

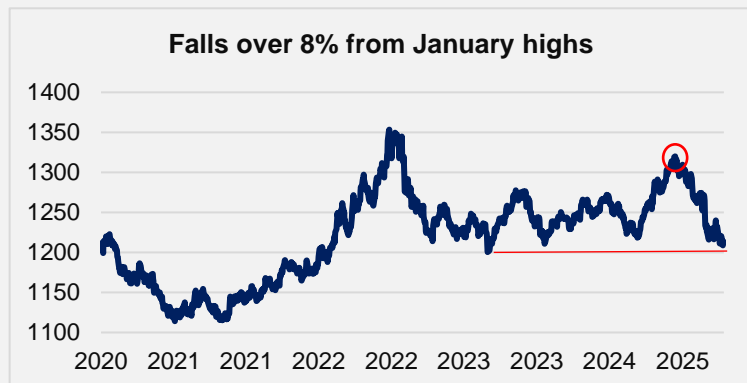
Daily Market View

Investment Strategy | June 4, 2025

Wall street stocks rose on trade talks hopes

- ▶ US new orders for manufactured goods fell 3.7% in April.
- ▶ Eurozone inflation fell to 1.9% YoY in May.
- ▶ Japan Services PMI dropped to 51.0 in May from 52.4 in April.

Chart of the day: US dollar hovers at two-year low



Macroeconomic news

- ▶ US JOLTS job openings increased in April to 7.39mn surpassing expectations of 7.1mn and up from 7.2mn in March. US factory orders declined in April by 3.7%, reversing a 3.4% gain in March and marking the first drop in five months.
- ▶ Eurozone core CPI eased in May to 2.4% YoY, down from 2.7% in April and below the forecast of 2.5%. The headline inflation slowed to 1.9%, falling below the European Central Bank's 2% target for the first time in over a year.
- ▶ The final au Jibun Bank Japan Services PMI dropped to 51.0 in May from April's 52.4 but was higher than the preliminary 50.8.

Rates and Fixed Income

- ▶ The 10Y UST yields remained steady 4.45%, as investors balanced strong labor market data with concerns over fiscal deficits and trade tensions.
- ▶ Fixed income indices were mixed, EM USD sovereign outperformed, while Global Treasuries underperformed.

Currencies

- ▶ The broader USD index rose, buoyed by strong labor market data and investor optimism. The USD recovered from a six-week low.
- ▶ EUR, GBP, and JPY all fell against the USD on Tuesday.

Equities

- ▶ Global stock markets closed higher, driven by gains in the US technology stocks and optimism surrounding potential US-China trade negotiations.
- ▶ GCC markets mostly rose. Qatar outperformed the most, while Kuwait underperformed.

Commodities

- ▶ Crude prices gained amid geopolitical concerns, like the war in Ukraine and Iran's stance on a US nuclear deal.
- ▶ Gold prices fell from a nearly four-week high due to a stronger dollar and profit-taking.

Key events in the day ahead

- ▶ US S&P Global Services PMI (May)
- ▶ US ISM Non-Manufacturing PMI (May).
- ▶ HCOB Eurozone Composite PMI (May)
- ▶ HCOB Germany Services PMI (May).

Performance snapshot*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.35	0.00	2.00	2.00
UAE Eibor 3m	4.20	2.12	5.83	6.00
UAE Eibor 12m	4.19	4.93	4.65	-13.39
US 3m Bills	4.32	-0.98	1.08	2.64
US 10yr Treasury	4.45	1.38	11.04	29.86
German 10yr Bund	2.53	0.10	0.80	3.40
UK 10yr Gilt	4.64	-2.90	13.00	8.30
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	488	-0.15	0.32	3.05
Global Treasuries	206	-0.21	0.10	3.56
Global Corporate	289	-0.03	0.89	2.35
EM USD Sovereign	419	0.25	1.40	0.22
EM LCY Sovereign	157	0.06	1.01	3.99
Global High Yield	1,739	0.10	1.78	2.24
Currencies				
Dollar Index	99.23	0.53	-0.61	-7.04
EUR USD	1.1373	-0.40	0.63	8.41
GBP USD	1.3519	-0.03	1.85	6.31
USD JPY	143.98	0.73	-0.13	-4.13
Equities				
S&P 500	5,970	0.58	5.66	2.06
Dow Jones	42,520	0.51	3.16	-1.55
NASDAQ	19,399	0.81	8.71	5.72
STOXX 600	548	0.09	2.07	-2.61
DAX	24,092	0.67	3.20	4.08
Nikkei 225	37,447	-0.06	1.67	-0.90
FTSE 100	8,787	0.15	2.22	-0.95
SENSEX	80,738	-0.78	-0.07	10.47
Hang Seng	23,512	1.53	4.48	2.20
MSCI World	3,895	0.34	5.05	3.29
MSCI EM	1,158	0.38	1.63	5.54
Regional Equities				
ADX	9,691	0.46	1.31	1.37
DFM	5,522	0.68	3.31	3.65
Tadawul*	10,832	-0.16	-6.07	-9.92
DSM*	10,618	1.28	0.31	3.76
MSM30*	4,553	-0.39	4.40	4.26
BHSE*	1,921	0.03	0.15	-1.55
KWSE*	8,115	-0.41	0.39	0.51
Commodities				
BBG Commodity Index	102.3	0.24	1.08	-1.08
Brent USD/bbl	65.6	1.55	8.97	-8.36
WTI USD/bbl	63.4	1.42	10.99	-7.25
Gold USD/t oz	3,348.5	-0.69	1.17	15.83
Silver USD/t oz	34.5	-0.70	6.26	8.95
Platinum USD/t oz	1,079.7	1.06	11.99	12.86
Aluminium	2,459.4	-0.03	2.00	-6.60
Copper USD/MT	9,643.0	-0.12	1.51	2.64
Digital Assets				
Bitcoin	105,810.7	0.84	11.49	20.67
Ether	2,616.6	2.98	47.31	20.08
Solana	157.8	2.20	8.46	7.29
XRP	2.3	3.55	5.75	-9.04
Volatility				
VIX	17.69	-3.65	-28.55	-24.76
MOVE	100.00	4.43	-5.82	-8.15

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 04, 2025. Performance in local currency terms.

Prepared by the Investment Strategy Team

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 8126450

mohammed.alhemeiri@adcb.com

Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0)2 8126449

prerana.seth@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 8126457

kishore.muktinutalapati@adcb.com

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