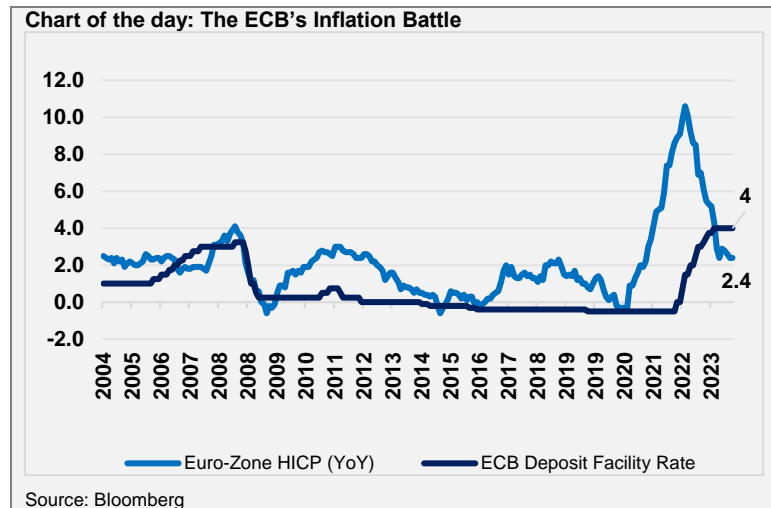


Stocks rose after private payrolls disappoint.

- ▶ ADP private payrolls disappointed.
- ▶ US ISM services staged a recovery.
- ▶ Treasury 10-year yields decline to 4.28%.



Macroeconomic news

- ▶ The Bank of Canada cuts interest rates to 4.75% as it sees a soft landing on the horizon, making it the first to kick off an easing cycle.
- ▶ US ISM Services PMI rose more than expected in May. ISM Services PMI rose from 49.4 in April to 53.8 in May.
- ▶ US ADP employment report showed that private payrolls increased by 152,000 in May, lower than downwardly revised 188,00 in April. The median estimate called for a 175,000 increase.

Rates and Fixed Income

- ▶ Global rates declined with the 10Y UST yields dropping the most.
- ▶ Fixed income indices rose, led by Global Corporate.

Currencies

- ▶ Broader USD index inched higher on Wednesday.
- ▶ EUR and GBP depreciated against the USD. The JPY weakened against the USD.

Equities

- ▶ Global equities rose on Wednesday. The S&P 500 hit another record high, while Nasdaq 100 climbed almost 2%. Nikkei 225 and Hang Seng declined while SENSEX outperformed.
- ▶ EM equities outperformed DM equities.
- ▶ GCC stocks ended mixed on Wednesday.

Commodities

- ▶ The BBG Commodity index rose on Wednesday.
- ▶ Oil and gold prices rose while copper declined.

Key events in the day ahead

- ▶ Eurozone ECB decision.
- ▶ Eurozone retail sales.
- ▶ China trade, FX reserves.

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.33	0.00	2.00	2.00
UAE Eibor 3m	5.31	0.90	2.92	0.70
UAE Eibor 12m	5.28	-15.99	-16.81	1.76
US 3m Bills	5.40	0.96	0.44	3.83
US 10yr Treasury	4.28	-5.04	-18.15	12.30
German 10yr Bund	2.51	-2.20	9.20	18.90
UK 10yr Gilt	4.18	0.60	5.90	17.30
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	460	0.09	0.68	-0.35
Global Treasuries	195	0.03	0.30	-1.24
Global Corporate	272	0.15	1.24	0.96
EM USD Sovereign	386	0.14	0.33	1.84
EM LCY Sovereign	144	0.06	-0.28	-0.66
Global High Yield	1,570	0.07	0.62	2.05
Currencies				
Dollar Index	104.27	0.15	-1.09	0.45
EUR USD	1.0864	-0.15	0.87	0.04
GBP USD	1.2778	-0.07	2.00	0.53
USD JPY	156.12	0.87	1.05	4.02
Equities				
S&P 500	5,354	1.18	3.21	5.42
Dow Jones	38,807	0.25	-0.20	0.58
NASDAQ	17,188	1.96	5.24	7.83
STOXX 600	521	0.81	1.40	5.03
DAX	18,576	0.93	0.79	4.96
Nikkei 225	38,490	-0.89	-0.89	-4.01
FTSE 100	8,247	0.18	-0.80	7.86
SENSEX	74,382	3.20	1.18	0.96
Hang Seng	18,425	-0.10	-0.29	14.00
MSCI World	3,483	0.86	2.40	4.38
MSCI EM	1,063	1.03	-0.51	4.02
Regional Equities				
ADX	8,948	0.33	-1.36	-3.12
DFM	3,980	-0.14	-4.23	-6.25
Tadawul	11,553	-0.51	-6.51	-7.35
DSM	9,491	0.29	-1.32	-8.60
MSM30	4,779	-0.09	0.00	1.61
BHSE	2,038	-0.18	0.70	1.16
KWSE	7,049	0.14	0.32	-5.11
Commodities				
BBG Commodity Index	101.9	0.58	-0.66	4.70
Brent USD/bbl	78.4	1.15	-5.71	-4.42
Gold USD/t oz	2,352.7	1.23	1.74	10.40
Copper USD/MT	9,769.0	-0.91	-0.79	15.89
Volatility				
VIX	12.63	-4.03	-4.54	-12.66
MOVE	102.43	2.32	4.48	-7.16

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 9AM UAE time – June 06 2024. Performance in local currency terms.

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