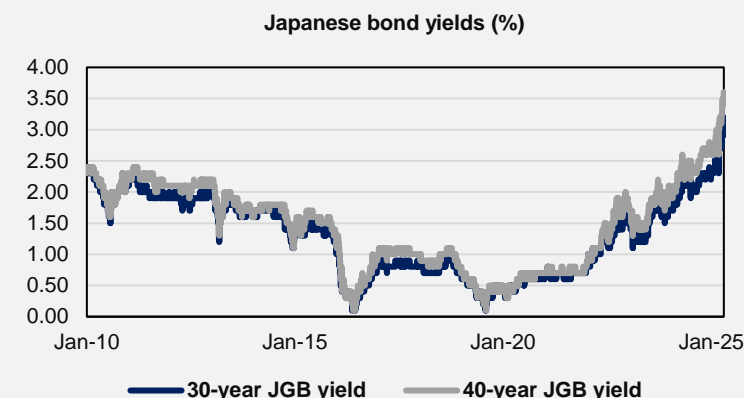


US stocks rally took a breather

- ▶ Australia's central bank cut rates for a second time
- ▶ Bond yields surged higher amid fiscal concerns
- ▶ European stocks closed near nine-week highs

Chart of the day: Japanese bond yields reached new highs



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Australia's central bank RBA cut its cash target rate for a second time this year by 25bp to 3.85% as widely anticipated. RBA Governor Bullock pointed to lingering uncertainty around the final scope of the tariffs and policy responses in other countries.
- ▶ Germany's producer price inflation for the month of April pointed to stronger than expected deflation.
- ▶ In May 2025, the European Commission's flash estimate indicated a rise in the consumer confidence indicator by 1.4ppt in both the EU and the euro area. This partially recovered the substantial declines experienced in the previous month.

Rates and Fixed Income

- ▶ Longer-dated UST yields edged slightly higher amid the US fiscal concerns. The 30Y UST bond yield reached the highest level since November 2023.
- ▶ Japanese government bond yields surged to record highs on Tuesday following a poor 20Y debt auction.
- ▶ Global bond aggregate index declined, led by Global Treasuries.

Currencies

- ▶ The USD fell against the yen to a two-week low, sliding in five of the last six sessions.
- ▶ The EUR and the GBP strengthened versus the USD.

Equities

- ▶ MSCI's All Country World Index fell on Tuesday. The S&P 500 snapped a six-day streak of gains and fell 0.39%. The Dow Jones Industrial Average fell 0.27% and the Nasdaq Composite slid 0.38%.
- ▶ European stocks closed near nine-week highs, with utilities and telecom firms leading gains.
- ▶ GCC stocks mostly gained, barring Dubai and Kuwait.

Commodities

- ▶ Oil prices fell on Tuesday amid uncertainty in US-Iran negotiations and Russia-Ukraine peace talks on Tuesday.
- ▶ Gold prices rose as the dollar weakened further.

Key events in the day ahead

- ▶ UK CPI (Apr), UK RPI (Apr)
- ▶ US weekly Mortgage market data
- ▶ Japan Flash PMI (May)

Performance snapshot*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.29	0.00	-3.00	-4.00
UAE Eibor 3m	4.12	-16.75	-21.91	-15.48
UAE Eibor 12m	4.04	-10.28	-5.63	-32.63
US 3m Bills	4.32	-1.76	0.31	0.83
US 10yr Treasury	4.49	3.95	7.63	1.07
German 10yr Bund	2.61	1.80	13.40	11.70
UK 10yr Gilt	4.70	3.90	13.70	17.60
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	484	-0.13	-0.62	2.94
Global Treasuries	204	-0.14	-1.20	3.22
Global Corporate	287	-0.07	0.35	2.54
EM USD Sovereign	417	0.11	2.29	0.89
EM LCY Sovereign	156	0.06	1.42	2.63
Global High Yield	1,730	0.09	2.53	2.08
Currencies				
Dollar Index	100.12	-0.31	1.87	-6.06
EUR USD	1.1283	0.38	-2.01	7.62
GBP USD	1.3393	0.24	0.10	6.08
USD JPY	144.51	-0.24	2.59	-4.62
Equities				
S&P 500	5,940	-0.39	15.17	-2.85
Dow Jones	42,677	-0.27	11.81	-4.20
NASDAQ	19,143	-0.38	20.62	-4.41
STOXX 600	554	0.73	9.40	-0.25
DAX	24,036	0.42	13.35	5.43
Nikkei 225	37,529	0.08	9.48	-4.20
FTSE 100	8,781	0.94	6.11	0.15
SENSEX	81,186	-1.06	2.24	6.83
Hang Seng	23,681	1.49	10.69	4.71
MSCI World	3,870	-0.11	13.02	-0.82
MSCI EM	1,167	0.07	8.91	3.26
Regional Equities				
ADX	9,707	0.43	4.69	1.57
DFM	5,467	-0.44	7.11	1.57
Tadawul*	11,438	0.29	-0.96	-6.75
DSM*	10,763	0.50	6.50	1.44
MSM30*	4,457	0.11	3.83	-0.18
BHSE*	1,922	0.01	1.42	1.44
KWSE*	8,043	-0.11	2.15	0.29
Commodities				
BBG Commodity Index	102.2	1.36	0.04	-3.48
Brent USD/bbl	65.4	-0.24	-1.33	-13.08
WTI USD/bbl	62.6	-0.21	-0.82	-11.56
Gold USD/t oz	3,290.1	1.88	-3.91	13.59
Silver USD/t oz	33.1	2.23	1.18	2.31
Platinum USD/t oz	1,058.1	5.60	9.52	7.39
Aluminium	2,465.3	0.56	4.18	-7.96
Copper USD/MT	9,530.0	-0.16	2.54	2.53
Digital Assets				
Bitcoin	106,953.2	1.39	17.27	12.54
Ether	2,514.3	-0.26	49.75	-4.19
Solana	168.5	1.54	17.20	1.10
XRP	2.4	-1.43	9.30	-6.90
Volatility				
VIX	18.09	-0.28	-40.82	17.85
MOVE	101.37	-2.35	-14.35	19.95

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – May 21, 2025. Performance in local currency terms.

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