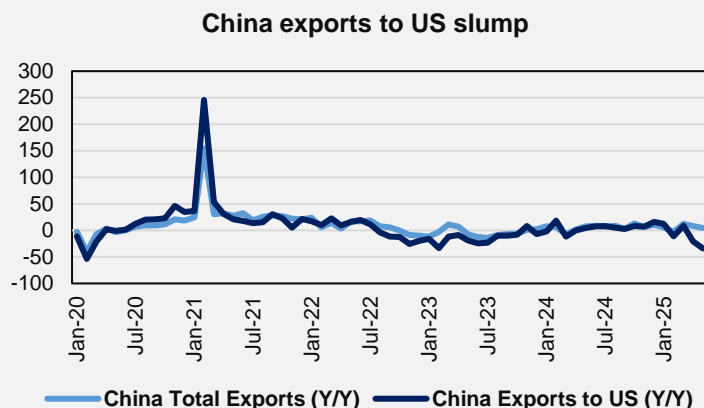


All eyes on US-China trade talks

- ▶ China's CPI fell in May for a fourth consecutive month.
- ▶ China May exports rose less than estimated.
- ▶ Oil prices edged higher on US-China trade talks.

Chart of the day: China's exports to the US plunged amid trade tensions.



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ According to the NY Fed Survey of Consumer Expectations, median inflation expectations decreased at all three horizons in May: 1Y-ahead inflation expectations declined by 0.4ppt to 3.2%, 3Y-ahead inflation expectations declined by 0.2ppt to 3.0%, and 5Y-ahead inflation expectations declined by 0.1ppt to 2.6%.
- ▶ In China, CPI for May fell 0.2% MoM and 0.1% YoY, marking four straight months of deflation. PPI dropped 3.3% YoY, the sharpest decline since July 2023, reflecting continued industrial weakness.
- ▶ China's imports fell 3.4% YoY in May, driven by declines in key commodities, pointing to weak domestic demand. Exports rose 4.8% YoY, slower than April, with exports to the US plunging about 35% YoY amid tariff tensions. The trade surplus stood at USD103.2bn.

Rates and Fixed Income

- ▶ The 10Y UST yields declined after rising sharply on Friday.
- ▶ Fixed income indices rose, led by Global Corporate.

Currencies

- ▶ The broader USD index fell on Monday.
- ▶ The EUR, the GBP, and the JPY rose against the USD.

Equities

- ▶ Global stocks rose on Monday with focus on US-China trade talks which began in London. On Wall Street, the Dow ended flat, the S&P 500 gained 0.09% while the Nasdaq increased by 0.31%. In Europe, the STOXX 600 ended a four-session winning streak, dipping 0.07%.
- ▶ GCC markets remained closed for Eid holidays. UAE ended higher.

Commodities

- ▶ Crude oil prices climbed due to optimism over the trade talks and a weaker USD.
- ▶ Gold prices rose, driven by a weaker USD.

Key events in the day ahead

- ▶ UK Claimant Count Change (May).
- ▶ UK Employment Change 3M/3M (Apr).
- ▶ UK Unemployment Rate (Apr).
- ▶ ECB President Lagarde Speaks.
- ▶ US NFIB Small business optimism index (May).

Performance snapshot*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.29	0.00	1.00	-5.00
UAE Eibor 3m	4.24	-0.13	8.01	5.61
UAE Eibor 12m	4.11	-6.36	-0.25	-26.64
US 3m Bills	4.35	0.99	2.54	4.61
US 10yr Treasury	4.47	-3.18	9.53	17.27
German 10yr Bund	2.57	-0.90	0.50	-26.90
UK 10yr Gilt	4.63	-1.20	6.50	-0.60
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	488	0.15	0.66	2.74
Global Treasuries	206	0.12	0.59	3.10
Global Corporate	290	0.20	1.10	2.35
EM USD Sovereign	420	0.07	1.33	0.87
EM LCY Sovereign	158	0.12	1.30	3.61
Global High Yield	1,743	0.09	1.77	2.22
Currencies				
Dollar Index	98.94	-0.25	-1.40	-4.72
EUR USD	1.1425	0.25	1.56	5.46
GBP USD	1.3559	0.23	1.90	4.95
USD JPY	144.40	-0.31	-0.67	-2.46
Equities				
S&P 500	6,006	0.09	6.11	4.08
Dow Jones	42,762	0.00	3.67	-0.09
NASDAQ	19,591	0.31	9.27	7.67
STOXX 600	553	-0.07	2.84	-0.02
DAX	24,174	-0.54	2.87	5.06
Nikkei 225	38,089	0.92	1.56	3.26
FTSE 100	8,832	-0.06	3.24	1.76
SENSEX	82,445	0.31	3.76	10.91
Hang Seng	24,181	1.63	5.74	-0.21
MSCI World	3,919	0.11	5.59	4.78
MSCI EM	1,194	0.92	4.86	5.78
Regional Equities				
ADX	9,748	0.13	1.27	3.18
DFM	5,593	1.03	5.27	7.09
Tadawul*	11,005	0.00	-3.51	-7.39
DSM*	10,558	0.00	-1.42	3.18
MSM30*	4,579	0.00	2.84	4.85
BHSE*	1,923	0.00	0.06	-0.80
KWSE*	8,160	0.00	1.34	1.99
Commodities				
BBG Commodity Index	103.2	-0.09	0.45	-1.50
Brent USD/bbl	67.0	0.86	4.90	-4.72
WTI USD/bbl	65.3	1.10	7.00	-2.61
Gold USD/t oz	3,337.7	0.82	0.38	14.73
Silver USD/t oz	36.8	2.17	12.33	12.97
Platinum USD/t oz	1,220.3	4.41	21.87	25.92
Aluminium	2,472.8	1.27	-0.19	-8.86
Copper USD/MT	9,849.0	0.55	2.70	3.16
Digital Assets				
Bitcoin	108,770.0	4.01	6.67	38.18
Ether	2,590.8	3.57	8.11	43.86
Solana	156.6	4.79	-7.50	34.26
XRP	2.3	5.87	-8.84	11.22
Volatility				
VIX	17.16	2.33	-6.69	-38.41
MOVE	92.62	3.31	-9.99	-17.67

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 10, 2025. Performance in local currency terms.

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