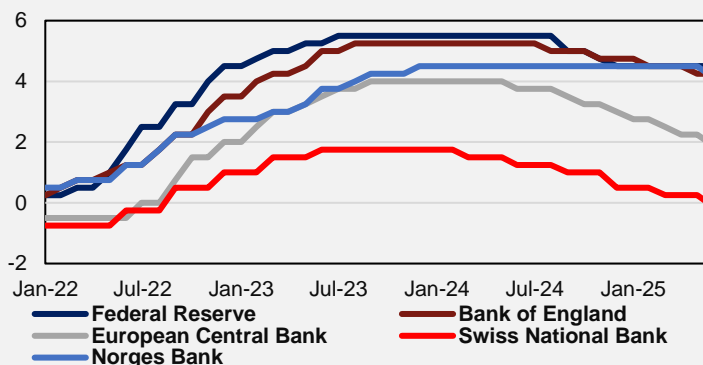


Mood remained risk-off as geopolitical tensions weighed

- ▶ Central banks in Switzerland and Norway cut rates
- ▶ The Bank of England left rates unchanged
- ▶ China maintained its benchmark lending rates

Chart of the day: Mainland Europe in easing mode

SNB, Norges bank lowered rates



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The Bank of England kept its policy rate unchanged at 4.25%, with a 6-3 vote. While 3 members pushed for a rate cut, the majority preferred to wait due to persistent inflation pressures and global uncertainties. The vote split was slightly more dovish than the 7-2 expected by consensus.
- ▶ The Swiss National Bank reduced its key rate from 0.25% to 0% as expected, marking the sixth cut since March 2024, when it was 1.75%.
- ▶ Norway's central bank announced a reduction in its policy interest rate by 25bp to 4.25%, marking its first decrease in borrowing costs in five years
- ▶ China maintained its benchmark lending rates on Friday, following last month's broad monetary easing measures. The 1Y loan prime rate (LPR) remains at 3.00%, and the 5Y LPR is stable at 3.50%.
- ▶ Japan's core inflation rose to 3.7% YoY in May, the fastest in over two years. This increase in the core CPI, excluding fresh food, exceeded the market forecast of 3.6% YoY and followed a 3.5% YoY rise in April.

Rates and Fixed Income

- ▶ 10Y yields in Germany and UK rose. USTs market was closed for holiday.
- ▶ Fixed income indices declined on Thursday.

Currencies

- ▶ The EUR rose versus the USD. The GBP strengthened versus the USD as the BoE kept rates unchanged.
- ▶ The JPY depreciated versus the USD.

Equities

- ▶ Global stocks declined amid concerns over US involvement in the Israel-Iran conflict. In Europe, the STOXX 600 fell for the third consecutive day. The US market was closed for a public holiday.
- ▶ Most GCC stock markets fell, with the exception of Kuwait and Saudi.

Commodities

- ▶ Oil prices rose on fears of Middle East supply disruption.
- ▶ Gold prices rose marginally, supported by safe-haven flows.

Key events in the day ahead

- ▶ Philadelphia Fed Manufacturing Index (Jun).
- ▶ UK Retail Sales (May).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.31	0.00	5.00	2.00
UAE Eibor 3m	4.15	-2.59	2.60	0.32
UAE Eibor 12m	4.31	0.32	16.19	-6.44
US 3m Bills	4.32	0.00	-1.86	2.49
US 10yr Treasury	4.39	0.00	-20.76	14.81
German 10yr Bund	2.52	2.50	-12.40	-28.20
UK 10yr Gilt	4.53	3.50	-22.70	-10.10
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	490	-0.21	1.39	3.08
Global Treasuries	207	-0.26	1.18	3.46
Global Corporate	291	-0.14	1.91	2.62
EM USD Sovereign	422	0.00	1.68	1.48
EM LCY Sovereign	157	-0.20	0.79	3.92
Global High Yield	1,749	-0.08	1.25	2.68
Currencies				
Dollar Index	98.91	0.00	-0.66	-4.37
EUR USD	1.1495	0.13	1.45	5.43
GBP USD	1.3465	0.32	0.34	3.55
USD JPY	145.45	0.22	1.23	-2.18
Equities				
S&P 500	5,981	0.00	2.33	5.38
Dow Jones	42,172	0.00	0.74	0.49
NASDAQ	19,546	0.00	3.57	10.11
STOXX 600	536	-0.83	-3.24	-3.51
DAX	23,057	-1.12	-4.42	-0.99
Nikkei 225	38,488	-1.02	3.19	1.95
FTSE 100	8,792	-0.58	0.06	0.98
SENSEX	81,362	-0.10	-0.29	7.84
Hang Seng	23,238	-1.99	-2.48	-6.19
MSCI World	3,887	-0.32	1.50	5.00
MSCI EM	1,177	-1.35	0.23	2.98
Regional Equities				
ADX	9,423	-0.77	-2.52	-0.15
DFM	5,270	-0.68	-3.10	2.99
Tadawul*	10,611	0.18	-3.45	-8.51
DSM*	10,261	-0.84	-1.93	1.13
MSM30*	4,507	-0.31	-1.20	5.39
BHSE*	1,875	-0.75	-2.41	-1.55
KWSE*	7,951	0.73	-1.99	1.93
Commodities				
BBG Commodity Index	107.4	0.00	4.70	1.23
Brent USD/bbl	78.9	2.80	21.48	11.40
WTI USD/bbl	75.1	0.00	22.04	11.88
Gold USD/t oz	3,370.9	0.05	1.69	10.60
Silver USD/t oz	36.4	-0.96	8.96	7.65
Platinum USD/t oz	1,302.9	-1.42	20.96	30.61
Aluminium	2,521.4	-1.06	2.91	-5.28
Copper USD/MT	9,712.0	-1.31	2.31	-2.01
Digital Assets				
Bitcoin	104,297.	-0.51	-5.82	23.81
Ether	2,507.9	-0.86	-4.70	27.18
Solana	145.4	-1.44	-18.52	13.65
XRP	2.2	-0.34	-11.01	-11.83
Volatility				
VIX	22.17	10.08	9.32	11.97
MOVE	93.64	0.00	-5.86	-2.19

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 20, 2025. Performance in local currency terms.

► German PPI (May).

Prepared by the Investment Strategy Team

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 8126450

mohammed.alhemeiri@adcb.com

Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0)2 8126449

prerana.seth@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 8126457

kishore.muktinutalapati@adcb.com

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