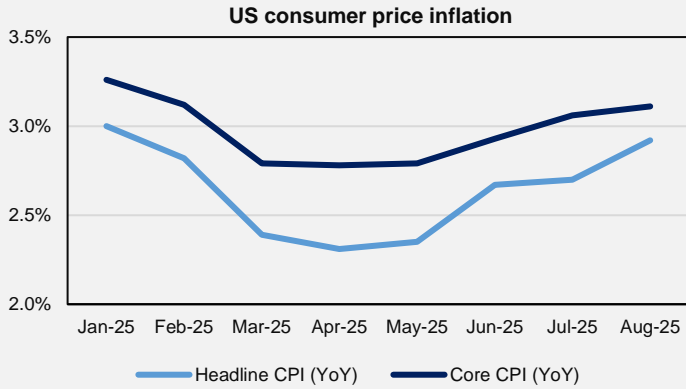


The ECB has maintained its benchmark interest rate at 2%.

- ▶ US CPI rose 0.4% MoM and core CPI rose by 0.3% MoM.
- ▶ Global stock markets rose after US inflation data.
- ▶ Oil and gold prices fell, while copper prices rose on Thursday.

Chart of the day: Both US CPI metrics firmly above Fed's 2% target



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The European Central Bank has maintained its benchmark interest rate at 2% for the second consecutive meeting as policymakers evaluate the consequences of the trade agreement between the EU and the US.
- ▶ US CPI rose 0.4% MoM in August, surpassing forecasts and July's pace, mainly due to shelter and rising grocery costs. Annual inflation reached 2.9% – rising for a fourth month. Core CPI increased by 0.3% MoM, with airfares, clothing, and vehicle prices up, while medical care and recreation fell; the annual core rate stayed at 3.1%.
- ▶ During the week ending September 6, the advance figure for seasonally adjusted initial claims was 263k, an increase of 27k from the previous week's revised level. This is the highest level for initial claims since October 23, 2021, when it was 268k.

Rates and Fixed Income

- ▶ 10Y UST yields fell due to increasing expectations for rate cuts.
- ▶ Fixed income indices rose, led by EM USD Sovereign.

Currencies

- ▶ The USD declined amid anticipation of further rate cuts.
- ▶ The EUR, the GBP, and the JPY all rose against the USD.

Equities

- ▶ Major US stock indexes recorded record closing levels; the Dow Jones Industrial Average gained 1.36%, the S&P 500 increased by 0.85%, and the Nasdaq Composite rose 0.72%.
- ▶ The Pan-European STOXX 600 index finished up 0.6%.

Commodities

- ▶ Oil prices dropped by more than 1%, ending a three-day rise, as concerns over reduced US demand and global oversupply outweighed issues related to production disruptions in the Middle East and the ongoing conflict in Ukraine.
- ▶ Gold prices fell slightly after reaching record highs earlier this week. More cyclical metals like silver, copper and aluminium prices rose sharply.

Key events in the day ahead

- ▶ German inflation (Aug).
- ▶ India inflation (Aug).
- ▶ US UoM Sentiment (Sep, prelim).
- ▶ UK GDP, Manufacturing production and Industrial production (Jul).

Performance snapshot*

Rates	Latest	1D (bp)	1M(bp)	3M(bp)
SOFR	4.39	0.00	4.00	11.00
UAE Eibor 3m	4.05	9.14	-13.48	-20.12
UAE Eibor 12m	3.92	1.96	-20.55	-26.66
US 3m Bills	4.02	-0.82	-21.58	-33.17
US 10yr Treasury	4.02	-2.48	-26.23	-39.97
German 10yr Bund	2.66	0.50	-3.30	12.20
UK 10yr Gilt	4.61	-2.70	0.50	5.40
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	501	0.12	1.26	2.25
Global Treasuries	210	0.10	0.92	1.42
Global Corporate	302	0.18	1.82	3.78
EM USD Sovereign	444	0.38	1.97	5.04
EM LCY Sovereign	160	0.04	0.55	1.70
Global High Yield	1,822	0.21	1.56	4.06
Currencies				
Dollar Index	97.53	-0.25	-0.66	-1.12
EUR USD	1.1737	0.26	0.82	2.15
GBP USD	1.3578	0.31	0.94	0.21
USD JPY	147.06	-0.22	-0.46	1.69
Equities				
S&P 500	6,587	0.85	3.10	9.39
Dow Jones	46,108	1.36	4.37	7.56
NASDAQ	22,043	0.72	2.76	12.37
STOXX 600	555	0.55	1.51	0.67
DAX	23,704	0.30	-1.90	-1.02
Nikkei 225	44,373	1.22	6.10	15.49
FTSE 100	9,298	0.78	2.22	4.89
SENSEX	81,549	0.15	2.12	-1.17
Hang Seng	26,086	-0.43	4.94	7.06
MSCI World	4,255	0.75	3.15	8.29
MSCI EM	1,310	0.20	4.49	8.36
Regional Equities				
ADX	9,960	0.33	-3.41	1.58
DFM	5,957	0.58	-3.12	6.46
Tadawul*	10,453	-0.43	-3.97	-7.87
DSM*	11,093	0.14	-3.67	2.70
MSM30*	5,082	-0.14	3.08	11.00
BHSE*	1,943	0.05	0.51	-0.18
KWSE*	8,717	-0.12	0.49	2.68
Commodities				
BBG Commodity Index	103.1	-0.15	2.29	-0.08
Brent USD/bbl	66.4	-1.66	-0.33	-4.87
WTI USD/bbl	62.4	-2.04	-2.36	-8.48
Gold USD/t oz	3,636.2	-0.18	7.02	9.19
Silver USD/t oz	41.6	0.94	8.38	14.63
Platinum USD/t oz	1,384.1	-0.69	3.96	9.88
Aluminum	2,684.4	2.14	2.98	6.46
Copper USD/MT	9,926.0	0.80	3.11	2.01
Digital Assets				
Bitcoin	114,428	0.71	-2.13	5.04
Ether	4,417.3	1.99	8.84	56.86
Solana	225.6	1.33	26.53	38.24
XRP	3.0	1.25	-9.07	31.25
Volatility				
VIX	14.71	-4.17	-2.90	-14.77
MOVE	75.07	-5.67	-5.21	-15.99

Source: Bloomberg, and ADCB Asset Management

Notes: Data as at 8AM UAE time – September 12, 2025. Performance in local currency terms.

Prepared by the Investment Strategy Team

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 8126450

mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 8126457

kishore.muktinutalapati@adcb.com

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