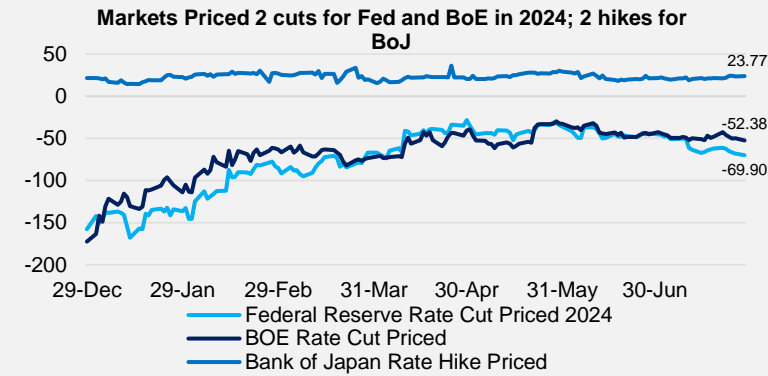


## Goldilocks Friday.

- ▶ US core PCE inflation matched expectations.
- ▶ Bond yields dropped on cooling signs of inflation.
- ▶ Global equities and GCC stocks closed higher.

### Chart of the day: Central Bank Divergence



Source: Bloomberg

### Macroeconomic news

- ▶ The personal consumption expenditures (PCE) price index increased 0.1% in June and was up 2.5% from a year ago. Core PCE, which excludes food and energy, rose 0.2% MoM and 2.6% YoY in June, both matching expectations. Personal income rose 0.2%, below estimate. Personal Spending increased 0.3% matching expectations while the personal savings rate decreased to 3.4%.
- ▶ University of Michigan consumer sentiment final reading for July was marginally better than expected. One –year inflation expectations dropped to 2.9% from 3%.

### Rates and Fixed Income

- ▶ Global rates declined on Friday on signs of cooling inflation.
- ▶ Fixed income indices rose with the exception of EM LCY Sovereign.

### Currencies

- ▶ Broader USD inched marginally lower on Friday.
- ▶ The EUR and GBP declined against the USD. The JPY appreciated against the USD.

### Equities

- ▶ Global equities rose, with the exception of Nikkei 225 which inched lower on JPY strength.
- ▶ GCC stocks rose with the exception of Oman and Bahrain.

### Commodities

- ▶ BBG commodity index declined on Friday.
- ▶ Oil prices declined, gold and copper rose.

### Key events in the day ahead

- ▶ US Dallas Fed Manf. Activity.
- ▶ Japan Jobless rate.

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.35	0.00	1.00	4.00
UAE Eibor 3m	5.21	-6.06	15.38	18.84
UAE Eibor 12m	4.95	-2.18	-45.65	-42.48
US 3m Bills	5.29	-1.53	-7.78	-11.60
US 10yr Treasury	4.19	-4.68	-9.25	-51.00
German 10yr Bund	2.41	-1.00	-4.10	-22.30
UK 10yr Gilt	4.10	-3.00	-3.00	-26.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	465	0.16	1.75	3.43
Global Treasuries	197	0.14	2.10	2.97
Global Corporate	275	0.27	1.46	4.17
EM USD Sovereign	391	0.25	0.87	3.90
EM LCY Sovereign	146	-0.13	1.46	2.35
Global High Yield	1,597	0.15	1.66	3.93
Currencies				
Dollar Index	104.32	-0.04	-1.50	-1.21
EUR USD	1,0856	-0.06	1.39	1.16
GBP USD	1,2867	-0.12	1.71	2.81
USD JPY	153.76	-0.18	-4.32	-1.13
Equities				
S&P 500	5,459	1.11	-0.43	8.13
Dow Jones	40,589	1.64	3.64	6.57
NASDAQ	17,358	1.03	-2.80	11.18
STOXX 600	513	0.83	0.05	2.08
DAX	18,418	0.65	1.14	2.79
Nikkei 225	37,667	-0.53	-4.26	0.10
FTSE 100	8,286	1.21	1.30	2.56
SENSEX	81,333	1.62	2.64	9.41
Hang Seng	17,021	0.10	-3.92	-1.52
MSCI World	3,524	0.95	0.06	6.57
MSCI EM	1,072	-0.16	-0.89	4.25
Regional Equities				
ADX	9,318	0.15	3.48	3.06
DFM	4,280	1.01	6.77	2.65
Tadawul	12,175	1.24	2.53	-1.86
DSM	10,136	0.37	1.37	4.78
MSM30	4,627	-0.63	-0.67	-1.21
BHSE	1,970	-0.25	-2.74	-2.07
KWSE	7,178	0.32	2.70	1.83
Commodities				
BBG Commodity Index	96.0	-0.84	-5.30	-6.85
Brent USD/bbl	81.1	-1.51	-6.09	-8.85
Gold USD/t oz	2,387.2	1.04	2.65	2.50
Copper USD/MT	9,018.5	1.14	-4.29	-7.89
Volatility				
VIX	16.39	-11.21	33.91	6.64
MOVE	97.76	-1.33	2.16	-9.94

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – July 29<sup>th</sup>, 2024. Performance in local currency terms.

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