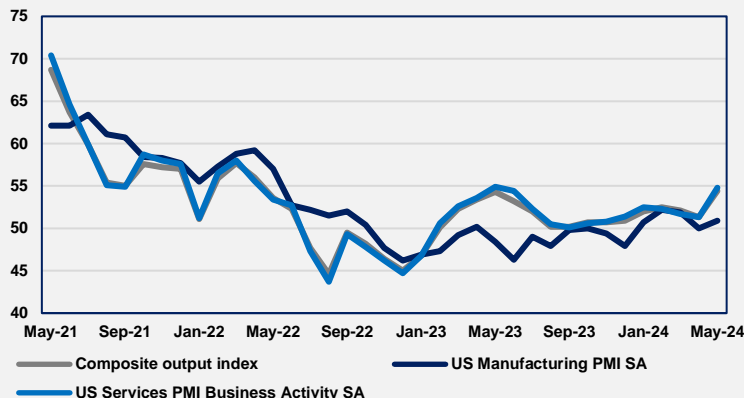


## May Flash PMI stronger than expected

- ▶ US Initial Jobless Claims released lower than expected.
- ▶ US, and Eurozone Manufacturing PMI's higher than estimates.
- ▶ Commodities retreated, yields higher.

Chart of the day: Composite PMI tops all economist estimates

US Business Activity expands most in two years



Source: Bloomberg

### Macroeconomic news

- ▶ US Preliminary Manufacturing PMI released at 50.9 in May, higher than expectations of 49.9 and prior figure of 50.0 in April. US Services PMI came in at 54.8, higher than estimates of 51.2.
- ▶ Eurozone May HCOB Flash Manufacturing PMI released at 47.4, above estimates of 46.1 and above April's figure of 45.7. Eurozone Services PMI came in at 52.3, slightly lower than estimates of 53.6.
- ▶ UK Preliminary Manufacturing PMI expanded in May with a PMI figure of 51.3 above expectations of 49.5 and higher than April's PMI of 49.1. Services PMI released at 52.9, lower than estimates of 54.7.
- ▶ US initial jobless claims for the week ended May 18 came in at 215,000, lower than expectations of 220,000 and last week's revised figures of 223,000.

### Rates and Fixed Income

- ▶ Global rates rose on Thursday amidst upbeat DM PMI data.
- ▶ Most major fixed income benchmarks fell. EM USD Sovereign underperformed the most.

### Currencies

- ▶ Broader USD index rose on Thursday.
- ▶ EUR, GBP and JPY weakened against the USD.

### Equities

- ▶ Global equities had mixed performances on Thursday. Hang Seng underperformed while the Nikkei 225 index outperformed.
- ▶ Regional equities declined with the exception of Bahrain.

### Commodities

- ▶ Broader commodity index declined on Thursday.
- ▶ Gold declined more than 2%, copper and oil prices also declined.

### Key events in the day ahead

- ▶ US University of Michigan Sentiment.
- ▶ US Durable Goods Orders

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.31	0.00	0.00	1.00
UAE Eibor 3m	5.40	6.22	27.74	8.10
UAE Eibor 12m	5.33	-12.83	-11.17	0.54
US 3m Bills	5.40	-0.34	-0.60	1.49
US 10yr Treasury	4.48	5.49	-16.50	15.80
German 10yr Bund	2.60	6.20	0.80	14.60
UK 10yr Gilt	4.26	2.70	-7.50	15.60

Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	456	-0.32	1.10	-0.28
Global Treasuries	193	-0.34	0.77	-1.04
Global Corporate	269	-0.32	1.66	0.74
EM USD Sovereign	384	-0.43	1.65	3.17
EM LCY Sovereign	145	-0.11	1.12	0.19
Global High Yield	1,563	-0.20	1.48	2.72

### Currencies

Dollar Index	105.11	0.17	-0.71	1.06
EUR USD	1.0815	-0.07	1.08	-0.04
GBP USD	1.2699	-0.14	1.89	0.48
USD JPY	156.93	0.08	1.02	4.41

### Equities

S&P 500	5,268	-0.74	3.87	5.74
Dow Jones	39,065	-1.53	1.57	1.17
NASDAQ	16,736	-0.39	6.51	7.41
STOXX 600	522	0.07	3.15	6.21
DAX	18,691	0.06	3.33	9.19
Nikkei 225	39,103	1.26	1.67	2.20
FTSE 100	8,339	-0.37	3.72	8.83
SENSEX	75,418	1.61	2.12	3.85
Hang Seng	18,869	-1.70	9.69	14.33
MSCI World	3,446	-0.55	3.71	5.32
MSCI EM	1,091	-0.36	5.48	6.93

### Regional Equities

ADX	8,890	-0.93	-1.72	-5.32
DFM	4,024	-0.84	-3.45	-5.44
Tadawul	11,996	-1.32	-2.91	-5.05
DSM	9,562	-1.50	-1.07	-7.75
MSM30	4,803	-0.09	2.03	4.87
BHSE	2,020	0.23	0.35	-1.44
KWSE	7,135	-0.11	1.04	-3.85

### Commodities

BBG Commodity Index	105.1	-1.21	2.37	8.88
Brent USD/bbl	81.4	-0.66	-7.57	-2.01
Gold USD/t oz	2,329.3	-2.08	0.57	14.97
Copper USD/MT	10,290	-1.50	6.41	21.46

### Volatility

VIX	12.77	3.91	-20.04	-16.75
MOVE	86.15	4.44	-21.83	-24.61

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 9AM UAE time - May 24, 2024. Performance in local currency terms.

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