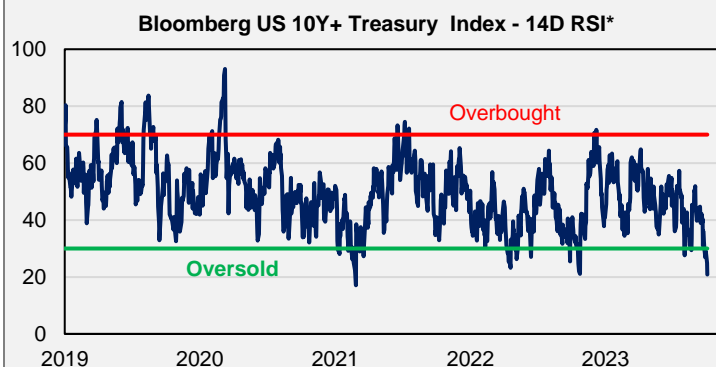


Is good the new bad?

- ▶ Strong job openings data in the US ...
- ▶ ... led to further rise in bond yields and stronger USD ...
- ▶ ... causing another day of risk-off.

Chart of the Day: Long-term US Treasuries look technically oversold



Source: Bloomberg, and ADCB Asset Management | Notes: *The relative strength index (RSI) is a momentum indicator used in technical analysis. RSI measures the speed and magnitude of a security's recent price changes to evaluate overvalued or undervalued conditions in the price of that security.

Macroeconomic news

- ▶ In an unprecedented development, Kevin McCarthy has been ousted as the Speaker of the US House of Representatives bringing back risks of a policy limbo.
- ▶ JOLTs job openings for August came in at 9.6m better than expected by consensus (8.8m) but also unexpectedly rose from 8.9m in July.

Rates and Fixed Income

- ▶ Sovereign bond yields rose further from their multi-year highs. 10Y UST yields rose sharply to the highest level since August 2007 on strong job market data.
- ▶ EM local currency sovereigns posted losses but managed to outperform other fixed income asset classes.

Currencies

- ▶ Broader USD edged higher from its 11-month highs.
- ▶ The yen strengthened from the weakest level in a year versus the dollar on rising speculation of an intervention by Japanese officials to stem the currency slide.

Equities

- ▶ Equities came under pressure in response to the rapid rise in rates. Indian equity market proved relatively more defensive to the rising US rates and stronger USD.
- ▶ VIX, a measure of implied volatility in equities moved closer to the 'psychologically important' 20 level, and to its highest level since May.

Commodities

- ▶ Gold prices declined further from their 7-month lows, but the pace of declines slowed.
- ▶ Oil prices rebounded from their 3-week low despite the stronger USD.

Key events in the day ahead

- ▶ Services/Non-manufacturing PMIs
- ▶ ECB President Lagarde Speaks
- ▶ OPEC Meeting

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.32	0.00	1.00	26.00
UAE Eibor 3m	5.41	23.06	4.70	26.06
UAE Eibor 12m	5.58	23.21	0.85	7.58
US 3m Bills	5.48	2.25	6.93	20.12
US 10yr Treasury	4.80	11.70	61.67	94.10
German 10yr Bund	2.97	4.60	38.90	53.10
UK 10yr Gilt	4.60	3.30	13.40	15.70
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	430	-0.52	-3.57	-4.74
Global Treasuries	185	-0.36	-3.59	-5.17
Global Corporate	247	-0.72	-3.53	-4.09
EM USD Sovereign	338	-1.08	-4.83	-4.91
EM LCY Sovereign	136	-0.30	-2.55	-2.80
Global High Yield	1,382	-0.80	-2.86	-1.62
Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	107.00	0.09	2.65	3.90
EUR USD	1.0467	-0.10	-3.05	-4.08
GBP USD	1.2077	-0.08	-4.34	-4.85
USD JPY	149.02	-0.56	1.74	3.00
Equities		1D (%)	1M (%)	3M (%)
S&P 500	4,229	-1.37	-6.34	-5.08
Dow Jones	33,002	-1.29	-5.27	-4.11
NASDAQ	13,059	-1.87	-6.93	-5.48
STOXX 600	441	-1.10	-3.77	-4.40
DAX	15,085	-1.06	-4.67	-6.19
Nikkei 225	31,238	-1.64	-5.16	-7.45
FTSE 100	7,470	-0.54	0.23	-0.76
SENSEX	65,512	-0.48	-0.18	0.47
Hang Seng	17,331	-2.69	-8.03	-10.23
MSCI World	2,800	-1.38	-6.37	-5.80
MSCI EM	939	-1.30	-5.66	-6.56
Regional Equities		1D (%)	1M (%)	3M (%)
ADX	9,839	0.53	0.93	2.90
DFM	4,202	0.45	3.27	8.34
Tadawul	10,952	-0.49	-4.19	-5.13
DSM	10,273	0.16	1.40	0.91
MSM30	4,740	0.09	-0.38	-1.09
BHSE	1,935	0.09	-1.37	-1.10
KWSE	6,859	0.06	-1.22	-3.02
Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	103.5	-0.28	-3.06	2.18
Brent USD/bbl	90.9	0.23	2.16	21.80
Gold USD/t oz	1,823.0	-0.27	-6.16	-5.13
Copper USD/MT	7,960.0	-1.73	-5.31	-4.73
Volatility		1D (%)	1M (%)	3M (%)
VIX	19.78	12.32	43.13	45.76
MOVE	141.67	11.04	37.65	27.90

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on October 04, 2023 unless stated otherwise. Performance in local currency terms.

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