

Daily Market View

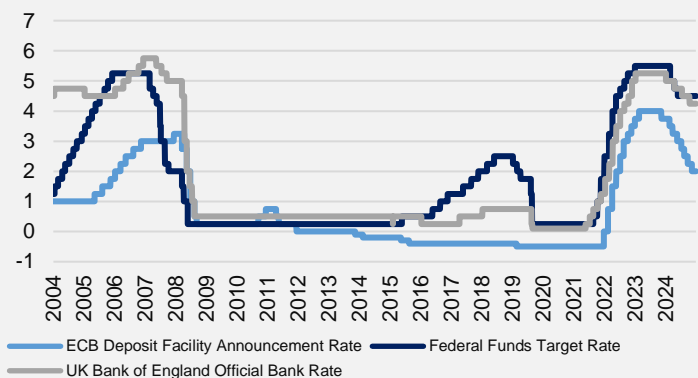
Investment Strategy | September 11, 2025

Global stocks rise further on falling inflation and AI optimism

- ▶ **US Producer price index unexpectedly fell in August.**
- ▶ **Crude oil higher as tighter Russian sanctions eyed.**
- ▶ **Federal budget deficit totalled USD2.0trn in the first 11 months of FY'25.**

Chart of the day: ECB pausing after aggressive easing

Seven-straight cuts leave key rate well below Fed, BoE



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ US Producer inflation declined to 2.6% YoY in August from 3.3% in July, the US Bureau of Labor Statistics (BLS) said. This reading came in below the market expectation of 3.3%. On a monthly basis, the PPI declined by 0.1% following the 0.7% increase in July.
- ▶ In the US, the federal budget deficit totalled USD2.0trn in the first 11 months of fiscal year 2025 (Oct-Sep), the Congressional Budget Office estimates. That amount is USD92bn more than the deficit recorded during the same period last fiscal year. Revenues increased by USD299bn (or 7%), and outlays rose by USD391bn (or 6%).

Rates and Fixed Income

- ▶ 10Y UST yields fell on Wednesday.
- ▶ Fixed income indices rose, with the exception of EM LCY Sovereign.

Currencies

- ▶ The USD dollar showed little direction after the inflation report.
- ▶ The EUR fell against the USD while the GBP ended flat.

Equities

- ▶ MSCI's global stock index and Wall Street's S&P 500 and Nasdaq indexes reached record highs.
- ▶ European markets were mixed, with the STOXX 600 slightly down.
- ▶ GCC stock markets fell on Wednesday, barring Oman and Kuwait.

Commodities

- ▶ Oil prices rose over 1 USD/bbl as Poland and NATO responded to Russian drone activity and the US considered new sanctions on Russian oil.
- ▶ Gold prices edged lower on Wednesday ahead of CPI data.

Key events in the day ahead

- ▶ ECB Interest Rate Decision (Sep).
- ▶ US CPI and Core CPI (Aug).
- ▶ US Initial Jobless Claims and Continuing Jobless Claims.

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.40	0.00	5.00	12.00
UAE Eibor 3m	3.96	-17.00	-23.50	-18.96
UAE Eibor 12m	3.90	-6.07	-29.80	-27.29
US 3m Bills	4.03	1.25	-20.65	-30.59
US 10yr Treasury	4.05	-4.21	-20.46	-42.44
German 10yr Bund	2.65	-0.70	2.20	12.90
UK 10yr Gilt	4.63	1.00	8.60	9.10
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	501	0.08	1.03	2.39
Global Treasuries	210	0.04	0.70	1.54
Global Corporate	302	0.18	1.53	3.94
EM USD Sovereign	442	0.42	1.58	4.96
EM LCY Sovereign	160	-0.05	0.52	1.70
Global High Yield	1,818	0.19	1.42	4.11
Currencies				
Dollar Index	97.78	-0.01	-0.63	-1.33
EUR USD	1.1706	-0.11	0.58	2.47
GBP USD	1.3536	0.01	0.79	0.27
USD JPY	147.38	0.07	0.01	1.66
Equities				
S&P 500	6,532	0.30	3.03	8.17
Dow Jones	45,491	-0.48	3.46	6.12
NASDAQ	21,886	0.03	3.03	11.01
STOXX 600	552	-0.02	1.14	-0.15
DAX	23,633	-0.36	-2.31	-1.48
Nikkei 225	43,838	0.87	6.77	14.72
FTSE 100	9,225	-0.19	1.37	4.21
SENSEX	81,425	0.40	0.99	-1.17
Hang Seng	26,200	1.01	4.46	8.43
MSCI World	4,224	0.25	3.06	7.34
MSCI EM	1,307	0.93	3.73	8.85
Regional Equities				
ADX	9,927	-0.27	-3.78	1.34
DFM	5,923	-0.59	-3.43	5.77
Tadawul*	10,498	-0.30	-3.66	-7.23
DSM*	11,077	-0.27	-4.41	3.02
MSM30*	5,089	0.32	3.41	11.48
BHSE*	1,942	-0.22	0.40	-0.23
KWSE*	8,727	0.17	0.36	3.36
Commodities				
BBG Commodity Index	103.3	0.21	2.50	0.48
Brent USD/bbl	67.5	1.66	1.60	0.93
WTI USD/bbl	63.7	1.66	-0.33	-2.02
Gold USD/t oz	3,642.9	-0.06	7.50	9.68
Silver USD/t oz	41.2	0.73	7.59	12.69
Platinum USD/t oz	1,393.8	1.39	3.98	14.27
Aluminum	2,628.0	0.15	0.75	5.35
Copper USD/MT	9,847.0	0.25	2.18	-0.07
Digital Assets				
Bitcoin	113,618	1.88	-3.09	3.31
Ether	4,331.0	0.63	11.74	56.12
Solana	222.6	2.91	28.67	34.49
XRP	3.0	0.69	-4.38	29.43
Volatility				
VIX	15.35	2.06	-7.36	-9.44
MOVE	79.58	-3.19	-0.71	-12.76

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – September 11, 2025. Performance in local currency terms.

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