

US stocks get boost from falling bond yields

- ▶ US University of Michigan sentiment surprised on the upside.
- ▶ China CPI and PPI failed to meet expectations.
- ▶ German bond yields fell on German government collapse.

Chart of the day: Hong Kong stocks come under pressure.



Source: Bloomberg

Macroeconomic news

- ▶ University of Michigan consumer sentiment rose to a seven-month high in early November, with the expectations component climbing to the highest level in more than three years.
- ▶ China's headline CPI inflation rose 0.3% YoY slightly below expectations, while core CPI remained muted at 0.2% YoY. PPI fell 2.9% YoY more than the expected contraction.
- ▶ China exports grew much faster than expected at 12.7% YoY during October while imports fell short of expectations and contracted 2.3% YoY during October.
- ▶ China National Party Congress announced RMB10trn (USD1.4trn) in stimulus with the stimulus funded through additional bond borrowing over 3Y-5Y period.

Rates and Fixed Income

- ▶ Global rates fell on Friday. 10Y German Bund yields led the decline on collapse of German government.
- ▶ Fixed income indices rose with the exception of EM LCY Sovereign. EM USD Sovereign outperformed.

Currencies

- ▶ The USD index rose on strong consumer sentiment data.
- ▶ EURUSD fell on rising political uncertainty in Europe. GBPUSD also ended lower.
- ▶ The JPY rose against the USD, helped by declining UST yields.

Equities

- ▶ Global stock recorded marginal gains, helped by the strong performance of US stocks. European stocks fell with FTSE 100 underperforming the most. In the US, the DJIA outperformed. Hang Seng came under pressure as China policy stimulus disappointed.
- ▶ GCC equities mostly declined with the exception of KWSE, DSM and MSM30.

Commodities

- ▶ BBG commodity Index fell on Friday amidst broad USD strength.
- ▶ Oil prices declined over 2% as China's latest economic stimulus packages failed to impress some oil traders even though supply risks from Hurricane Rafael receded.
- ▶ Gold prices fell due to pressure from stronger dollar.
- ▶ Copper prices fell on disappointment over China stimulus.

Key events in the day ahead

- ▶ China Money Supply M0, M1 & M2.
- ▶ UN climate change conference, COP29 begins.

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	4.82	0.00	0.00	-52.00
UAE Eibor 3m	4.58	-0.60	-5.25	-50.48
UAE Eibor 12m	4.38	4.57	17.57	-24.67
US 3m Bills	4.52	-1.01	-11.63	-69.02
US 10yr Treasury	4.30	-2.14	24.35	31.66
German 10yr Bund	2.37	-7.80	11.10	9.90
UK 10yr Gilt	4.44	-6.30	22.50	45.70
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	472	0.05	-1.19	-0.34
Global Treasuries	199	0.10	-1.50	-1.03
Global Corporate	280	0.11	-0.61	1.21
EM USD Sovereign	408	0.43	0.21	3.66
EM LCY Sovereign	150	-0.04	-1.11	0.89
Global High Yield	1,668	0.12	0.71	4.27
Currencies				
Dollar Index	105.00	0.47	1.95	1.73
EUR USD	1.0718	-0.81	-1.98	-1.84
GBP USD	1.2921	-0.51	-1.06	1.36
USD JPY	152.64	-0.20	2.74	3.67
Equities				
S&P 500	5,996	0.38	3.73	12.71
Dow Jones	43,989	0.59	3.62	11.52
NASDAQ	19,287	0.09	5.50	15.77
STOXX 600	507	-0.65	-2.40	2.07
DAX	19,215	-0.76	0.02	8.68
Nikkei 225	39,500	0.30	0.30	13.41
FTSE 100	8,072	-0.84	-2.01	-0.89
SENSEX	79,486	-0.07	-2.60	0.76
Hang Seng	20,728	-1.07	-2.46	22.71
MSCI World	3,791	0.10	2.17	10.60
MSCI EM	1,136	-0.43	-1.84	8.54
Regional Equities				
ADX	9,449	-0.18	2.15	2.10
DFM	4,640	-0.09	4.56	10.58
Tadawul*	12,103	-0.23	1.14	3.97
DSM*	10,624	0.52	0.56	5.13
MSM30*	4,714	0.18	-0.95	1.31
BHSE*	2,027	-0.18	1.59	6.27
KWSE*	7,229	0.63	1.92	1.67
Commodities				
BBG Commodity Index	98.1	-1.19	-2.40	3.03
Brent USD/bbl	73.9	-2.33	-6.96	-6.68
Gold USD/t oz	2,684.8	-0.81	2.09	10.60
Copper USD/MT	9,323.0	-0.67	-1.94	7.79
Volatility				
VIX	14.94	-1.71	-28.62	-37.20
MOVE	99.85	-4.06	-14.34	-9.57

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – November 11th, 2024. Performance in local currency terms. *Sunday November 10th 2024 performance.

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