

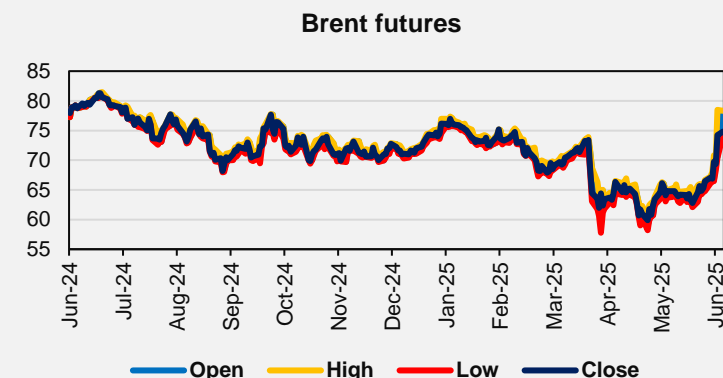
# Daily Market View

Investment Strategy | June 16, 2025

## Stock fell after tensions between Israel and Iran escalated

- ▶ US University of Michigan consumer sentiment rose in June
- ▶ Eurozone April industrial production fell more than expected
- ▶ Oil and gold prices rose sharply due to geopolitical tensions

Chart of the day: Brent crude jumps on Israel-Iran conflict



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ US University of Michigan's June Consumer sentiment increased by 16% from last month, though it still remains 20% below December 2024 levels. Both economic conditions and consumer expectations also improved significantly. Year-ahead inflation expectations dropped to 5.1% from 6.6%, while long-run inflation expectations decreased for the second consecutive month from 4.2% in May to 4.1% in June, marking their lowest in three months.
- ▶ Eurozone industrial production fell 2.4% MoM in April after a strong first quarter, though it remains up 0.8% YoY.
- ▶ China unemployment declined slightly to 5.0% during May from 5.1% in April. Industrial production grew 5.8% YoY in May – slightly slower than the April's 6.1% YoY growth and weaker than the expected 5.9% growth. Fixed asset investment growth also slowed and disappointed with a 3.7% YoY growth compared with 4.0% growth expected. Retail sales growth, however, was better than expected at 6.4% YoY during May (consensus: 5.0%, previous: 5.1%).

## Rates and Fixed Income

- ▶ The 10Y UST yields rose, as markets responded to sudden changes in commodities and stock prices.
- ▶ Fixed income indices slipped as the jump in long-end yields pulled broad bond prices down.

## Currencies

- ▶ The broader USD index rose on Friday as geopolitical tensions boosted safe-haven demand.
- ▶ The EUR, the GBP, and the JPY fell against the USD.

## Equities

- ▶ World stock markets declined on Friday, and oil prices increased, as Israel conducted military strikes against Iran, resulting in inflows into safe havens such as gold and the dollar.
- ▶ GCC markets declined on Friday due to geopolitical tensions.

## Commodities

- ▶ Oil prices rose sharply, surging over 7%, after Israel attacked Iranian energy facilities over the weekend.
- ▶ Gold prices gained as investors sought safe-haven amid geopolitical uncertainty.

## Key events in the day ahead

- ▶ US NY Empire State Manufacturing Index (Jun).
- ▶ BoJ Interest Rate Decision.
- ▶ India's WPI Inflation (May).

## Performance snapshot\*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.28	0.00	-3.00	-2.00
UAE Eibor 3m	4.12	5.42	-11.85	-15.36
UAE Eibor 12m	4.28	-10.80	8.95	-9.17
US 3m Bills	4.35	-1.45	-0.67	5.28
US 10yr Treasury	4.40	3.95	-3.28	13.05
German 10yr Bund	2.54	5.70	-8.70	-32.00
UK 10yr Gilt	4.55	7.30	-11.00	-12.70
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	491	-0.36	1.84	3.53
Global Treasuries	208	-0.34	1.92	3.86
Global Corporate	292	-0.45	1.99	3.26
EM USD Sovereign	422	-0.37	1.31	1.61
EM LCY Sovereign	158	-0.21	1.30	4.01
Global High Yield	1,750	-0.25	1.47	3.22
Currencies				
Dollar Index	98.18	0.27	-2.67	-5.44
EUR USD	1.1549	-0.23	3.29	6.39
GBP USD	1.3571	-0.15	2.12	4.88
USD JPY	144.07	0.32	-1.06	-2.41
Equities				
S&P 500	5,977	-1.13	1.01	8.25
Dow Jones	42,198	-1.79	-0.30	3.39
NASDAQ	19,407	-1.30	1.54	12.16
STOXX 600	545	-0.89	-0.37	0.83
DAX	23,516	-1.07	-0.76	4.21
Nikkei 225	37,834	-0.89	0.21	2.84
FTSE 100	8,851	-0.39	2.51	3.61
SENSEX	81,119	-0.70	-1.71	9.87
Hang Seng	23,893	-0.59	1.87	1.83
MSCI World	3,901	-1.11	1.53	8.37
MSCI EM	1,190	-1.06	1.41	7.59
Regional Equities				
ADX	9,564	-1.34	-0.64	1.63
DFM	5,365	-1.87	-0.63	3.47
Tadawul*	10,732	-1.01	-2.44	-6.70
DSM*	10,287	-3.20	-4.19	1.90
MSM30*	4,504	-0.87	-0.24	5.46
BHSE*	1,902	-0.81	-1.01	0.02
KWSE*	7,843	-3.84	-2.44	0.30
Commodities				
BBG Commodity Index	105.3	1.98	3.60	0.35
Brent USD/bbl	74.2	7.02	15.03	6.22
WTI USD/bbl	73.0	7.26	18.44	9.66
Gold USD/t oz	3,432.3	1.43	6.51	15.20
Silver USD/t oz	36.3	-0.11	11.22	7.19
Platinum USD/t oz	1,228.5	-5.40	23.57	22.90
Aluminium	2,503.0	-0.71	0.65	-7.33
Copper USD/MT	9,658.0	-1.24	1.30	-1.03
Digital Assets				
Bitcoin	105,472.5	-0.51	2.03	25.74
Ether	2,547.8	-3.53	0.18	33.77
Solana	147.3	-3.89	-8.08	16.11
XRP	2.1	-1.99	-9.64	-7.40
Volatility				
VIX	20.82	15.54	20.77	-4.36
MOVE	95.31	7.10	-1.44	-5.64

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 16, 2025. Performance in local currency terms.

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