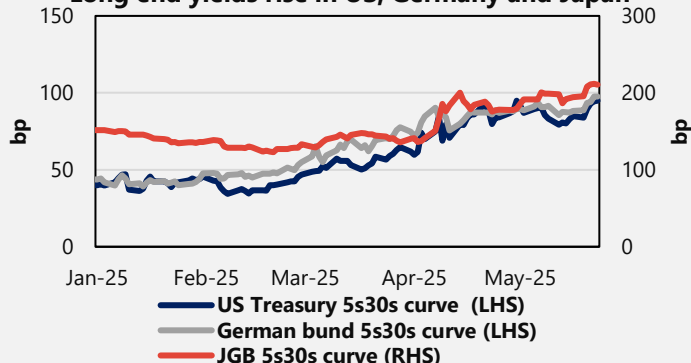


## Markets digest the "big beautiful bill"

- ▶ US house narrowly passed Trump's tax and spending bill
- ▶ US activity growth in May surpassed expectations
- ▶ Selling pressure on USTs and USD eased, but stocks fell

### Chart of the day: Global yield curves steepen

#### Long end yields rise in US, Germany and Japan



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ S&P Global US Composite PMI rose from 50.6 in April to 52.1 in May, indicating faster activity growth since March. The service sector recorded the strongest expansion, recovering from April's low but still below March's pace. Manufacturing output returned to slight growth after declining in March and April.
- ▶ HCOB Flash Eurozone Composite PMI fell to 49.5 in May from 50.4 in April, dipping below the 50.0 mark for the first time in five months, indicating a slight reduction in private sector output.
- ▶ S&P Global Flash UK Composite PMI rose to 49.4 in May from 48.5 in April, though it remained the second lowest since October 2023. The downturn was due to a sharper decline in manufacturing production, in contrast with a slight increase in the service sector's output.

## Rates and Fixed Income

- ▶ 30Y UST yields reached their highest level in 19 months before easing, with worries lingering over the US fiscal outlook and demand for government debt. 10Y UST yields fell after reaching its highest since February 12.
- ▶ Global bond aggregate index declined, led by Global Treasuries.

## Currencies

- ▶ The USD marginally advanced on Thursday as the selling pressure eased but fiscal concerns capped the upside.
- ▶ The EUR ended lower; GBP was flat while the JPY weakened against the USD.

## Equities

- ▶ Global equities struggled amidst the bond market volatility. The pan-European STOXX 600 index fell 0.64%. The Dow Jones Industrial Average and the S&P 500 were largely flat, and the Nasdaq Composite rose 0.28%.
- ▶ GCC stocks mostly rose but Saudi and Kuwait recorded losses.

## Commodities

- ▶ A report that OPEC+ is discussing a production increase for July weighed on oil prices.
- ▶ Gold prices declined with the USD advancing.

## Key events in the day ahead

- ▶ US New Home Sales (Apr)
- ▶ UK Building permits (Apr)
- ▶ UK retail sales (Apr)

## Performance snapshot\*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.26	0.00	-2.00	-9.00
UAE Eibor 3m	4.25	12.07	-1.25	1.90
UAE Eibor 12m	4.14	-0.69	-8.17	-28.08
US 3m Bills	4.33	-0.31	2.28	1.50
US 10yr Treasury	4.53	-6.98	14.75	-0.40
German 10yr Bund	2.64	-0.30	14.60	8.60
UK 10yr Gilt	4.75	-0.60	19.90	14.00
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	483	-0.10	-0.43	3.25
Global Treasuries	204	-0.15	-0.73	3.66
Global Corporate	286	0.01	0.04	2.62
EM USD Sovereign	415	-0.11	0.75	0.75
EM LCY Sovereign	156	0.00	1.71	3.19
Global High Yield	1,725	-0.16	1.47	1.98
Currencies				
Dollar Index	99.96	0.40	0.12	-6.73
EUR USD	1.1281	-0.44	-0.31	8.23
GBP USD	1.3419	-0.01	1.24	6.62
USD JPY	144.01	0.23	0.39	-4.93
Equities				
S&P 500	5,842	-0.04	8.67	-4.92
Dow Jones	41,859	0.00	5.69	-6.20
NASDAQ	18,926	0.28	13.27	-5.64
STOXX 600	550	-0.64	6.48	-0.33
DAX	23,999	-0.51	9.28	6.98
Nikkei 225	36,986	-0.84	6.07	-5.56
FTSE 100	8,739	-0.54	4.00	0.31
SENSEX	80,952	-0.79	1.04	6.60
Hang Seng	23,544	-1.19	6.67	2.62
MSCI World	3,819	-0.29	7.94	-2.25
MSCI EM	1,165	-0.78	6.33	2.51
Regional Equities				
ADX	9,667	0.01	3.68	0.77
DFM	5,453	0.26	4.75	1.19
Tadawul*	11,189	-1.02	-4.22	-9.16
DSM*	10,774	0.02	5.25	1.20
MSM30*	4,497	0.59	4.84	1.01
BHSE*	1,922	0.08	1.84	-0.51
KWSE*	8,053	-0.21	1.98	-0.62
Commodities				
BBG Commodity Index	101.9	-0.65	-0.23	-5.26
Brent USD/bbl	64.4	-0.72	-2.54	-15.26
WTI USD/bbl	61.2	-0.60	-1.72	-15.29
Gold USD/t oz	3,294.5	-0.62	0.19	12.31
Silver USD/t oz	33.1	-1.00	-1.56	1.10
Platinum USD/t oz	1,081.9	0.44	10.86	10.88
Aluminium	2,450.0	-0.62	0.47	-10.42
Copper USD/MT	9,493.0	-0.41	0.88	-0.23
Digital Assets				
Bitcoin	111,092.2	2.59	18.43	12.78
Ether	2,641.5	5.26	52.59	-1.37
Solana	178.5	5.19	20.57	5.16
XRP	2.4	1.59	10.94	-8.71
Volatility				
VIX	20.28	-2.83	-23.38	29.50
MOVE	99.47	-2.58	-8.14	15.31

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – May 23 2025. Performance in local currency terms.

# Daily Market View

Investment Strategy | May 23, 2025

## Prepared by the Investment Strategy Team

### Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 8126450

[mohammed.alhemeiri@adcb.com](mailto:mohammed.alhemeiri@adcb.com)

### Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0)2 8126449

[prerana.seth@adcb.com](mailto:prerana.seth@adcb.com)

### Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 8126457

[kishore.muktinutalapati@adcb.com](mailto:kishore.muktinutalapati@adcb.com)

Visit [Investment Strategy Webpage](#) to read our other reports

## Disclaimer

ADCB Asset Management Limited ("AAML"), is a member of ADCB Group, licensed by Financial Services Regulatory Authority in Abu Dhabi Global Markets under financial services permission number 170036.8

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige ADCB Group to enter into any transaction.

The content of this publication should not be considered as legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication. Investment products are not available to US persons.

Information and opinions contained herein is are based on various sources, including but not limited to public information, annual reports and statistical data that AAML considers accurate and reliable. However, AAML makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for customers who are either retail or professional investors.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. AAML expressly disclaims any obligation to update or revise any forward looking statement to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB Group does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication. Opinions expressed herein may differ from opinions expressed by other businesses or affiliates of ADCB Group.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB Group. They are subject to investment risk, including possible of loss of principal amount invested. This publication may not be reproduced or circulated without ADCB Group written authority. The manner of circulation and distribution may be restricted by law or regulation in certain jurisdictions. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorized use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.