

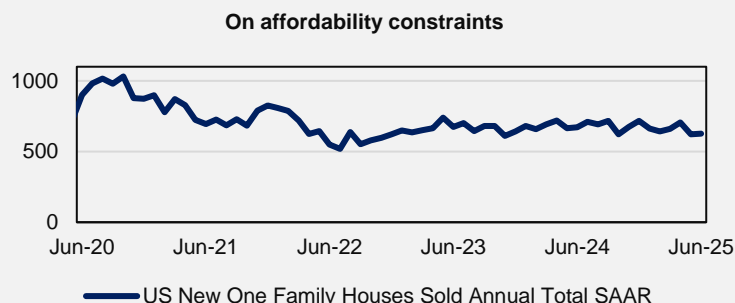
Daily Market View

Investment Strategy | July 25, 2025

Global stocks rose on trade optimism.

- ▶ The ECB held its benchmark interest rate steady at 2%.
- ▶ US July Flash PMI showed strong activity growth.
- ▶ Oil prices rose, while gold prices declined.

Chart of the day: US New-Home sales remain tepid



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The European Central Bank held its benchmark interest rate steady at 2%, adopting a cautious "wait and watch" stance amid trade negotiations and easing inflation pressures.
- ▶ US initial jobless claims dropped for the sixth consecutive week down 4k to 217k – the lowest since mid-April and below forecasts. Continuing claims remained steady at 1.96m.
- ▶ The US headline S&P Global PMI Composite Output Index increased significantly from 52.9 in June to 54.6 in July, indicating the highest growth rate observed thus far this year.
- ▶ The Eurozone S&P Global Flash PMI Composite Output Index, increased to 51.0 in July from 50.6 in June, marking its seventh straight monthly rise and the fastest growth since last August.
- ▶ The UK S&P Global Flash PMI Composite Output Index fell to 51.0 in July from June's nine-month high of 52.0, remaining above the 50.0 threshold for the third consecutive month and indicating modest business activity growth.

Rates and Fixed Income

- ▶ 10Y UST yield rose on strong US PMI and improving trade prospects.
- ▶ Fixed income indices were mixed on Thursday.

Currencies

- ▶ The USD index gained on upbeat US economic data.
- ▶ The EUR rose, while the GBP fell against the USD.

Equities

- ▶ US markets mostly ended higher, with the S&P 500 and Nasdaq Composite closing at record highs, while the Dow Jones Industrial Average slipped.
- ▶ In Europe, equity indexes generally advanced, the Stoxx 600 and FTSE 100 rose modestly on earnings and trade optimism.
- ▶ In Asia, Nikkei 225 surged following a US–Japan trade agreement, and Hang Seng climbed over 1.5% amid broad trade optimism—while India's Sensex closed slightly lower on weak IT earnings.

Commodities

- ▶ Oil prices increased, supported by expectations of reduced Russian gasoline supply, ongoing trade discussions, and a greater-than-forecast decrease in US inventories.
- ▶ Gold prices fell, reflecting diminished demand for this asset type amid optimism over trade agreements.

Key events in the day ahead

- ▶ US Durable Goods Orders (Jun)
- ▶ UK Retail Sales (Jun)

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.28	0.00	-8.00	-5.00
UAE Eibor 3m	4.10	-10.96	-17.83	-13.02
UAE Eibor 12m	4.28	9.67	-4.32	20.29
US 3m Bills	4.35	0.46	6.16	5.84
US 10yr Treasury	4.40	1.59	10.51	16.04
German 10yr Bund	2.70	6.30	13.70	23.30
UK 10yr Gilt	4.62	-1.30	14.10	14.30
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	494	-0.12	-0.01	1.41
Global Treasuries	208	-0.15	-0.30	0.81
Global Corporate	296	-0.06	0.57	2.62
EM USD Sovereign	429	0.09	0.86	3.44
EM LCY Sovereign	159	0.06	0.59	3.69
Global High Yield	1,787	0.11	1.26	4.53
Currencies				
Dollar Index	97.38	0.17	-0.31	-2.11
EUR USD	1.1763	0.10	1.13	3.50
GBP USD	1.3511	-0.38	-0.95	1.47
USD JPY	146.90	0.22	1.00	2.25
Equities				
S&P 500	6,363	0.07	4.45	15.17
Dow Jones	44,694	-0.70	3.98	11.42
NASDAQ	21,058	0.18	5.43	21.14
STOXX 600	552	0.24	2.71	5.98
DAX	24,296	0.23	3.39	9.23
Nikkei 225	41,826	1.59	7.41	17.14
FTSE 100	9,138	0.85	4.81	8.59
SENSEX	82,184	-0.66	-0.69	3.75
Hang Seng	25,667	0.51	4.87	16.77
MSCI World	4,124	0.22	4.41	13.98
MSCI EM	1,267	0.17	3.81	15.51
Regional Equities				
ADX	10,301	0.04	4.99	9.68
DFM	6,111	0.42	8.87	18.38
Tadawul*	10,946	-0.35	-2.66	-3.17
DSM*	11,221	0.30	4.29	4.16
MSM30*	4,719	-0.98	3.71	5.53
BHSE*	1,953	0.18	0.32	1.68
KWSE*	8,592	-0.25	2.30	6.47
Commodities				
BBG Commodity Index	104.2	0.06	1.98	1.57
Brent USD/bbl	69.2	0.98	2.22	3.45
WTI USD/bbl	66.0	1.20	1.71	4.78
Gold USD/t oz	3,367.0	-0.60	0.96	1.42
Silver USD/t oz	39.1	-0.50	7.74	17.99
Platinum USD/t oz	1,414.9	-0.53	4.43	44.97
Aluminium	2,648.5	-0.15	2.50	8.61
Copper USD/MT	9,861.0	-0.01	-2.51	4.79
Digital Assets				
Bitcoin	118,780.	0.69	10.17	27.10
Ether	3,738.1	4.71	52.80	112.03
Solana	189.0	1.12	32.12	24.90
XRP	3.2	2.67	51.22	46.69
Volatility				
VIX	15.39	0.13	-7.23	-41.86
MOVE	82.75	-3.72	-7.51	-23.58

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 25, 2025. Performance in local currency terms.

► German Ifo Business Climate Index (Jul)

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