

Daily Market View

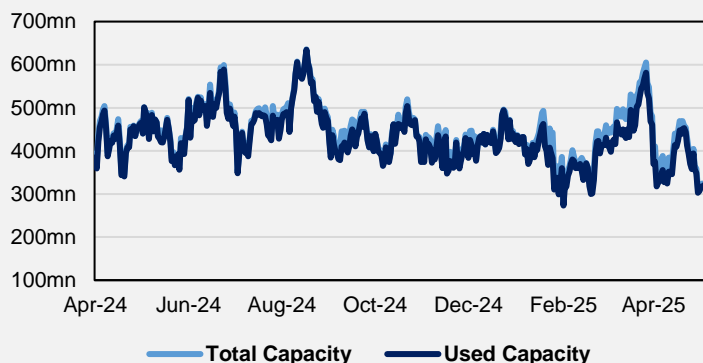
Investment Strategy | May 29, 2025

Global stocks edged lower on Wednesday.

- ▶ Fed meeting minutes reiterated Fed's cautious approach
- ▶ The USD index gained while USTs bonds fell
- ▶ Oil prices gained on OPEC+ status quo

Chart of the day: Container ships sailing from China to US

Over a rolling 15-day window



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The minutes from the US Federal Reserve's May 6-7 meeting revealed that officials are grappling with rising inflation and unemployment, alongside concerns about financial market volatility and recession risks. Policymakers acknowledged that bond market fluctuations warranted close monitoring, as they could pose risks to financial stability.
- ▶ Germany unemployment rate rose sharply in May, the number of unemployed increased by 34K in seasonally adjusted terms to 2.96mn, more than analysts' forecasts of an increase of 10K. The seasonally adjusted unemployment rate remained at 6.3%.
- ▶ France's GDP grew 0.1% QoQ in Q1'25, matching the preliminary estimates while expanded 0.6% YoY, lower than previous estimates.

Rates and Fixed Income

- ▶ 10Y UST yields ended higher despite healthy foreign demand on 5Y USTs auction. JGB bond yields rose after 40Y debt auction received weak demand.
- ▶ Fixed income indices declined, led by Global Treasuries.

Currencies

- ▶ The broader USD index edged higher on Wednesday.
- ▶ The EUR, GBP and JPY weakened against the USD.

Equities

- ▶ Global stock markets experienced declines, with major indices in the US, Europe, and Asia closing lower. The DJIA fell 0.58%, the S&P 500 fell 0.56% and the Nasdaq Composite fell 0.51%. Europe's STOXX 600 finished 0.61% lower. UK's FTSE fell 0.59%.
- ▶ GCC markets ended mixed. Saudi Arabia outperformed while Qatar underperformed the most.

Commodities

- ▶ Oil prices gained as OPEC+ did not change its output policy.
- ▶ Gold prices ended lower on strong USD.

Key events in the day ahead

- ▶ US GDP (1Q, second estimate)
- ▶ US Pending Home Sales (Apr)
- ▶ US Continuing Jobless Claims and Initial Jobless Claims
- ▶ Japan Tokyo CPI (May), Industrial Production (Apr), Retail Sales (Apr)
- ▶ Fed speak: Barkin, Goolsbee and Kugler
- ▶ BoE's Bailey speaks

Performance snapshot*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.31	0.00	-5.00	-2.00
UAE Eibor 3m	4.13	-0.33	-1.30	-5.01
UAE Eibor 12m	4.22	7.67	6.94	-13.45
US 3m Bills	4.33	2.63	4.61	4.61
US 10yr Treasury	4.48	3.37	30.57	18.28
German 10yr Bund	2.55	2.20	5.70	9.60
UK 10yr Gilt	4.73	6.10	24.70	21.80
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	486	-0.27	-0.80	2.60
Global Treasuries	205	-0.32	-1.01	2.94
Global Corporate	288	-0.24	-0.54	2.00
EM USD Sovereign	417	-0.03	0.30	0.40
EM LCY Sovereign	157	-0.08	1.50	3.47
Global High Yield	1,731	-0.06	1.09	1.95
Currencies				
Dollar Index	99.88	0.36	0.64	-6.05
EUR USD	1.1294	-0.34	-0.96	7.54
GBP USD	1.3475	-0.24	0.51	6.41
USD JPY	144.92	0.37	2.02	-2.79
Equities				
S&P 500	5,889	-0.56	5.89	-1.12
Dow Jones	42,099	-0.58	3.88	-3.49
NASDAQ	19,101	-0.51	9.39	0.39
STOXX 600	549	-0.61	4.54	-0.95
DAX	24,038	-0.78	7.19	7.26
Nikkei 225	37,722	0.00	5.25	-1.35
FTSE 100	8,726	-0.59	3.10	0.66
SENSEX	81,312	-0.29	1.28	8.99
Hang Seng	23,258	-0.53	5.68	0.97
MSCI World	3,846	-0.60	5.44	0.82
MSCI EM	1,164	-0.02	5.23	3.69
Regional Equities				
ADX	9,743	0.72	2.27	1.37
DFM	5,527	0.40	5.44	3.45
Tadawul*	11,053	1.17	-5.90	-10.15
DSM*	10,539	-1.02	2.07	-0.49
MSM30*	4,517	-0.27	5.11	2.43
BHSE*	1,921	-0.09	0.95	-1.70
KWSE*	8,119	0.61	2.54	0.22
Commodities				
BBG Commodity Index	101.1	-0.85	-1.28	-3.91
Brent USD/bbl	64.9	1.26	1.01	-11.12
WTI USD/bbl	61.8	1.56	2.35	-10.29
Gold USD/t oz	3,293.5	-0.13	-1.06	13.27
Silver USD/t oz	33.0	-0.84	0.15	3.92
Platinum USD/t oz	1,081.8	-0.27	10.23	11.31
Aluminium	2,465.4	-0.70	3.28	-6.76
Copper USD/MT	9,682.0	0.30	5.19	1.87
Digital Assets				
Bitcoin	107,335.7	-2.08	14.26	27.94
Ether	2,635.1	-1.28	53.46	17.67
Solana	170.7	-4.10	18.16	27.78
XRP	2.3	-3.33	4.38	3.83
Volatility				
VIX	19.31	1.85	-21.82	1.10
MOVE	93.20	-4.83	-17.14	-4.43

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – May 29, 2025. Performance in local currency terms.

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