

Market participants already pricing in rate cuts.

- ▶ US payrolls rose less than expected, much less than Sep. figures.
- ▶ RBA expected to raise rates, despite peers pausing.
- ▶ Global equities rallied led by Hang Seng.

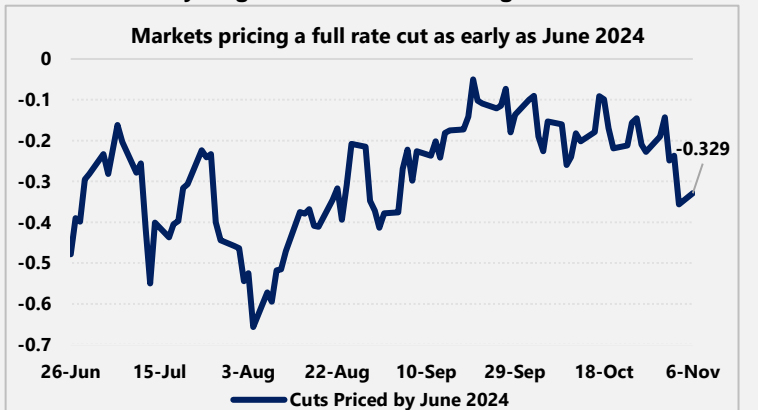
Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.33	0.00	1.00	3.00
UAE Eibor 3m	5.53	34.77	31.99	8.61
UAE Eibor 12m	5.69	-0.39	6.19	33.42
US 3m Bills	5.39	-3.37	-9.89	-0.58
US 10yr Treasury	4.57	-8.66	-14.61	39.73
German 10yr Bund	2.65	-7.20	-23.30	4.00
UK 10yr Gilt	4.29	-9.40	-25.40	-18.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	440	0.96	1.80	-1.91
Global Treasuries	189	1.01	1.63	-2.60
Global Corporate	253	0.86	2.12	-0.99
EM USD Sovereign	348	0.90	3.09	-1.94
EM LCY Sovereign	138	0.81	2.09	-1.80
Global High Yield	1,422	0.93	2.87	0.44
Currencies				
Dollar Index	105.02	-1.04	-1.23	2.42
EUR USD	1.0731	1.03	1.72	-1.99
GBP USD	1.2380	1.45	1.54	-2.59
USD JPY	149.39	-0.70	0.59	4.78
Equities				
S&P 500	4,358	0.94	2.35	-3.19
Dow Jones	34,061	0.66	2.84	-3.28
NASDAQ	13,478	1.38	1.96	-3.45
STOXX 600	444	0.17	0.66	-2.99
DAX	15,189	0.30	0.79	-4.43
Nikkei 225	31,950	0.00	2.81	-0.65
FTSE 100	7,418	-0.39	-0.45	-1.48
SENSEX	64,364	0.44	-1.93	-1.34
Hang Seng	17,664	2.52	2.62	-9.05
MSCI World	2,884	1.10	2.39	-3.56
MSCI EM	948	1.90	1.94	-6.65
Regional Equities				
ADX	9,510	0.25	-2.58	-2.79
DFM	3,930	0.42	-5.14	-3.00
Tadawul	10,939	0.79	0.82	-4.59
DSM	9,995	2.91	-3.48	-10.06
MSM30	4,524	0.70	-5.12	-6.08
BHSE	1,914	-0.18	-1.69	-3.26
KWSE	6,612	1.21	-3.78	-8.56
Commodities				
BBG Commodity Index	105.2	0.17	3.52	-0.30
Brent USD/bbl	84.9	-2.26	0.98	-0.29
Gold USD/t oz	1,992.7	0.35	9.47	3.03
Copper USD/MT	8,070.5	0.06	3.30	-4.74
Volatility				
VIX	14.91	-4.79	-19.36	-6.34
MOVE	118.74	0.08	-8.79	-4.70

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on November 6, 2023 unless stated otherwise. Performance in local currency terms.

Chart of the Day: Higher For Not Much Longer.



Macroeconomic news

- ▶ US nonfarm payrolls increased by 150,000 in October, lower than expected rise of 170,000 and much lower than the revised figure in September of a 297,000 gain. US unemployment rate rose to the highest level since January 2022 at 3.9%, amid a drop in household employment.
- ▶ A Reuters poll showed that the Australian central bank will raise its key policy rate by 25bp to 4.35% as inflation remains surprisingly resilient. The Reserve Bank of Australia kept the rate steady in its last four meetings.

Rates and Fixed Income

- ▶ Global rates fell as 10Y UK gilt yields leading the decline.
- ▶ Global aggregate bond index posted gains, led by US Treasuries.

Currencies

- ▶ Broader USD index declined 1%.
- ▶ GBP, EUR and JPY strengthened against the USD.

Equities

- ▶ Global equities rallied with the exception of FTSE100. Hang Seng outperformed followed by the NASDAQ. EM outperformed DM on Friday. VIX declined c5%.
- ▶ Most regional equities followed the global equity trend, also rising on Friday however Bahrain equities fell. Qatar rose c3%.

Commodities

- ▶ The BBG commodity index rose slightly however oil continued to fall.

Key events in the day ahead

- ▶ RBA Cash Rate Target
- ▶ HCOB France PMI
- ▶ Germany Factory Orders

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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