

Daily Market View

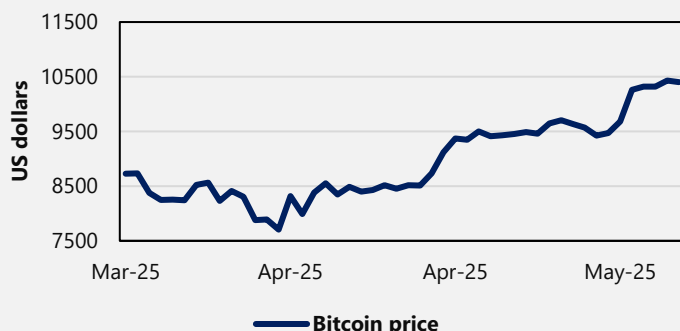
Investment Strategy | May 12, 2025

US stocks lacked momentum awaiting US-China talks

- ▶ China April exports surged on increased shipments to Southeast Asia
- ▶ China April inflation reports continued to signal weak demand
- ▶ Commodities rose on Friday on trade optimism

Chart of the day: Bitcoin retakes USD100,000 level..

..for the first time in 3-months



Source: Bloomberg

Macroeconomic news

- ▶ China's headline Consumer Price Index (CPI) remained subdued in April, influenced by declining oil prices, although the negative impact from food items diminished. CPI declined 0.1% YoY, matching expectations. Core CPI remained steady at 0.5% YoY.
- ▶ China's PPI declined further due to lower commodity prices, with overcapacity persisting in some sectors. PPI fell 2.7% YoY, lower than market expectations of a decline of 2.8% YoY.
- ▶ China's exports jumped 8.1% YoY in April on the back of increased shipments to Southeast Asian countries, beating market expectations of 2% rise. China imports fell 0.2% YoY in April, compared with expectations of 6% drop. China's shipments to the US declined over 21% YoY in April while imports from the US dropped 14% YoY respectively.

Rates and Fixed Income

- ▶ The 10Y UST yield ended unchanged while the yield on the 10Y German bund and the 10Y UK gilt jumped on Friday.
- ▶ Global aggregate bond index declined, led by Global Treasuries.

Currencies

- ▶ The USD index fell on Friday, but posted a weekly gain against major currencies, boosted by optimism around trade negotiations.
- ▶ The EUR rose against the USD on Friday, but posted third consecutive week of losses. The GBP jumped against the USD on optimism over US-UK trade deal announcement.

Equities

- ▶ Global equities ended higher on Friday. US equity indices declined as investors awaited the US-China trade talks. Overall, Nikkei 225 was the best performer. Germany's DAX index hit a record high.
- ▶ UAE equities marginally fell on Friday. Other GCC equities mostly rose on Sunday, with the exception of Saudi equities, which declined.

Commodities

- ▶ Oil prices climbed on Friday, marking their first weekly gain since mid-April amid optimism surrounding the US-UK trade deal and hopes for progress in US-China talks.
- ▶ Precious metals, including gold, rose on lingering geopolitical uncertainty, while industrial metals gained on trade optimism.

Key events in the day ahead

- ▶ India CPI (Apr)
- ▶ US Federal Budget balance (Apr)

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M(bp)
SOFR	4.29	0.00	-8.00	-7.00
UAE Eibor 3m	4.16	6.85	2.39	-14.57
UAE Eibor 12m	4.11	0.59	-12.18	-26.65
US 3m Bills	4.32	-0.41	0.88	0.10
US 10yr Treasury	4.38	0.00	-4.64	-5.57
German 10yr Bund	2.56	2.70	-1.80	18.30
UK 10yr Gilt	4.57	2.10	-7.60	8.20
Fixed Income		1D	1M (%)	3M(%)
Global Agg. Index	485	-0.07	1.27	3.33
Global Treasuries	205	-0.13	1.12	3.67
Global Corporate	286	0.01	1.68	2.72
EM USD Sovereign	414	-0.03	2.69	0.15
EM LCY Sovereign	156	-0.09	2.91	2.70
Global High Yield	1,713	0.04	3.26	1.46
Currencies				
Dollar Index	100.34	-0.30	-0.52	-6.83
EUR USD	1.1250	0.20	0.44	8.35
GBP USD	1.3306	0.45	2.59	7.00
USD JPY	145.37	-0.37	0.64	-3.99
Equities				
S&P 500	5,660	-0.07	7.44	-6.96
Dow Jones	41,249	-0.29	4.18	-7.82
NASDAQ	17,929	0.00	9.41	-9.41
STOXX 600	538	0.44	10.40	-1.26
DAX	23,499	0.63	14.28	7.29
Nikkei 225	37,503	1.56	8.36	-4.00
FTSE 100	8,555	0.27	8.11	-1.98
SENSEX	79,454	-1.10	7.59	1.79
Hang Seng	22,868	0.40	10.57	9.46
MSCI World	3,712	0.10	8.47	-3.94
MSCI EM	1,138	0.43	10.65	3.28
Regional Equities				
ADX	9,626	-0.08	5.49	0.66
DFM	5,313	-0.03	6.80	1.29
Tadawul	11,364	-0.15	-1.20	-8.60
DSM	10,520	0.12	4.21	-0.90
MSM30	4,352	0.08	1.91	-4.66
BHSE	1,917	0.15	0.81	1.88
KWSE	8,011	0.56	2.44	1.46
Commodities				
BBG Commodity Index	102.8	1.12	2.97	-1.50
Brent USD/bbl	63.9	1.70	0.92	-13.97
WTI USD/bbl	61.0	1.85	1.58	-13.58
Gold USD/t oz	3,325.0	0.58	4.68	16.41
Silver USD/t oz	32.7	0.80	4.80	1.70
Platinum USD/t oz	1,001.3	1.72	7.00	1.15
Aluminum	2,411.4	0.18	2.19	-8.48
Copper USD/MT	9,485.5	0.77	3.33	2.13
Digital Assets				
Bitcoin	103,195.8	0.56	24.03	8.27
Ether	2,340.4	7.09	59.98	-2.88
Solana	173.0	6.22	44.68	-7.19
XRP	2.4	2.04	17.78	1.46
Volatility				
VIX	21.90	-2.58	-41.69	32.41
MOVE	100.40	1.76	-26.85	7.81

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – May 12, 2025. Performance in local currency terms.

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