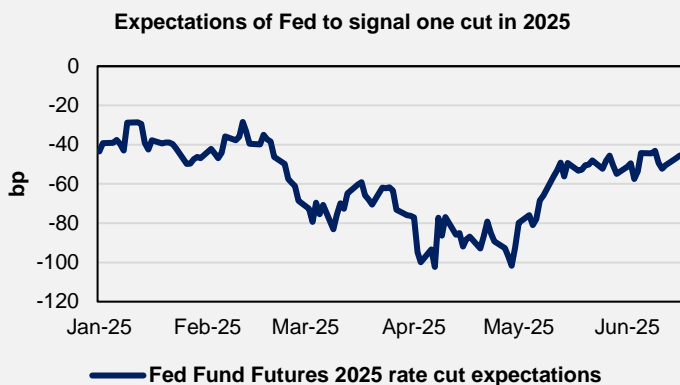


## Global markets fell amid Middle East conflict fears

- ▶ US retail sales fell more than expected in May.
- ▶ US industrial production also saw a decline in May.
- ▶ All eyes on the Fed meeting.

Chart of the day: Fed's dot plot in focus



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ US retail sales for May fell 0.9% MoM vs. an expected 0.5% MoM fall, and a downwardly revised number for April of fall of 0.1% MoM. The decline was partly driven by lower levels of auto purchases.
- ▶ US industrial production saw a sequential decline of 0.2% MoM in May while the consensus was expecting no growth.
- ▶ Eurozone economic sentiment rose significantly to 35.3 in June from 11.6 in May, exceeding the forecast of 23.5. According to ZEW survey, the Economic Sentiment Indicator in Germany jumped to 47.5 from 25.2 in May, against an expected 34.8. The current situation index improved to -72.0 from -82.0.
- ▶ Japan's trade balance improved as imports fell more than expected (-7.7% YoY in May compared to -2.2% in April) and exports fell less than expected (-1.7% YoY during May vs. +2.0% YoY during April) yet registered their first drop in eight months. Japan core machine orders growth slowed in April but by a smaller margin than anticipated (actual: 6.6% YoY, consensus: 4.0% YoY, and previous: 8.4% YoY).

## Rates and Fixed Income

- ▶ The 10Y UST yields fell, as weak economic data and rising geopolitical tensions spurred safe-haven demand.
- ▶ Fixed income indices ended lower on Tuesday.

## Currencies

- ▶ The broader USD index edged higher, supported by risk-off flows.
- ▶ The EUR, the GBP and the JPY declined as the USD strengthened.

## Equities

- ▶ Global equity markets ended lower, as Iran-Israel conflict entered its sixth day. The Dow Jones Industrial Average fell 0.70%, the S&P 500 lost 0.84% and the Nasdaq Composite lost 0.91%. European shares slid to a one-month low.
- ▶ Most GCC markets fell with the exception of Kuwait and Bahrain.

## Commodities

- ▶ Oil prices rose as tensions in the Middle east escalated.
- ▶ Gold prices fell ahead of the Fed meeting.

## Key events in the day ahead

- ▶ Fed meeting.
- ▶ US Building permits, and Housing starts (May).
- ▶ Eurozone Inflation and UK Inflation (May).
- ▶ Sweden Riksbank decision.

## Performance snapshot\*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.32	0.00	3.00	0.00
UAE Eibor 3m	4.22	7.83	-6.24	0.59
UAE Eibor 12m	4.22	-6.61	7.96	-13.48
US 3m Bills	4.31	-4.61	-3.06	2.11
US 10yr Treasury	4.39	-5.74	-5.86	9.03
German 10yr Bund	2.54	0.80	-5.30	-28.30
UK 10yr Gilt	4.55	1.70	-11.40	-8.80
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	491	-0.14	1.39	3.24
Global Treasuries	207	-0.24	1.32	3.49
Global Corporate	292	0.02	1.71	3.03
EM USD Sovereign	422	0.05	1.33	1.56
EM LCY Sovereign	158	-0.06	1.29	4.01
Global High Yield	1,751	-0.12	1.31	2.92
Currencies				
Dollar Index	98.82	0.84	-1.60	-4.40
EUR USD	1.1503	-0.70	2.39	5.40
GBP USD	1.3472	-1.00	0.88	3.70
USD JPY	145.22	0.73	0.16	-2.53
Equities				
S&P 500	5,983	-0.84	0.32	5.42
Dow Jones	42,216	-0.70	-1.35	0.89
NASDAQ	19,521	-0.91	1.59	9.62
STOXX 600	542	-0.85	-1.40	-1.58
DAX	23,435	-1.12	-2.09	1.21
Nikkei 225	38,537	0.59	2.77	3.05
FTSE 100	8,834	-0.46	1.55	1.77
SENSEX	81,583	-0.26	-0.58	10.00
Hang Seng	23,980	-0.34	2.78	-0.68
MSCI World	3,902	-0.87	0.71	5.53
MSCI EM	1,197	-0.10	2.60	5.79
Regional Equities				
ADX	9,536	-0.51	-1.34	0.90
DFM	5,372	-0.64	-2.17	3.89
Tadawul*	10,714	-1.41	-1.93	-6.86
DSM*	10,411	-0.51	-2.23	3.13
MSM30*	4,520	-0.33	-0.20	5.85
BHSE*	1,910	0.30	-0.64	0.44
KWSE*	8,010	0.65	-0.74	2.43
Commodities				
BBG Commodity Index	106.8	1.03	5.91	1.31
Brent USD/bbl	76.5	4.40	16.65	7.57
WTI USD/bbl	74.8	4.28	19.38	10.74
Gold USD/t oz	3,382.9	-0.49	4.67	12.84
Silver USD/t oz	37.1	2.19	14.67	9.58
Platinum USD/t oz	1,264.1	1.20	26.15	25.79
Aluminium	2,548.3	1.29	3.37	-4.05
Copper USD/MT	9,820.5	0.85	3.05	-0.14
Digital Assets				
Bitcoin	104,392.1	-4.08	-1.79	28.05
Ether	2,511.6	-5.98	0.25	32.26
Solana	148.7	-5.49	-12.19	19.25
XRP	2.2	-6.51	-8.19	-4.23
Volatility				
VIX	21.60	13.03	19.40	-0.46
MOVE	97.18	3.96	-4.13	0.52

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 18, 2025. Performance in local currency terms.

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