

Daily Market View

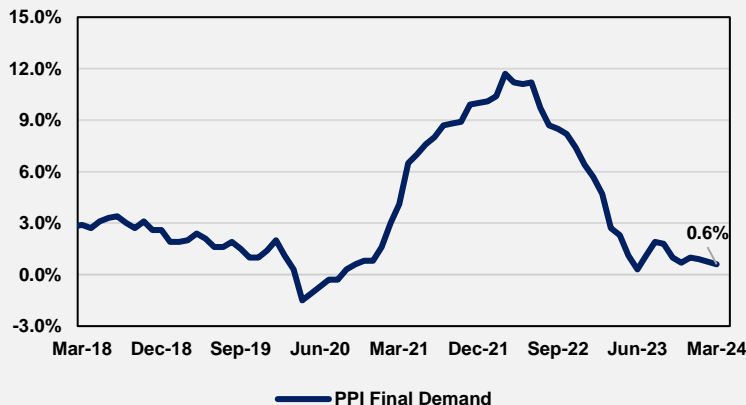
March 15, 2024

Stocks fell, bond yield rose on hot PPI report.

- ▶ US PPI had its largest annual advance since September.
- ▶ US retail sales rose 0.6% m-o-m in February.
- ▶ Oil continued to rise to USD 85.

Chart of the Day: US producer prices in February.

US PPI rose 0.6% versus expectations of 0.3%



Source: Bloomberg

Macroeconomic news

- ▶ US PPI rose 0.6% m-o-m and 1.6% y-o-y in February over expectations of 0.3% m-o-m and 1.2% y-o-y respectively. US core PPI, which excludes food and energy rose 0.3% m-o-m and 2% y-o-y, also higher than expectation.
- ▶ According to the US Commerce Department's Census Bureau, US retail sales increased 0.6% m-o-m and 1.6% y-o-y in February, lower than market expectation. Core retail sales remained unchanged. Data for January was revised lower to show sales falling 1.1% instead of a 0.8% decline.

Rates and Fixed Income

- ▶ Global rates rose with 10Y UST yields rising the most.
- ▶ Global fixed income indices declined on Thursday.

Currencies

- ▶ Broad USD rose on Thursday.
- ▶ The EUR, GBP and the JPY weakened against the USD.

Equities

- ▶ Global equities ended mixed on Thursday. EM outperformed DM.
- ▶ GCC equities rose with the exception of Kuwait. Dubai outperformed.

Commodities

- ▶ Oil prices continued to outperform on Thursday.
- ▶ Copper continued to rise, however gold reversed its gains.

Key events in the day ahead

- ▶ US Industrial Production
- ▶ University of Michigan Sentiment

Performance snapshot*

| Rates | Latest | 1D (bp) | 1M (bp) | 3M (bp) |
|---------------------|---------|---------|---------|---------|
| SOFR | 5.31 | 0.00 | 1.00 | 0.00 |
| UAE Eibor 3m | 5.18 | -6.69 | -8.73 | -37.40 |
| UAE Eibor 12m | 5.39 | -1.25 | 26.49 | -16.71 |
| US 3m Bills | 5.39 | -0.34 | 1.22 | 2.53 |
| US 10yr Treasury | 4.29 | 10.04 | 3.49 | 27.39 |
| German 10yr Bund | 2.43 | 6.00 | 8.90 | 25.30 |
| UK 10yr Gilt | 4.09 | 6.90 | 4.60 | 26.00 |
| Fixed Income | | 1D (%) | 1M (%) | 3M (%) |
| Global Agg. Index | 461 | -0.61 | 1.06 | 0.27 |
| Global Treasuries | 197 | -0.60 | 1.19 | 0.05 |
| Global Corporate | 269 | -0.61 | 1.05 | 0.79 |
| EM USD Sovereign | 380 | -0.48 | 2.39 | 2.74 |
| EM LCY Sovereign | 146 | -0.11 | 1.20 | 2.67 |
| Global High Yield | 1,544 | -0.31 | 1.97 | 4.16 |
| Currencies | | | | |
| Dollar Index | 103.36 | 0.56 | -1.30 | 0.48 |
| EUR USD | 1.0883 | -0.59 | 1.45 | 0.08 |
| GBP USD | 1.2753 | -0.34 | 1.49 | 1.07 |
| USD JPY | 148.33 | 0.39 | -1.49 | 3.81 |
| Equities | | | | |
| S&P 500 | 5,150 | -0.29 | 3.00 | 9.42 |
| Dow Jones | 38,906 | -0.35 | 1.25 | 4.89 |
| NASDAQ | 16,129 | -0.30 | 1.70 | 9.47 |
| STOXX 600 | 506 | -0.18 | 4.36 | 7.18 |
| DAX | 17,942 | -0.11 | 5.88 | 7.01 |
| Nikkei 225 | 38,807 | 0.29 | 2.93 | 17.86 |
| FTSE 100 | 7,743 | -0.37 | 2.31 | 2.58 |
| SENSEX | 73,097 | 0.46 | 1.77 | 5.05 |
| Hang Seng | 16,962 | -0.71 | 6.82 | 4.52 |
| MSCI World | 3,382 | -0.40 | 3.58 | 9.07 |
| MSCI EM | 1,049 | 0.21 | 4.99 | 7.73 |
| Regional Equities | | | | |
| ADX | 9,255 | 0.12 | -1.49 | -1.93 |
| DFM | 4,290 | 0.73 | 1.58 | 8.91 |
| Tadawul | 12,729 | 0.04 | 2.33 | 11.64 |
| DSM | 10,256 | 0.63 | 0.43 | 5.30 |
| MSM30 | 4,786 | 0.62 | 3.35 | 4.59 |
| BHSE | 2,047 | 0.19 | -1.57 | 6.42 |
| KWSE | 7,443 | -0.20 | 1.53 | 9.65 |
| Commodities | | | | |
| BBG Commodity Index | 99.1 | 0.09 | 3.85 | 2.78 |
| Brent USD/bbl | 85.4 | 1.65 | 4.68 | 15.03 |
| Gold USD/t oz | 2,162.2 | -0.56 | 8.53 | 6.63 |
| Copper USD/MT | 8,791.5 | 0.74 | 8.09 | 7.15 |
| Volatility | | | | |
| VIX | 14.40 | 4.73 | 0.14 | 18.13 |
| MOVE | 98.67 | 1.69 | -11.88 | -13.27 |

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 10AM UAE time – March 15, 2024. Performance in local currency terms.

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