

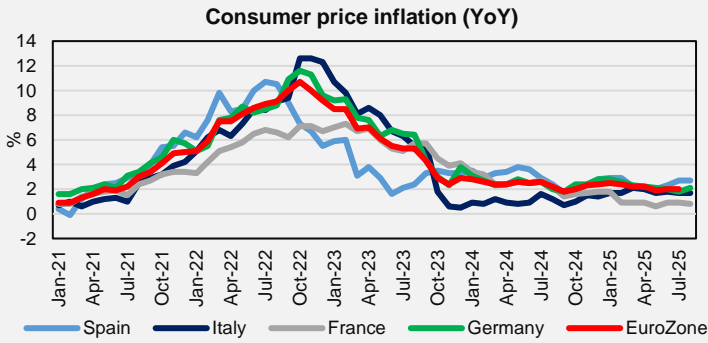
Daily Market View

Investment Strategy | September 1, 2025

Global stocks slipped on Tech selloff and oil weakness.

- ▶ **US core PCE Price index rose 2.9% YoY, as expected.**
- ▶ **German retail sales fell much more than expected in July.**
- ▶ **China's Purchasing Managers' Index rose slightly in August.**

Chart of the day: Eurozone CPI at ECB's target



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ German flash inflation estimates for August show headline inflation rising to 2.2% YoY from 2.0 YoY in July. Core inflation stayed at 2.7% YoY.
- ▶ German retail sales fell much more than expected in July, clouding the outlook for consumption in Q3. Retail sales fell 1.5% MoM in July while the consensus predicted a 0.4% MoM decrease.
- ▶ US core PCE Price index rose 2.9% YoY, following June's increase of 2.8%. The PCE Price index and the core PCE Price index rose 0.2% and 0.3%, respectively, on a monthly basis. In addition, Personal Income increased by 0.4% in July, while Personal Spending expanded by 0.5%.
- ▶ US University of Michigan showed a slight decline in the consumer confidence index in July., the index recorded a level of 58.2 points against expectations of 58.7 points, while the reading for June was 58.6 points.
- ▶ China's Purchasing Managers' Index (PMI) for the manufacturing sector in China recorded a slight increase of 0.1%, reaching 49.4 in August 2025. In contrast, the PMI for the non-manufacturing sector fell by 0.2% to 50.3 in August. A PMI reading above 50 indicates expansion, while a reading below 50 indicates contraction.

Rates and Fixed Income

- ▶ 10Y UST yields rose on weaker haven demand and on profit-taking.
- ▶ Fixed income indices ended mixed on Friday.

Currencies

- ▶ The USD fell on Fed rate cut expectations.
- ▶ The EUR, the GBP, and the JPY all declined against the USD.

Equities

- ▶ Global stock markets fell on Friday, led by the US tech losses and weaker oil, as investors turned cautious before key data and long weekend holiday.
- ▶ GCC markets fell on Friday/Sunday, Oman underperformed the most.

Commodities

- ▶ Oil prices fell on weak demand concerns and higher OPEC+ supply.
- ▶ Gold prices rose on Fed cut bets and a weaker USD.

Key events in the day ahead

- ▶ US Labor Day Holiday.
- ▶ UK S&P Global Manufacturing PMI (Aug) and UK Nationwide HPI (Aug).
- ▶ HCOB Eurozone Manufacturing PMI (Aug), HCOB Germany Manufacturing PMI, and HCOB France Manufacturing PMI (Aug).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.34	0.00	-2.00	1.00
UAE Eibor 3m	4.20	-0.29	-10.50	3.97
UAE Eibor 12m	4.09	-7.48	-9.35	-2.63
US 3m Bills	4.14	-3.29	-19.60	-19.81
US 10yr Treasury	4.23	2.51	-18.14	-18.96
German 10yr Bund	2.72	2.90	3.50	21.60
UK 10yr Gilt	4.72	2.30	7.50	7.40
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	497	0.04	0.93	1.98
Global Treasuries	208	0.05	0.73	1.24
Global Corporate	298	-0.07	1.12	3.23
EM USD Sovereign	437	-0.06	1.64	4.66
EM LCY Sovereign	160	-0.03	0.58	1.85
Global High Yield	1,809	0.07	1.29	4.30
Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	97.77	-0.04	-0.87	-1.52
EUR USD	1.1686	-0.03	0.75	2.77
GBP USD	1.3504	-0.13	0.93	0.08
USD JPY	147.05	0.14	-0.97	2.01
Equities		1D (%)	1M (%)	3M (%)
S&P 500	6,460	-0.64	1.10	9.27
Dow Jones	45,545	-0.20	1.58	7.89
NASDAQ	21,456	-1.15	1.31	11.89
STOXX 600	550	-0.64	0.25	0.41
DAX	23,902	-0.57	-0.28	-0.13
Nikkei 225	42,718	-0.26	4.20	11.15
FTSE 100	9,187	-0.32	1.17	5.40
SENSEX	79,810	-0.34	-1.34	-2.23
Hang Seng	25,078	0.32	-1.90	6.38
MSCI World	4,178	-0.53	1.42	8.17
MSCI EM	1,258	-0.22	0.24	7.54
Regional Equities		1D (%)	1M (%)	3M (%)
ADX	10,095	-0.24	-2.58	3.58
DFM	6,064	-0.34	-1.69	10.39
Tadawul*	10,697	-0.33	-2.14	-3.36
DSM*	11,222	-0.04	-1.24	5.03
MSM30*	5,030	-0.65	3.72	11.60
BHSE*	1,929	-0.02	-0.82	0.43
KWSE*	8,499	-0.19	-1.14	2.48
Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	102.8	0.81	-0.36	1.93
Brent USD/bbl	68.1	-0.73	-2.74	6.19
WTI USD/bbl	64.0	-0.91	-4.05	5.04
Gold USD/t oz	3,448.0	0.95	4.10	3.78
Silver USD/t oz	39.7	1.70	4.06	19.21
Platinum USD/t oz	1,370.9	0.54	-1.84	26.22
Aluminum	2,617.6	0.32	-0.57	7.03
Copper USD/MT	9,805.0	1.05	0.22	1.70
Digital Assets		1D (%)	1M (%)	3M (%)
Bitcoin	107,800	-3.68	-8.67	1.53
Ether	4,321.8	-3.07	14.07	63.46
Solana	201.1	-5.74	9.12	20.21
XRP	2.8	-5.56	-11.33	22.64
Volatility		1D (%)	1M (%)	3M (%)
VIX	15.36	6.44	2.20	-19.92
MOVE	79.39	2.37	-5.18	-14.33

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – September 01, 2025. Performance in local currency terms.

► Eurozone Unemployment Rate (Jul).

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