

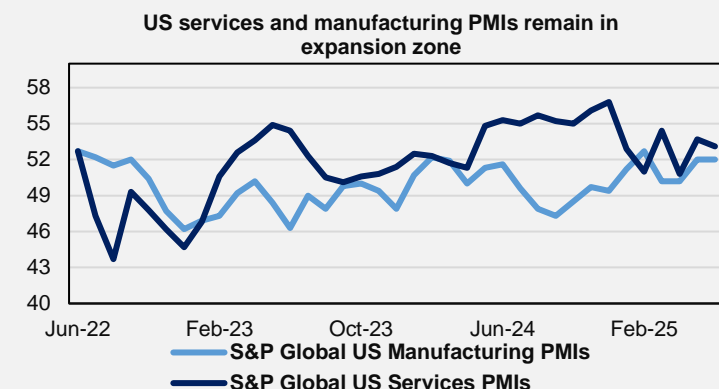
Daily Market View

Investment Strategy | June 24, 2025

US stock markets climbed as geopolitical fears eased

- ▶ US business activity grew at a slower rate in June
- ▶ Eurozone business activity largely unchanged in June
- ▶ Manufacturing activity in Japan returned to growth in June

Chart of the day: US business activity in June



Macroeconomic news

- ▶ US S&P Global composite PMI edged down to 52.8 in June from 53.0 in May, signalling moderate growth. Manufacturing PMI held at 52.0, while services PMI edged lower to 53.1 amid rising input costs and strong new orders.
- ▶ Eurozone manufacturing PMI remained unchanged at 49.4 in June, while services PMI rose to 50 in June. The composite PMI stayed at 50.2 in June. UK manufacturing PMI rose to 47.7 in June from 46.4 in May, while UK services activity index advanced to 51.3 in June.
- ▶ Japan's manufacturing PMI registered at 50.4 in June, surpassing the forecasted 49.5 and improving from the previous month's figure of 49.4. Services PMI also improved to 51.5 in June.
- ▶ India flash PMI surged to 61.0, a 14-month high and showing robust expansion. Manufacturing PMI came in at 58.4 and services PMI at 60.7, the highest services reading since August 2024.

Rates and Fixed Income

- ▶ 10Y UST yields fell, helped by dovish Fed commentary.
- ▶ Fixed income indices rose, with the exception of EM LCY Sovereign.

Currencies

- ▶ The US dollar index fell, driven by lower UST yields and reduced demand for safe-haven dollar assets.
- ▶ Both the EUR and the GBP rose against the USD.

Equities

- ▶ Risk assets rallied on ease in geopolitical tensions and decline in oil prices. US stocks ended higher on Monday. The Dow Jones Industrial Average rose 0.89%, the S&P 500 rose 0.96% and the Nasdaq Composite rose 0.94%. European shares finished lower.
- ▶ GCC stock markets ended higher on Monday, except for Oman.

Commodities

- ▶ Oil prices fell, after Iran avoided action on Strait of Hormuz, calming supply-shock fears.
- ▶ Gold prices pared early losses and settled higher, helped by weak USD.

Key events in the day ahead

- ▶ US CB Consumer Confidence (Jun).
- ▶ German Ifo business climate (Jun).
- ▶ BoJ Core CPI (YoY).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.29	0.00	3.00	-1.00
UAE Eibor 3m	4.23	-0.96	11.72	3.46
UAE Eibor 12m	4.28	-7.76	4.75	3.94
US 3m Bills	4.26	-3.67	-6.98	-2.43
US 10yr Treasury	4.35	-2.76	-16.35	10.13
German 10yr Bund	2.51	-1.00	-6.00	-25.80
UK 10yr Gilt	4.49	-4.50	-18.90	-22.00
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	492	0.12	1.29	3.49
Global Treasuries	207	0.06	0.99	3.79
Global Corporate	292	0.20	1.96	3.21
EM USD Sovereign	423	0.21	1.81	1.64
EM LCY Sovereign	157	-0.28	0.46	4.12
Global High Yield	1,754	0.16	1.70	3.16
Currencies				
Dollar Index	98.42	-0.29	-0.70	-5.45
EUR USD	1.1578	0.48	1.90	7.03
GBP USD	1.3524	0.54	-0.10	4.68
USD JPY	146.15	0.04	2.52	-2.12
Equities				
S&P 500	6,025	0.96	3.83	6.31
Dow Jones		0.89	2.35	1.42
NASDAQ	19,631	0.94	4.77	10.39
STOXX 600	535	-0.28	-1.85	-2.66
DAX	23,269	-0.35	-1.53	1.65
Nikkei 225	38,354	-0.13	3.21	1.80
FTSE 100	8,758	-0.19	0.46	1.29
SENSEX	81,897	-0.62	0.22	6.49
Hang Seng	23,689	0.67	0.37	0.00
MSCI World	3,906	0.62	2.71	5.85
MSCI EM	1,182	-0.64	0.96	4.50
Regional Equities				
ADX	9,558	0.46	-1.11	2.02
DFM	5,411	1.12	-0.97	6.11
Tadawul*	10,710	1.29	-1.29	-7.29
DSM*	10,333	0.51	-1.44	1.94
MSM30*	4,523	-0.04	-1.04	5.07
BHSE*	1,884	0.22	-1.91	-0.96
KWSE*	8,054	0.65	-1.16	2.35
Commodities				
BBG Commodity Index	105.1	-1.57	2.31	-0.23
Brent USD/bbl	71.5	-7.18	10.34	-0.94
WTI USD/bbl	68.5	-8.57	11.34	0.34
Gold USD/t oz	3,368.5	0.00	0.33	11.46
Silver USD/t oz	36.1	0.25	7.83	9.28
Platinum USD/t oz	1,297.7	2.28	18.24	32.43
Aluminium	2,597.3	1.58	5.64	-0.57
Copper USD/MT	10,035.0	0.90	4.59	0.57
Digital Assets				
Bitcoin	103,802.	0.08	-4.09	19.64
Ether	2,348.5	-3.27	-6.05	15.65
Solana	140.7	-0.21	-17.76	1.67
XRP	2.1	-2.62	-6.44	-11.81
Volatility				
VIX	19.83	-3.83	-3.60	13.44
MOVE	95.03	5.47	-5.83	-0.20

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 24, 2025. Performance in local currency terms.

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