

Yields jump on Powell's hawkish comments

- ▶ Fed Chair Jerome Powell delivers hawkish speech.
- ▶ US initial jobless claims fell 3,000 from a week prior.
- ▶ Equities were mixed, bond yields rose on Thursday.

Chart of the Day: 2024 Fed Cut Outlook.



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Federal Reserve Chair Jerome Powell delivered a speech that had a somewhat hawkish tone. Powell mentioned that despite being cautious of the risk of overtightening the Fed is not confident that monetary policy achieved a sufficient enough restrictive stance to bring inflation down to 2%.
- ▶ US initial jobless claims fell to a seasonally adjusted 217,000 falling 3,000 for the week ended Nov. 4 from an upwardly revised 220,000 the previous week.

Rates and Fixed Income

- ▶ Global rates rose with 10Y UST yields rising 13bp.
- ▶ Global aggregate bond indices declined on Thursday with the exception of EM LCY Sovereign which was relatively unchanged.

Currencies

- ▶ Broader USD index rose 0.30%
- ▶ GBP, EUR and JPY weakened against the USD on Thursday.

Equities

- ▶ Global equities were mixed as US stocks underperformed. European indices STOXX600, DAX and FTSE100 rose while the Nikkei 225 outperformed.
- ▶ Most regional stocks declined with the exception of Bahrain and Kuwait. Dubai and Saudi underperformed the most.

Commodities

- ▶ The BBG commodity index inched lower on Thursday.
- ▶ Oil and gold rose on Thursday. Copper declined due to uncertainty over the economic growth in China.

Key events in the day ahead

- ▶ University of Mich. Sentiment
- ▶ UK GDP
- ▶ UK Industrial & Manufacturing Production

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.32	0.00	1.00	2.00
UAE Eibor 3m	5.51	5.12	22.20	11.45
UAE Eibor 12m	5.63	-1.61	-1.79	8.15
US 3m Bills	5.42	0.18	-6.87	-0.87
US 10yr Treasury	4.62	13.16	6.59	61.60
German 10yr Bund	2.65	3.00	-7.10	15.00
UK 10yr Gilt	4.27	3.30	-5.50	-9.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	440	-0.34	0.51	-2.80
Global Treasuries	189	-0.25	0.43	-3.26
Global Corporate	252	-0.50	0.57	-2.16
EM USD Sovereign	346	-0.48	1.35	-3.28
EM LCY Sovereign	139	0.02	1.88	-1.15
Global High Yield	1,418	-0.22	1.52	-0.55
Currencies				
Dollar Index	105.91	0.30	0.09	3.34
EUR USD	1.0668	-0.38	0.45	-2.79
GBP USD	1.2223	-0.50	-0.73	-3.90
USD JPY	151.35	0.25	1.46	5.30
Equities				
S&P 500	4,347	-0.81	-0.68	-2.69
Dow Jones	33,892	-0.65	0.26	-3.51
NASDAQ	13,521	-0.94	-1.01	-1.34
STOXX 600	448	0.84	-1.18	-2.77
DAX	15,353	0.81	-0.70	-3.15
Nikkei 225	32,646	1.49	2.22	1.37
FTSE 100	7,456	0.73	-2.16	-1.73
SENSEX	64,832	-0.22	-2.47	-1.76
Hang Seng	17,511	-0.33	-2.13	-9.01
MSCI World	2,879	-0.33	-0.71	-3.27
MSCI EM	956	-0.17	-0.06	-5.17
Regional Equities				
ADX	9,529	-0.18	-1.23	-4.26
DFM	3,929	-0.90	-3.74	-3.47
Tadawul	10,841	-0.81	2.54	-3.95
DSM	9,977	-0.61	-0.46	-6.90
MSM30	4,539	-0.35	-5.01	-4.92
BHSE	1,932	0.33	-0.39	-2.17
KWSE	6,591	0.50	-0.03	-8.24
Commodities				
BBG Commodity Index	102.2	-0.18	-0.85	-4.11
Brent USD/bbl	80.0	0.59	-6.77	-8.61
Gold USD/t oz	1,958.6	0.43	4.49	2.30
Copper USD/MT	8,030.5	-0.71	1.10	-4.34
Volatility				
VIX	15.29	5.81	-4.97	-4.20
MOVE	117.05	-0.04	-7.97	4.00

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on November 10, 2023 unless stated otherwise. Performance in local currency terms.

Prepared by the Investment Strategy Team

Ahmed Al Falahi

Analyst

Tel: +971 (0)2 497 3934

ahmed.a5@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 696 2358

kishore.muktinutalapati@adcb.com

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 696 2236

mohammed.alhemeiri@adcb.com

Nura Al Suwaidi

Analyst

Tel: +971 (0)2 497 9520

nura.alsuwaidi@adcb.com

Prerana Seth

Fixed Income Strategist

Tel: +971 (0)2 696 2878

prerana.seth@adcb.com

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