S&P 500 and Nasdaq closing at record high.
- ▶ European equities rose on Thursday after four days of declines. Europe's STOXX 600 index closed 0.96% higher, influenced by positive earnings results.
- ▶ GCC stock markets rose, with the exception of Saudi and Bahrain.

Commodities

- ▶ Oil prices rose on Middle East supply concerns and solid US demand.
- ▶ Gold prices fell as strong data reduced Fed rate cut expectations.

Key events in the day ahead

- ▶ US: Building permits, Housing starts (Jun), Michigan inflation (Jul).
- ▶ German PPI (Jun).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.34	0.00	6.00	2.00
UAE Eibor 3m	4.21	9.08	3.11	-7.12
UAE Eibor 12m	4.23	3.09	-6.80	5.04
US 3m Bills	4.34	0.47	1.81	2.74
US 10yr Treasury	4.45	-0.40	6.04	12.64
German 10yr Bund	2.68	-1.20	17.80	20.30
UK 10yr Gilt	4.66	1.60	16.00	8.90
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	490	-0.02	-0.21	0.96
Global Treasuries	206	-0.02	-0.62	0.12
Global Corporate	293	0.02	0.49	2.59
EM USD Sovereign	426	-0.02	0.82	4.03
EM LCY Sovereign	159	-0.10	0.56	3.52
Global High Yield	1,772	0.04	1.22	5.00
Currencies				
Dollar Index	98.73	0.35	-0.17	-0.50
EUR USD	1.1586	-0.46	0.72	1.69
GBP USD	1.3401	-0.16	-0.42	0.79
USD JPY	148.63	0.40	2.73	4.54
Equities				
S&P 500	6,297	0.54	5.29	19.21
Dow Jones	44,484	0.52	5.48	13.65
NASDAQ	20,886	0.75	6.85	28.24
STOXX 600	547	0.96	1.24	8.02
DAX	24,371	1.51	4.52	14.93
Nikkei 225	39,901	0.60	2.61	14.89
FTSE 100	8,973	0.52	1.46	8.42
SENSEX	82,259	-0.45	1.00	4.72
Hang Seng	24,499	-0.08	3.32	14.51
MSCI World	4,061	0.61	4.13	16.81
MSCI EM	1,241	0.14	4.01	16.16
Regional Equities				
ADX	10,242	0.65	7.86	10.40
DFM	6,103	2.15	15.02	19.74
Tadawul*	11,007	-0.29	-0.55	-4.55
DSM*	10,915	0.96	2.16	3.04
MSM30*	4,654	1.16	3.27	5.85
BHSE*	1,945	-0.07	1.27	1.31
KWSE*	8,598	0.83	3.68	6.35
Commodities				
BBG Commodity Index	104.4	0.39	-2.73	1.49
Brent USD/bbl	69.5	1.46	-9.36	2.30
WTI USD/bbl	67.5	1.75	-10.11	4.42
Gold USD/t oz	3,338.9	-0.31	-1.54	0.36
Silver USD/t oz	38.1	0.61	3.83	17.16
Platinum USD/t oz	1,466.5	3.10	10.96	50.72
Aluminium	2,576.0	-0.03	2.17	9.72
Copper USD/MT	9,586.0	0.24	-1.30	5.29
Digital Assets				
Bitcoin	119,480	-0.41	14.56	40.34
Ether	3,422.2	1.20	36.46	116.01
Solana	173.5	-0.69	19.35	28.68
XRP	3.4	9.72	55.17	62.14
Volatility				
VIX	16.52	-3.73	-25.48	-44.28
MOVE	85.57	-4.41	-8.62	-25.36

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 18, 2025. Performance in local currency terms.

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