

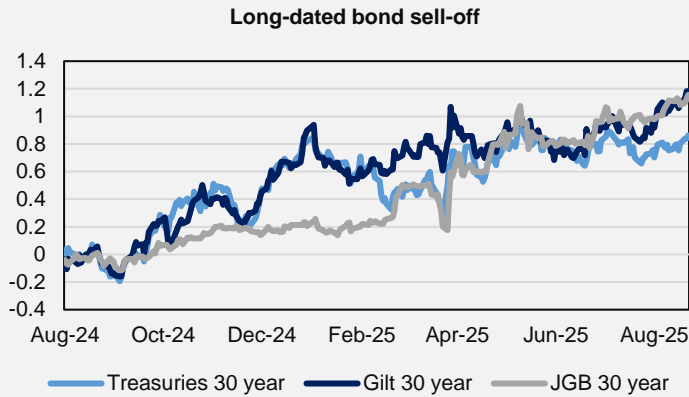
# Daily Market View

Investment Strategy | September 3, 2025

## US stocks fall as global bond sell-off deepened.

- ▶ **US ISM Manufacturing PMI improved to 48.7 in August.**
- ▶ **Eurozone inflation edged higher to 2.1% YoY in August.**
- ▶ **Japan's services PMI came in at 53.1, above the flash estimate.**

Chart of the day: Long-dated sovereign yields under pressure



Source: Bloomberg, and ADCB Asset Management

## Macroeconomic news

- ▶ The ISM Manufacturing PMI increased to 48.7 in August from 48.0 in July, though it fell short of market expectations of 49.0. The reading marked a sixth consecutive month of contraction, as declines in production and employment outweighed a rebound in new orders.
- ▶ The final US S&P Global Manufacturing PMI rose to 53.0 in August from 49.8 in July, the strongest expansion since mid-2022. The improvement was driven by stronger new orders and output, signaling renewed momentum in US manufacturing.
- ▶ Eurozone inflation edged up to 2.1% YoY in August from 2.0% in July. Services and food inflation remained elevated, while energy prices stayed negative, keeping headline inflation just above the ECB's 2% target.
- ▶ Japan's S&P Global services PMI stood at 53.1 in August, above the flash estimate of 52.7 but down from July's 53.6, signalling the fifth straight month of growth in the services sector, mainly supported by the fastest rise in new orders since February.

## Rates and Fixed Income

- ▶ 10Y UST yields rose on bond sell-off and fiscal concerns.
- ▶ Fixed income indices fell, led by Global Treasuries.

## Currencies

- ▶ The USD rose on Tuesday.
- ▶ The EUR, the GBP, and the JPY fell against the USD.

## Equities

- ▶ Global stock markets faced heightened volatility, with major indices declining as investors grew anxious about fiscal health worldwide.
- ▶ US stocks ended lower: the Dow Jones fell c0.6%, the S&P 500 dropped 0.7%, and the Nasdaq slid 0.8%.
- ▶ European equities were hit harder, as the STOXX 600 fell 1.5%, reflecting widespread concerns over government debt and economic policy shifts.
- ▶ GCC markets rose on Tuesday except for Saudi Arabia.

## Commodities

- ▶ Oil prices rose on supply concerns.
- ▶ Gold prices to record high on safe-haven demand.

## Key events in the day ahead

- ▶ HCOB Eurozone Services PMI (Aug).
- ▶ Eurozone PPI (Jul).

## Performance snapshot\*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.34	0.00	2.00	-1.00
UAE Eibor 3m	4.10	-10.72	-21.20	-8.35
UAE Eibor 12m	4.14	7.46	2.02	0.04
US 3m Bills	4.12	-2.12	-21.98	-21.20
US 10yr Treasury	4.26	3.30	-10.86	-17.85
German 10yr Bund	2.79	3.80	8.00	26.20
UK 10yr Gilt	4.80	5.00	19.70	13.30
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	494	-0.42	0.81	1.11
Global Treasuries	207	-0.46	0.61	0.21
Global Corporate	297	-0.42	0.90	2.54
EM USD Sovereign	436	-0.42	0.98	4.28
EM LCY Sovereign	159	-0.23	0.67	1.59
Global High Yield	1,804	-0.34	1.20	3.80
Currencies				
Dollar Index	98.40	0.64	-1.42	-0.31
EUR USD	1.1644	-0.52	1.48	1.97
GBP USD	1.3393	-1.10	0.84	-0.96
USD JPY	148.30	0.72	-0.42	3.76
Equities				
S&P 500	6,416	-0.69	0.83	8.08
Dow Jones	45,296	-0.55	1.88	7.07
NASDAQ	21,280	-0.82	0.71	10.59
STOXX 600	543	-1.50	-1.28	-0.87
DAX	23,487	-2.29	-3.19	-1.85
Nikkei 225	42,310	0.29	4.07	12.92
FTSE 100	9,117	-0.87	-0.22	3.90
SENSEX	80,158	-0.26	-1.62	-1.49
Hang Seng	25,497	-0.47	1.27	10.10
MSCI World	4,143	-0.81	1.17	6.75
MSCI EM	1,265	-0.09	1.04	9.68
Regional Equities				
ADX	10,034	0.24	-3.08	4.01
DFM	6,011	0.70	-3.18	9.59
Tadawul*	10,667	-0.03	-2.40	-3.62
DSM*	11,184	0.07	-1.59	4.67
MSM30*	5,120	0.35	5.57	13.60
BHSE*	1,936	0.06	-0.49	0.77
KWSE*	8,542	0.37	-0.64	3.00
Commodities				
BBG Commodity Index	103.6	0.84	0.39	1.59
Brent USD/bbl	69.1	1.45	-5.60	6.98
WTI USD/bbl	65.6	2.47	-6.30	4.91
Gold USD/t oz	3,527.9	1.45	6.97	4.62
Silver USD/t oz	40.9	0.46	10.10	17.61
Platinum USD/t oz	1,411.1	0.30	7.47	32.08
Aluminum	2,623.2	0.33	0.91	6.63
Copper USD/MT	9,773.5	-0.32	0.76	1.23
Digital Assets				
Bitcoin	111,424	2.34	-4.88	6.19
Ether	4,314.1	0.57	14.45	69.79
Solana	206.8	4.56	17.39	33.96
XRP	2.8	2.94	-8.03	30.63
Volatility				
VIX	17.17	6.51	10.92	-6.48
MOVE	85.28	7.42	4.15	-10.94

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – September 03, 2025. Performance in local currency terms.

- ▶ US Factory Orders (Jul) and JOLTS Job Openings (Jul).
- ▶ Fed issues Beige Book.

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