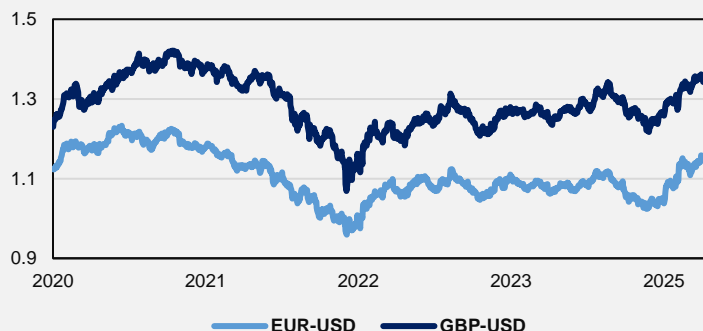


## Global stocks rallied on US-China trade progress

- ▶ Fed's preferred inflation print surprised on the upside in May
- ▶ Tokyo June CPI rose less than expected
- ▶ US and China confirmed signing trade agreement

Chart of the day: The euro and the pound hit highest since 2021..

..as the broad USD weakened for six-months in a row



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ US personal income declined 0.4% MoM in nominal terms, driven by a drop in government social benefits and farm proprietors' income, despite a rise in private sector wages. Personal spending also unexpectedly declined in May, dropping 0.1% MoM after an unrevised 0.2% gain in April. This is the second decline in consumer spending this year.
- ▶ The personal consumption expenditures (PCE) price index rose a seasonally adjusted 0.1% MoM in May, putting the annual inflation rate at 2.3%. Excluding food and energy, Fed's preferred inflation measure- core PCE rose 0.2% MoM and 2.7% YoY, higher than market estimates.
- ▶ Tokyo's headline CPI rose 3.1% YoY in June, easing from 3.4% in May, while core CPI (ex-fresh food) also slowed to 3.1% in June from 3.6% in May. The deceleration was driven by resumed energy subsidies and softer consumer demand, though inflation remains well above the Bank of Japan's 2% target.

## Rates and Fixed Income

- ▶ 10Y UST yields rose as core PCE rose slightly more than expected.
- ▶ Fixed income indices fell, led by Global Treasuries.

## Currencies

- ▶ The USD index registered gains on Friday but ended the week lower near the three-year low.
- ▶ The EUR, the GBP, and the JPY all fell against the USD.

## Equities

- ▶ Global stock markets rose on Friday, fuelled by easing geopolitical tensions, optimism over US-China trade developments, and continued enthusiasm around AI investments. European equities outperformed peers. In the US, the S&P 500 and the NASDAQ hit record highs.

## Commodities

- ▶ Oil prices rose on Friday, on reports that OPEC+ was planning to hike production in August.
- ▶ Gold prices fell on Friday as broad risk-on rally reduced appetite for safe-haven assets.

## Key events in the day ahead

- ▶ German retail sales (Jun), German CPI (Jun, P)
- ▶ China PMI (Jun, P)
- ▶ US MNI Chicago PMI (Jun), Dallas Fed manufacturing activity (Jun)

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.40	0.00	7.00	4.00
UAE Eibor 3m	4.15	0.00	-1.09	-11.28
UAE Eibor 12m	4.22	0.00	9.92	3.46
US 3m Bills	4.29	-1.19	-4.30	0.10
US 10yr Treasury	4.28	3.52	-14.11	-8.26
German 10yr Bund	2.59	2.30	8.40	-18.10
UK 10yr Gilt	4.50	3.20	-14.40	-27.90
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	496	-0.16	1.77	4.84
Global Treasuries	209	-0.18	1.65	5.26
Global Corporate	295	-0.13	2.07	4.51
EM USD Sovereign	426	-0.01	2.00	3.12
EM LCY Sovereign	159	0.00	1.47	5.30
Global High Yield	1,771	0.05	2.07	4.30
Currencies				
Dollar Index	97.40	0.26	-1.89	-6.65
EUR USD	1.1718	-0.09	3.05	8.60
GBP USD	1.3716	-0.28	1.65	5.92
USD JPY	144.65	0.28	0.35	-4.26
Equities				
S&P 500	6,173	0.52	4.41	8.43
Dow Jones	43,819	1.00	3.80	3.59
NASDAQ	20,273	0.52	5.72	13.87
STOXX 600	544	1.14	-0.78	-0.49
DAX	24,033	1.62	0.42	5.97
Nikkei 225	40,151	1.43	4.47	6.22
FTSE 100	8,799	0.72	0.95	1.53
SENSEX	84,059	0.36	2.97	8.31
Hang Seng	24,284	-0.17	3.02	2.99
MSCI World	4,009	0.62	3.80	8.47
MSCI EM	1,229	0.13	4.99	8.67
Regional Equities				
ADX	9,886	0.00	1.45	5.28
DFM	5,684	0.00	3.48	11.00
Tadawul*	11,203	1.21	1.80	-4.78
DSM*	10,768	0.78	1.99	4.95
MSM30*	4,507	0.00	-1.57	5.47
BHSE*	1,937	0.85	0.74	1.88
KWSE*	8,438	1.75	3.42	6.38
Commodities				
BBG Commodity Index	102.9	0.34	2.03	-2.51
Brent USD/bbl	67.8	0.06	5.64	-8.46
WTI USD/bbl	65.5	0.43	7.52	-6.29
Gold USD/t oz	3,274.3	-1.71	-1.45	7.25
Silver USD/t oz	36.0	-1.81	8.02	4.59
Platinum USD/t oz	1,341.6	-5.66	23.52	35.62
Aluminium	2,595.7	0.46	6.47	2.43
Copper USD/MT	10,051.0	-0.63	4.45	2.61
Digital Assets				
Bitcoin	107,169.	-0.60	3.77	29.59
Ether	2,427.2	-0.78	-2.88	33.43
Solana	142.9	-0.09	-5.00	18.45
XRP	2.1	-1.22	0.37	1.13
Volatility				
VIX	16.32	-1.63	-12.12	-24.62
MOVE	87.93	-1.72	-4.54	-9.19

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – June 30, 2025. Performance in local currency terms.

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