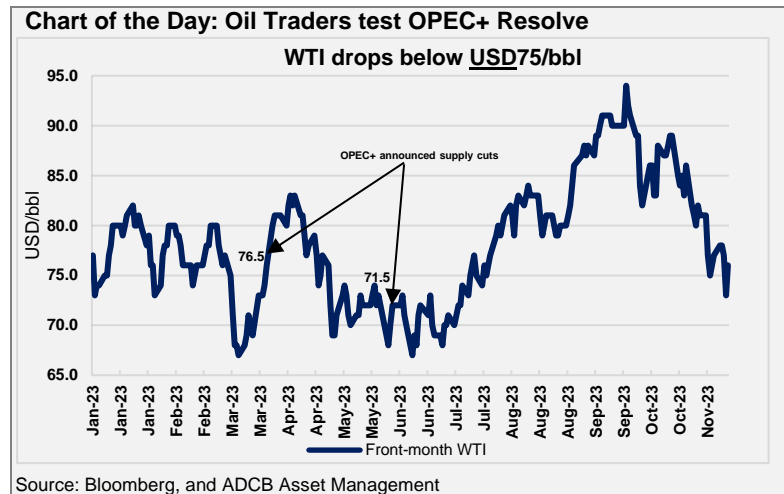


## UST yields jump on unwinding dovish Fed bets

- ▶ Survey showed US consumer inflation expectations jumped.
- ▶ Global rates rally, global equities posted marginal gains.
- ▶ Oil prices fell while the USD strengthened on Wednesday.



### Macroeconomic news

- ▶ US consumers raised their inflation expectations for the second consecutive month, in November, as reported by a university of Michigan survey. Consumers predict a 4.5% inflation rate over the next year, increasing from 4.2% in October. For a five-year outlook, the anticipated average inflation rate has risen to 3.2%.
- ▶ UK Chancellor Jeremy Hunt announced tax cuts worth over GBP9bn, reducing National Insurance from 12% to 10% for 27mn workers from January 2024. The plan is expected to bring an additional 28,000 people into work.
- ▶ US initial unemployment claims fell to 209,000, a notable decrease from the previous week's three-month high and lower than economists' prediction of 226,000.

### Rates and Fixed Income

- ▶ Global rates rose, with exception of German 10yr Bund yields.
- ▶ Global fixed income mostly declined barring EM USD Sovereign and Global High Yield posted marginal gains.

### Currencies

- ▶ Broader USD index strengthened.
- ▶ EUR, GBP and JPY weakened against the USD.

### Equities

- ▶ Global equities mostly posted gains. MSCI EM underperformed the most. Dow Jones outperformed the most.
- ▶ Regional stocks came in mixed, ADX, DSM and Tadawul declined. DFM outperformed.

### Commodities

- ▶ The BBG commodity index posted losses on Wednesday.
- ▶ Gold and copper prices decreased on Wednesday.
- ▶ Oil prices dropped on reports that the OPEC+ meeting could be postponed.

### Key events in the day ahead

- ▶ Eurozone & UK PMI
- ▶ ECB Minutes

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.31	0.00	1.00	1.00
UAE Eibor 3m	5.49	-3.39	-1.37	10.29
UAE Eibor 12m	5.51	-4.31	-17.36	-8.92
US 3m Bills	5.41	2.44	-1.47	-0.68
US 10yr Treasury	4.40	1.16	-41.87	8.01
German 10yr Bund	2.56	-0.60	-26.80	-8.50
UK 10yr Gilt	4.16	5.00	-38.40	-49.00
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	448	-0.41	3.67	1.00
Global Treasuries	192	-0.61	3.50	0.49
Global Corporate	258	-0.08	4.16	2.00
EM USD Sovereign	356	0.25	5.44	1.91
EM LCY Sovereign	142	-0.46	4.50	1.95
Global High Yield	1,446	0.08	4.34	2.66
Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	103.92	0.34	-2.21	0.34
EUR USD	1.0888	-0.21	2.81	0.39
GBP USD	1.2494	-0.36	2.75	-1.87
USD JPY	149.54	0.77	-0.25	2.50
Equities		1D (%)	1M (%)	3M (%)
S&P 500	4,557	0.41	7.27	3.85
Dow Jones	35,273	0.53	6.43	2.87
NASDAQ	14,266	0.46	8.57	5.63
STOXX 600	457	0.30	5.09	1.23
DAX	15,958	0.36	7.24	1.61
Nikkei 225	33,452	0.29	7.69	5.01
FTSE 100	7,470	-0.17	1.08	2.73
SENSEX	66,023	0.14	2.25	1.23
Hang Seng	17,735	0.00	4.37	-0.32
MSCI World	3,005	0.16	7.24	3.29
MSCI EM	984	-0.49	6.85	1.75
Regional Equities		1D (%)	1M (%)	3M (%)
ADX	9,533	-0.09	2.81	-2.39
DFM	3,997	0.30	6.83	-1.76
Tadawul	11,100	-0.26	6.94	-2.44
DSM	10,223	-0.03	7.62	-2.22
MSM30	4,621	0.00	-0.08	-3.18
BHSE	1,948	0.10	0.40	-0.85
KWSE	6,660	0.14	0.64	-5.01
Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	102.2	-0.73	-2.29	-1.69
Brent USD/bbl	82.0	-0.59	-6.94	-2.46
Gold USD/t oz	1,990.2	-0.41	0.97	4.88
Copper USD/MT	8,296.0	-0.34	5.01	-0.55
Volatility		1D (%)	1M (%)	3M (%)
VIX	12.85	-3.75	-32.26	-24.28
MOVE	111.57	-1.08	-12.92	-11.91

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 8AM GST on November 23, 2023 unless stated otherwise. Performance in local currency terms.

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