

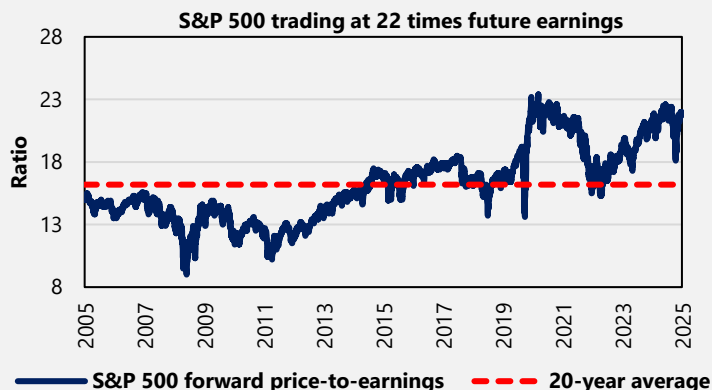
Daily Market View

Investment Strategy | July 1, 2025

Global stocks ended flat but near record highs

- ▶ US new home sales and building permits declined in May
- ▶ Short-duration UST yields fell on Fed rate cut bets
- ▶ Oil and gold prices rose while the USD fell

Chart of the day: Looking stretched



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ US new home sales declined 13.7% in May compared with April to 623,000 units on a seasonally adjusted, annualized basis, a seven-month low and below market expectations. The sales total was 6.3% lower than May 2024 and well below both the six-month average of 671,000 and the one-year average of 676,000.
- ▶ US final building permits fell 2.0% MoM in May, in line with preliminary figure but better than the previous month's decline of 4% MoM.
- ▶ At the semi-annual congressional testimony, Fed chair Powell said the US central bank is still struggling to determine the impact of tariffs on consumer prices.

Rates and Fixed Income

- ▶ 10Y UST yields fell marginally but 2Y UST yields declined more as markets raised expectations of a Fed rate cut. 10Y German bund yields rose on concerns over increased borrowing plans.
- ▶ Fixed income indices fell marginally, led by Global Treasuries.

Currencies

- ▶ The USD index weakened to three-year low on reports that President Trump was considering nominating the next Fed Chair early.
- ▶ The EUR and the GBP, both rose against the USD while the JPY fell versus the USD.

Equities

- ▶ Global shares ended near record highs on Wednesday as Middle East tensions decreased, with markets focusing on US inflation and the possibility of an interest rate cut. The S&P 500 ended flat while NASDAQ posted gains. European shares fell but Asian equities ended higher. EM equities outperformed DM peers.
- ▶ Most GCC stocks edged higher, continuing gains from previous sessions that followed a ceasefire between Israel and Iran.

Commodities

- ▶ Oil prices rose after three consecutive sessions of losses as President Trump reaffirmed his "maximum pressure" campaign on Iranian oil and on reports of decline in US crude stockpiles.
- ▶ Gold prices rose, helped by the weaker USD and lower UST yields.

Key events in the day ahead

- ▶ Germany GfK consumer confidence (Jul)
- ▶ US durable goods orders (May), US GDP (Q1, final)
- ▶ US Wholesale Inventories (May), US Pending Home Sales (May)

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.30	0.00	-1.00	-3.00
UAE Eibor 3m	4.27	10.24	14.08	4.74
UAE Eibor 12m	4.32	-1.84	17.77	-0.19
US 3m Bills	4.29	2.80	-1.25	1.25
US 10yr Treasury	4.29	-0.39	-15.30	-2.27
German 10yr Bund	2.57	2.20	3.30	-23.30
UK 10yr Gilt	4.48	0.80	-18.50	-27.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	494	-0.07	1.49	4.29
Global Treasuries	209	-0.11	1.29	4.68
Global Corporate	294	-0.05	1.96	3.92
EM USD Sovereign	425	0.10	1.99	2.40
EM LCY Sovereign	159	0.05	1.03	4.95
Global High Yield	1,765	0.09	1.91	3.57
Currencies				
Dollar Index	97.68	-0.18	-1.85	-6.24
EUR USD	1.1659	0.43	2.92	8.04
GBP USD	1.3664	0.36	1.16	5.56
USD JPY	145.24	0.21	0.63	-3.12
Equities				
S&P 500	6,092	0.00	2.88	5.46
Dow Jones	42,982	-0.25	1.51	0.93
NASDAQ	19,974	0.31	4.03	9.31
STOXX 600	537	-0.74	-2.78	-2.82
DAX	23,498	-0.61	-3.01	1.68
Nikkei 225	38,942	0.39	3.23	3.07
FTSE 100	8,719	-0.46	-0.68	0.63
SENSEX	82,756	0.85	1.48	6.07
Hang Seng	24,475	1.23	4.67	4.84
MSCI World	3,950	-0.20	2.09	5.42
MSCI EM	1,221	0.73	4.86	8.08
Regional Equities				
ADX	9,811	0.16	1.42	5.02
DFM	5,613	0.36	1.98	9.70
Tadawul*	10,974	0.09	-0.28	-5.61
DSM*	10,644	1.06	0.81	5.01
MSM30*	4,514	-0.59	-1.42	4.82
BHSE*	1,921	0.47	-0.11	0.93
KWSE*	8,293	0.76	1.64	5.24
Commodities				
BBG Commodity Index	102.2	-0.26	0.28	-2.80
Brent USD/bbl	67.7	0.80	5.60	-7.31
WTI USD/bbl	64.9	0.85	6.62	-5.91
Gold USD/t oz	3,332.3	0.26	0.95	10.34
Silver USD/t oz	36.3	0.96	9.01	7.51
Platinum USD/t oz	1,354.8	2.61	24.91	38.14
Aluminium	2,558.4	-0.79	3.77	-1.01
Copper USD/MT	9,810.0	-1.21	1.32	-0.75
Digital Assets				
Bitcoin	107,848.	1.61	0.48	23.55
Ether	2,439.6	-0.44	-5.99	23.20
Solana	145.1	-0.01	-14.82	5.41
XRP	2.2	-0.89	-2.69	-7.99
Volatility				
VIX	16.76	-4.12	-13.21	-8.57
MOVE	91.24	-1.49	-2.10	-0.19

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 26, 2025. Performance in local currency terms.

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