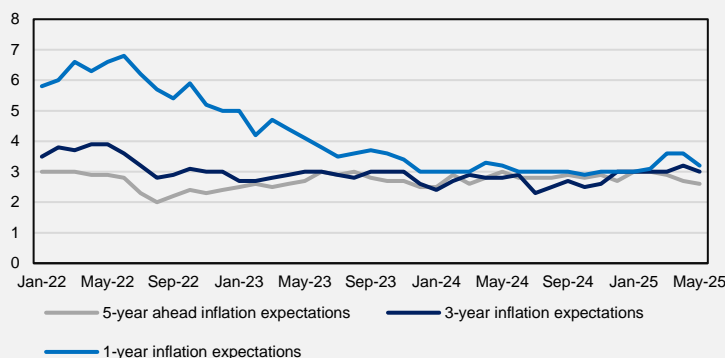


Stocks rose for a third day on US-China trade talks hopes

- ▶ US- China officials agreed on a trade framework.
- ▶ The World Bank reduced its global growth forecast for 2025.
- ▶ All eyes on the US inflation release for May.

Chart of the day: Inflation expectations fall

NY Fed data shows 1Y, 3Y, and 5Y expectations drop



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ US NFIB Small Business Optimism Index increased by 3 points in May to 98.8, slightly above the 51-year average of 98. This marked the first time in 2025 that this index has increased.
- ▶ Eurozone Sentix Investor Confidence Index jumped sharply to its highest level in a year of 0.2 in June following May's -8.1, and better than the consensus expectations.
- ▶ UK total retail sales increased by a modest 1% YoY, marking the weakest growth recorded to date for this year as consumers refrained from purchasing non-essential items. Food sales experienced a growth of 3.6% YoY in May while non-food sales declined by 1.1% YoY, as shoppers hesitated to buy fashion and high-value products.
- ▶ UK unemployment rate edged higher to 4.6% in April from 4.5% in March, as anticipated. Average earnings including bonus rose 5.3% YoY during April, weaker than the expected 5.5% YoY growth and upwardly revised 5.6% YoY growth during March.

Rates and Fixed Income

- ▶ The 10Y UST yields declined slightly, while 2Y UK gilt yields fell.
- ▶ Fixed income indices rose, with the exception of EM LCY sovereign.

Currencies

- ▶ The broader USD index rose on Tuesday.
- ▶ The EUR, the GBP, and the JPY declined against the greenback.

Equities

- ▶ Stock indexes closed higher. Nasdaq Composite +0.63%, S&P 500 +0.55%, Dow Jones +0.25%. UK equity markets neared a record high after soft labour market data. MSCI Asia-Pacific shares ex-Japan rose 0.2%, Japan's Nikkei added 0.32%.
- ▶ GCC markets ended higher. Tadawul still closed for Eid holidays.

Commodities

- ▶ Oil prices fell from seven week highs with focus on US-China talks.
- ▶ Gold prices declined on Tuesday due to a stronger USD.

Key events in the day ahead

- ▶ US inflation release (May).
- ▶ Federal Budget Balance (May).
- ▶ UK Chancellor Reeves statement in the House of Commons.
- ▶ ECB's President Lagarde, Lane Speaks.
- ▶ German Buba Vice President Buch Speaks.

Performance snapshot*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.29	0.00	1.00	-4.00
UAE Eibor 3m	4.15	-9.02	-17.68	-14.00
UAE Eibor 12m	4.18	6.58	4.23	-20.38
US 3m Bills	4.34	-0.99	-4.35	5.74
US 10yr Treasury	4.47	-0.39	-0.10	25.68
German 10yr Bund	2.52	-4.40	-12.50	-31.00
UK 10yr Gilt	4.54	-9.00	-10.10	-10.20
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	489	0.18	1.76	2.84
Global Treasuries	207	0.15	1.89	3.21
Global Corporate	290	0.21	1.92	2.36
EM USD Sovereign	421	0.31	1.30	1.11
EM LCY Sovereign	157	-0.03	1.34	4.02
Global High Yield	1,746	0.17	1.49	2.57
Currencies				
Dollar Index	99.10	0.16	-2.64	-4.62
EUR USD	1.1424	-0.01	3.06	5.48
GBP USD	1.3499	-0.44	2.44	4.82
USD JPY	144.97	0.39	-2.38	-1.51
Equities				
S&P 500	6,039	0.55	3.33	7.56
Dow Jones	42,867	0.25	1.08	2.28
NASDAQ	19,715	0.63	5.38	12.86
STOXX 600	553	-0.02	1.58	1.27
DAX	23,988	-0.77	1.79	6.04
Nikkei 225	38,212	0.32	1.51	3.20
FTSE 100	8,853	0.24	2.88	2.94
SENSEX	82,392	-0.06	-0.05	11.17
Hang Seng	24,163	-0.08	2.60	1.60
MSCI World	3,935	0.40	3.72	7.76
MSCI EM	1,201	0.62	3.38	7.91
Regional Equities				
ADX	9,796	0.49	1.63	4.30
DFM	5,599	0.12	4.98	9.02
Tadawul*	11,005	0.00	-3.79	-7.39
DSM*	10,697	1.31	-0.62	4.54
MSM30*	4,582	0.08	2.81	4.93
BHSE*	1,923	0.00	0.06	-0.80
KWSE*	8,217	0.70	2.16	2.70
Commodities				
BBG Commodity Index	102.8	-0.44	0.48	-1.74
Brent USD/bbl	66.9	-0.25	2.94	-3.48
WTI USD/bbl	65.0	-0.47	4.89	-1.59
Gold USD/t oz	3,321.4	-0.49	3.01	15.08
Silver USD/t oz	36.5	-0.61	12.06	13.79
Platinum USD/t oz	1,219.8	-0.04	24.10	26.70
Aluminium	2,494.5	0.88	-0.01	-8.42
Copper USD/MT	9,854.0	0.05	3.36	2.35
Digital Assets				
Bitcoin	109,979.6	1.11	4.82	32.44
Ether	2,774.2	7.08	3.22	43.38
Solana	165.5	5.69	-10.52	29.50
XRP	2.3	-0.33	-11.55	4.20
Volatility				
VIX	16.95	-1.22	-6.97	-37.04
MOVE	91.22	-1.51	-8.90	-20.40

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 11, 2025. Performance in local currency terms.

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