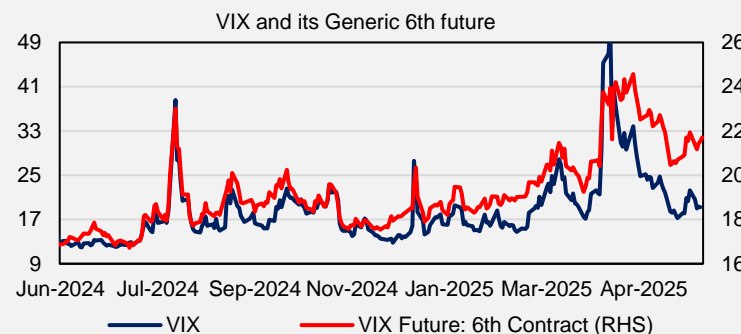


Stocks rose after the court blocked many of Trump's tariffs

- ▶ Second estimate of US GDP Q1'25 shrank less than estimated
- ▶ Tokyo prices rose most in two years
- ▶ All eyes of Fed's preferred inflation measure

Chart of the day: While the near-term volatility has subsided, the long-term volatility remains elevated



Source: Chicago Board Options Exchange Volatility Index, Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ US GDP shrank 0.2% QoQ last quarter, less than the initial estimated contraction of 0.3% QoQ but confirmed the first contraction in three years. US initial jobless claims for the (week ending May 24) rose by 14K to a seasonally adjusted 240K, exceeding expectations.
- ▶ Core inflation in Tokyo reached 3.6% YoY in May, a two-year high signalling persistent food price increases and putting pressure on the central bank to raise interest rates.
- ▶ Japan's industrial output in April fell 0.9% MoM, recording the first decline in three months, dragged down by a drop in manufacturing equipment for flat-panel displays.

Rates and Fixed Income

- ▶ 10Y UST and 30Y bond yields fell. Yields fell further after a 7Y bond auction saw solid demand.
- ▶ Fixed income indices rose, with the exception of EM LCY Sovereign.

Currencies

- ▶ The broader USD index edged lower on Thursday.
- ▶ The EUR, the GBP, and the JPY rose against the USD.

Equities

- ▶ Global stocks rose on Thursday amidst an ongoing court battle over President Trump's tariffs. MSCI's global stocks index increased 0.43%. On Wall Street, all three indexes ended higher with Nvidia gaining 3% after strong earnings. DJIA rose 0.28%, S&P 500 increased 0.40%, and Nasdaq Composite added 0.39%. Europe's STOXX 600 index finished down 0.19% despite earlier gains.
- ▶ GCC markets mostly fell, barring Oman which posted gains. Abu Dhabi and Bahrain ended flat.

Commodities

- ▶ Oil prices fell amid potential US sanctions on Russian crude flows.
- ▶ Gold prices rose due to weaker jobs data and a softer USD.

Key events in the day ahead

- ▶ US Core PCE Price Index (Apr) and US Personal Spending (Apr)
- ▶ US University of Michigan sentiment (May)
- ▶ German Retail Sales (Apr) and German CPI (May)
- ▶ China official PMI (May)

Performance snapshot*

Rates	Latest	1D (bp)	1M	3M(bp)
SOFR	4.33	0.00	-8.00	0.00
UAE Eibor 3m	4.16	3.19	-7.78	-3.71
UAE Eibor 12m	4.12	-9.82	-4.53	-28.57
US 3m Bills	4.34	0.99	5.13	4.09
US 10yr Treasury	4.42	-5.93	25.61	16.18
German 10yr Bund	2.51	-4.60	6.40	7.50
UK 10yr Gilt	4.65	-7.90	20.70	14.60
Fixed Income		1D (%)	1M	3M(%)
Global Agg. Index	487	0.33	-0.50	2.78
Global Treasuries	206	0.33	-0.74	3.13
Global Corporate	289	0.44	0.03	2.28
EM USD Sovereign	418	0.22	0.79	0.29
EM LCY Sovereign	157	-0.02	1.22	3.27
Global High Yield	1,735	0.23	1.63	2.00
Currencies				
Dollar Index	99.28	-0.60	-0.19	-6.71
EUR USD	1.1370	0.69	0.37	8.44
GBP USD	1.3492	0.17	1.22	6.44
USD JPY	144.21	-0.43	0.80	-3.28
Equities				
S&P 500	5,912	0.40	6.16	-0.74
Dow Jones	42,216	0.28	3.80	-2.80
NASDAQ	19,176	0.39	9.91	0.53
STOXX 600	548	-0.19	3.87	-2.11
DAX	23,933	-0.44	6.38	5.00
Nikkei 225	38,433	1.88	6.62	0.76
FTSE 100	8,716	-0.11	2.61	-0.17
SENSEX	81,633	0.39	1.73	9.42
Hang Seng	23,573	1.35	6.57	-0.90
MSCI World	3,862	0.43	5.66	1.08
MSCI EM	1,170	0.54	5.15	3.06
Regional Equities				
ADX	9,745	0.02	2.21	1.06
DFM	5,493	-0.61	3.50	2.63
Tadawul*	10,990	-0.56	-5.84	-10.16
DSM*	10,463	-0.72	0.03	-0.33
MSM30*	4,561	0.97	5.67	3.29
BHSE*	1,921	0.01	0.46	-1.93
KWSE*	8,112	-0.08	1.92	0.14
Commodities				
BBG Commodity Index	100.8	-0.22	-0.08	-3.62
Brent USD/bbl	64.2	-1.16	1.63	-11.55
WTI USD/bbl	60.9	-1.46	4.69	-11.19
Gold USD/t oz	3,317.9	0.93	0.89	13.77
Silver USD/t oz	33.3	1.02	2.15	4.59
Platinum USD/t oz	1,086.1	0.40	11.97	12.14
Aluminium	2,445.6	-0.80	1.70	-7.64
Copper USD/MT	9,641.5	-0.42	4.86	2.40
Digital Assets				
Bitcoin	106,179.2	-1.08	10.02	25.92
Ether	2,643.9	0.34	43.21	15.60
Solana	167.3	-2.04	10.01	20.47
XRP	2.3	0.86	0.18	1.35
Volatility				
VIX	19.18	-0.67	-22.03	-9.23
MOVE	92.67	-0.57	-13.66	-3.74

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 7AM UAE time – May 30, 2025. Performance in local currency terms.

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