

Global equities rose before jump in geopolitical tensions

- ▶ US weekly jobless claims were higher than expected
- ▶ US May PPI surprised on the downside
- ▶ UK April GDP fell and disappointed market expectations

Chart of the day: US continuing claims rose

Highest since end of 2021



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ US producer price inflation (PPI) for May came in weaker than expected. The headline PPI final demand inflation slowed to 0.1% MoM and 2.6% YoY in May. Core PPI inflation cooled to 3.0% YoY in May from 3.2% YoY in April.
- ▶ US initial claims was 248k, unchanged from the previous week's revised level which was revised up by 1k from 247k. US continuing jobless claims during the week ending May 31 was 1.956M, an increase of 54k from the previous week's revised level. Both initial and continuing jobless claims were higher than expected.
- ▶ UK industrial production declined by 0.6% MoM in April, slightly easing from a 0.7% MoM fall in March. UK manufacturing output shrank by 0.9% MoM in April, more than forecasted of a 0.8% MoM drop and following a 0.8% MoM decrease in the previous month.

Rates and Fixed Income

- ▶ The 10Y UST yields declined on soft PPI release.
- ▶ Fixed income indices rose, led by Global Treasuries.

Currencies

- ▶ The broader USD index fell on Thursday, driven by disappointing US economic data.
- ▶ The EUR, the GBP, and the JPY rose against the greenback.

Equities

- ▶ Global stocks rose 0.3% before Middle East tensions flared, with US indices gaining modestly. European equities saw their fourth consecutive decline due to diminishing trade optimism. Hong Kong stocks slipped on tech losses.
- ▶ GCC markets declined due to heightened geopolitical tensions.

Commodities

- ▶ Oil prices fell on profit-taking while Middle-east tensions weighed.
- ▶ Gold prices rose on safe-haven demand amid Middle-east tensions and a weaker dollar.

Key events in the day ahead

- ▶ US University of Michigan consumer sentiment survey (Jun).
- ▶ Eurozone industrial production (Apr).
- ▶ German CPI (May), France CPI (May).
- ▶ Japan Industrial production (Apr).

Performance snapshot*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.28	0.00	-1.00	-3.00
UAE Eibor 3m	4.07	-18.92	-31.46	-16.31
UAE Eibor 12m	4.39	19.58	19.41	-1.76
US 3m Bills	4.36	0.99	-2.12	6.43
US 10yr Treasury	4.36	-6.11	-17.71	4.68
German 10yr Bund	2.48	-5.70	-22.10	-39.90
UK 10yr Gilt	4.48	-7.50	-23.60	-24.50
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	493	0.58	2.46	3.94
Global Treasuries	208	0.64	2.49	4.28
Global Corporate	293	0.58	2.74	3.69
EM USD Sovereign	423	0.19	1.71	1.84
EM LCY Sovereign	158	0.23	1.65	4.23
Global High Yield	1,754	0.16	1.61	3.06
Currencies				
Dollar Index	97.92	-0.72	-3.09	-5.49
EUR USD	1.1576	0.75	3.46	6.13
GBP USD	1.3592	0.31	2.33	4.82
USD JPY	143.61	-0.70	-2.11	-3.05
Equities				
S&P 500	6,045	0.38	2.59	7.96
Dow Jones	42,968	0.24	2.18	3.91
NASDAQ	19,662	0.24	2.69	11.41
STOXX 600	550	-0.33	1.10	1.59
DAX	23,771	-0.74	1.04	4.83
Nikkei 225	38,173	-0.65	0.12	3.68
FTSE 100	8,885	0.23	3.49	4.03
SENSEX	81,692	-1.00	0.44	10.35
Hang Seng	24,035	-1.36	1.67	1.84
MSCI World	3,945	0.39	2.97	8.28
MSCI EM	1,203	-0.52	2.48	8.24
Regional Equities				
ADX	9,694	-1.13	0.75	2.95
DFM	5,467	-2.29	2.00	6.01
Tadawul*	10,841	-1.49	-3.11	-3.15
DSM*	10,627	-0.81	-1.37	8.81
MSM30*	4,543	-1.06	1.01	7.56
BHSE*	1,918	-0.16	-0.25	1.08
KWSE*	8,157	-1.35	1.29	8.25
Commodities				
BBG Commodity Index	103.3	0.07	0.84	-1.14
Brent USD/bbl	69.4	-0.59	4.95	-2.24
WTI USD/bbl	68.0	-0.16	7.74	0.53
Gold USD/t oz	3,383.9	1.61	6.12	15.25
Silver USD/t oz	36.3	0.24	12.77	9.32
Platinum USD/t oz	1,298.6	3.09	31.82	31.43
Aluminium	2,521.0	-0.02	1.29	-7.40
Copper USD/MT	9,779.0	0.50	2.53	0.79
Digital Assets				
Bitcoin	106,012.8	-2.68	0.26	29.14
Ether	2,641.1	-6.21	-2.27	34.64
Solana	153.3	-6.05	-15.74	17.73
XRP	2.2	-4.78	-13.58	-5.20
Volatility				
VIX	18.02	4.40	1.07	-26.93
MOVE	88.99	-0.41	-9.79	-16.20

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 13, 2025. Performance in local currency terms.

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