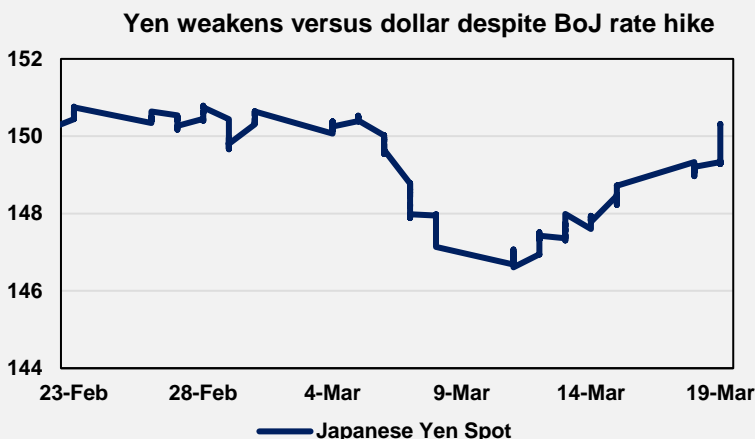


BoJ says goodbye to negative rates

- ▶ The BoJ raised rates and abandoned yield curve control.
- ▶ RBA held interest rates and dropped tightening bias.
- ▶ Global equities rose with the exception of European equities.

Chart of the Day: Bank of Japan's decision was widely anticipated.



Macroeconomic news

- ▶ The Bank of Japan set its policy rate in a range of 0%-0.1%, its first interest rate hike in 17 years. The BoJ also said it will scrap its yield-curve control policy and discontinue purchases of ETFs and REITs. The BoJ said it will keep buying government bonds with broadly the same amount as before.
- ▶ The Reserve Bank of Australia left interest rates unchanged, keeping interest rates at 4.35%, a 12-year high, for a third straight meeting, suggesting growing confidence that policy is gaining traction in restraining inflation.

Rates and Fixed Income

- ▶ Global rates rose on Monday but 10Y UK Gilt yields declined.
- ▶ Fixed income indices declined with the exception of Global High Yield which remained flat.

Currencies

- ▶ Broader USD rose slightly on Monday.
- ▶ GBP, EUR and JPY weakened against the USD on Monday.

Equities

- ▶ Equities rose on Monday with the exception of European and UK equities. The Nikkei 225 outperformed, rising 2.67%.
- ▶ DM equities outperformed EM on the day.
- ▶ GCC equities had mixed performances on Monday.

Commodities

- ▶ Broader commodity index rose about a half of a percent on Monday.
- ▶ Oil prices rose c2%, copper and gold also rose.

Key events in the day ahead

- ▶ Germany ZEW Survey Expectations
- ▶ Canada CPI
- ▶ US housing starts

MarPerformance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.31	0.00	1.00	-1.00
UAE Eibor 3m	5.21	-2.98	-13.37	-30.07
UAE Eibor 12m	5.39	0.48	22.54	-11.83
US 3m Bills	5.39	1.49	2.09	1.23
US 10yr Treasury	4.32	1.79	4.50	41.32
German 10yr Bund	2.46	1.70	5.70	44.30
UK 10yr Gilt	4.09	-1.30	-1.90	40.20

Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	460	-0.04	0.71	-1.42
Global Treasuries	196	-0.01	0.77	-1.94
Global Corporate	268	-0.03	0.82	-0.61
EM USD Sovereign	379	-0.06	1.70	0.71
EM LCY Sovereign	145	-0.17	0.66	0.45
Global High Yield	1,543	0.04	1.55	2.54

Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	103.58	0.14	-0.67	1.00
EUR USD	1.0872	-0.16	0.88	-0.21
GBP USD	1.2729	-0.05	1.01	0.38
USD JPY	149.15	0.07	-0.71	4.92

Equities		1D (%)	1M (%)	3M (%)
S&P 500	5,149	0.63	2.87	9.12
Dow Jones	38,790	0.20	0.42	3.98
NASDAQ	16,103	0.82	2.08	8.70
STOXX 600	504	-0.17	2.51	5.73
DAX	17,933	-0.02	4.76	7.05
Nikkei 225	39,740	2.67	3.26	20.53
FTSE 100	7,723	-0.06	0.14	1.93
SENSEX	72,748	0.14	0.44	1.77
Hang Seng	16,737	0.10	2.43	-0.33
MSCI World	3,381	0.52	2.91	8.14
MSCI EM	1,038	0.32	2.15	3.71

Regional Equities		1D (%)	1M (%)	3M (%)
ADX	9,289	0.73	-1.47	-2.20
DFM	4,275	0.30	0.39	6.86
Tadawul*	12,772	0.35	2.31	10.65
DSM*	10,260	0.04	1.04	3.35
MSM30*	4,770	-0.32	3.03	3.95
BHSE*	2,035	-0.57	-1.57	6.26
KWSE*	7,408	-0.47	1.01	9.49

Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	99.7	0.49	3.56	0.79
Brent USD/bbl	86.9	1.82	4.10	13.51
Gold USD/t oz	2,160.4	0.21	7.29	6.97
Copper USD/MT	8,973.0	0.75	7.82	5.93

Volatility		1D (%)	1M (%)	3M (%)
VIX	14.33	-0.56	0.63	16.69
MOVE	102.87	5.16	-5.80	-11.13

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 11AM UAE time – March 19, 2024. Performance in local currency terms.

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