

Chinese stock market rally loses steam

- ▶ RBNZ cuts rates while the RBI left rates unchanged.
- ▶ German August industrial production surprised on the upside.
- ▶ Hang Seng plummeted more than 9% on Tuesday.

Chart of the day: Mean reversion in China.



Macroeconomic news

- ▶ Reserve Bank of New Zealand reduced policy rates by 50bp and signalled more easing.
- ▶ Germany industrial production surprised on the upside rising 2.9% MoM in August versus an expected 0.8% MoM compared to a downwardly revised figure of -2.9% MoM in July.
- ▶ Reserve Bank of India left their rates unchanged but changed stance to neutral.

Rates and Fixed Income

- ▶ Global rates declined led by 10Y UK Gilt yields.
- ▶ Fixed income indices fell with the exception of Global Corporate.

Currencies

- ▶ Broader USD index remained relatively unchanged on Tuesday.
- ▶ The EUR and JPY were almost flat against the USD, while the GBP strengthened against the USD.

Equities

- ▶ Global equities posted gains, helped by the rally in US stocks. Nasdaq outperformed while European stocks declined. Hang Seng fell as China's National Development and Reform Commission signalled no additional stimulus.
- ▶ Regional equities rose with the exception of BHSE.

Commodities

- ▶ BBG commodity index fell c2% on Tuesday.
- ▶ Oil prices declined on profit taking. Copper and Gold also declined.

Key events in the day ahead

- ▶ US MBA Mortgage Applications
- ▶ US FOMC Meeting Minutes
- ▶ Fed's Lorie Logan, Raphael Bostic, Austan Goolsbee and Mary Daly speak

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	4.83	0.00	-51.00	-49.00
UAE Eibor 3m	4.55	-2.75	-45.43	-74.53
UAE Eibor 12m	4.14	11.06	-10.93	-115.54
US 3m Bills	4.63	-1.98	-39.31	-74.54
US 10yr Treasury	4.01	-1.37	31.15	-26.64
German 10yr Bund	2.24	-1.30	7.50	-29.70
UK 10yr Gilt	4.18	-2.40	32.80	7.10
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	479	-0.06	-1.21	4.08
Global Treasuries	203	-0.08	-1.56	4.54
Global Corporate	283	0.04	-0.66	3.60
EM USD Sovereign	408	-0.02	0.66	4.71
EM LCY Sovereign	152	-0.48	0.39	4.76
Global High Yield	1,658	-0.04	1.17	4.80
Currencies				
Dollar Index	102.55	0.01	0.98	-2.33
EUR USD	1.0980	0.04	-0.50	1.44
GBP USD	1.3104	0.16	0.23	2.32
USD JPY	148.20	0.01	3.51	-7.85
Equities				
S&P 500	5,751	0.97	5.12	3.20
Dow Jones	42,080	0.30	3.06	6.95
NASDAQ	18,183	1.45	7.69	-1.20
STOXX 600	517	-0.55	1.16	0.04
DAX	19,066	-0.20	3.38	3.22
Nikkei 225	38,938	-1.00	7.52	-4.52
FTSE 100	8,191	-1.36	-0.97	-0.04
SENSEX	81,635	0.72	0.09	2.09
Hang Seng	20,927	-9.41	21.69	19.42
MSCI World	3,694	0.42	4.17	3.11
MSCI EM	1,156	-2.33	8.73	4.42
Regional Equities				
ADX	9,259	1.22	-1.03	1.37
DFM	4,429	0.77	1.60	8.50
Tadawul	12,027	0.95	0.54	2.64
DSM	10,512	0.58	2.90	3.50
MSM30	4,687	0.12	-1.23	0.00
BHSE	1,999	-0.11	3.16	-0.30
KWSE	7,036	0.73	-2.03	-0.24
Commodities				
BBG Commodity Index	100.1	-1.99	6.27	-1.19
Brent USD/bbl	77.2	-4.63	7.43	-9.99
Gold USD/t oz	2,621.8	-0.79	4.61	11.14
Copper USD/MT	9,619.0	-2.01	7.00	-1.93
Volatility				
VIX	21.42	-5.39	10.13	73.16
MOVE	123.77	-0.37	18.32	26.35

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 9AM UAE time – October 9th, 2024. Performance in local currency terms.

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