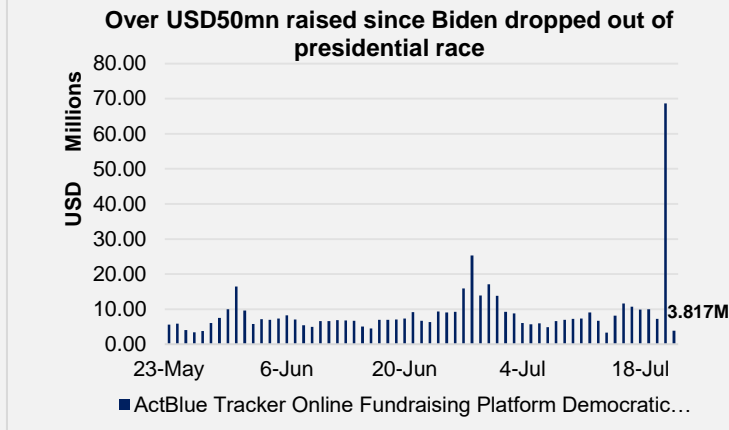


Global stocks slumped amidst tech outage .

- ▶ Biden pulled out of presidential race, endorsing Kamala Harris.
- ▶ The PBOC surprised markets with rate cuts.
- ▶ Global equities and bonds sold-off on Friday.

Chart of the day: Donations Surge For Democratic Party.



Macroeconomic news

- ▶ US president Joe Biden announced he is stepping out of the US presidential race and endorsing Vice President Kamala Harris to succeed him as the Democratic candidate.
- ▶ The PBOC surprised the markets by cutting a key short-term policy rate- 7- day reverse rate to 1.7% from 1.8% and the one –year loan prime rate to 3.35% from 3.45% previously and the 5-year loan prime rate to 3.85% from 3.95%.
- ▶ UK retail sales volume fell by 1.2% in June on a monthly basis. Sales volumes also dropped by 0.2% on a yearly basis, and 1.3% versus the pre-pandemic levels.
- ▶ Japanese inflation was slightly higher in June, with prices rising 2.6% year-on-year compared with 2.5% in May, but the core CPI reading was still softer than market expectations of a 2.7% increase.

Rates and Fixed Income

- ▶ Global rates rose on Friday, led by 10Y UK Gilt yields.
- ▶ Fixed income indices declined, Global Treasuries underperformed.

Currencies

- ▶ Broader USD index rose on Friday.
- ▶ The EUR, GBP and JPY weakened against the dollar.

Equities

- ▶ Global equities declined on Friday. Hang Seng underperformed.
- ▶ GCC stocks had mixed performances, DFM outperformed while Bahrain underperformed.

Commodities

- ▶ The BBG Commodity index declined more than 1%.
- ▶ Oil plummeted, gold and copper also declined.

Key events in the day ahead

- ▶ Fed Non-Manufacturing Activity.
- ▶ US Existing Home Sales.
- ▶ Eurozone Consumer Confidence.

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.34	0.00	2.00	4.00
UAE Eibor 3m	5.22	6.73	4.59	-1.88
UAE Eibor 12m	4.99	-3.84	-53.50	-38.28
US 3m Bills	5.33	-0.50	-3.88	-7.18
US 10yr Treasury	4.24	3.68	-2.05	-39.37
German 10yr Bund	2.47	3.50	3.60	-3.00
UK 10yr Gilt	4.12	5.90	6.60	-14.90
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	464	-0.36	1.00	2.84
Global Treasuries	196	-0.40	1.03	2.10
Global Corporate	274	-0.33	1.18	3.99
EM USD Sovereign	390	-0.26	0.46	3.37
EM LCY Sovereign	146	-0.26	1.06	1.84
Global High Yield	1,593	-0.16	1.37	4.08
Currencies				
Dollar Index	104.40	0.21	-1.13	-1.65
EUR USD	1.0882	-0.31	1.63	2.15
GBP USD	1.2914	-0.45	1.98	3.74
USD JPY	157.48	0.21	-0.87	1.85
Equities				
S&P 500	5,505	-0.71	0.58	9.86
Dow Jones	40,288	-0.93	2.95	6.65
NASDAQ	17,727	-0.81	0.03	13.62
STOXX 600	510	-0.77	-1.71	2.07
DAX	18,172	-1.00	-0.45	1.88
Nikkei 225	40,064	-0.16	3.70	5.21
FTSE 100	8,156	-0.60	-1.41	3.54
SENSEX	80,605	-0.91	4.03	11.20
Hang Seng	17,418	-2.03	-5.00	6.30
MSCI World	3,554	-0.73	0.97	8.34
MSCI EM	1,090	-1.48	-0.56	6.97
Regional Equities				
ADX	9,246	0.22	3.31	0.70
DFM	4,181	0.28	4.87	-0.65
Tadawul*	12,203	0.12	6.00	-2.51
DSM*	10,060	0.26	3.42	2.09
MSM30*	4,683	-0.31	0.38	-0.42
BHSE*	1,960	-0.97	-3.05	-2.08
KWSE*	7,072	-0.42	0.91	1.50
Commodities				
BBG Commodity Index	97.5	-1.51	-5.12	-4.52
Brent USD/bbl	82.6	-2.91	-3.59	-5.14
Gold USD/t oz	2,400.8	-2.26	1.88	0.53
Copper USD/MT	9,214.0	-1.37	-4.50	-4.19
Volatility				
VIX	16.52	3.70	24.40	-8.22
MOVE	94.29	2.52	0.16	-13.22

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 22nd, 2024. Performance in local currency terms.

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