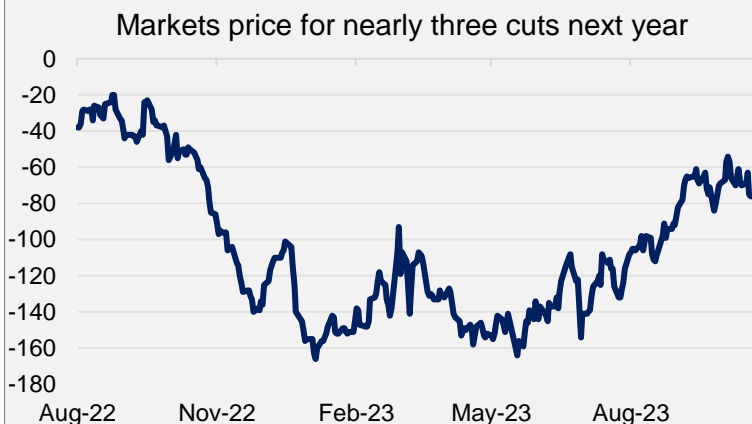


Don't let a bad Apple spoil the rest

- ▶ Bank of England keeps interest rates unchanged.
- ▶ DM bond yields declined led by 10Y UK Gilt.
- ▶ Global equities rallied.

Chart of the Day: 2024 Fed Cut Outlook



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ The Bank of England has kept its main interest rate unchanged at 5.25% but mentioned that it would most likely keep monetary policy tight for some time.
- ▶ In the US, unit labor costs, which compare hourly compensation with productivity, unexpectedly decreased by 0.8% during the July-September period, contrary to economists' expectations of a 0.7% increase. Over the past year, US labor costs have risen by 1.9%.

Rates and Fixed Income

- ▶ Global rates mostly declined with UK 10yr Gilt declining the most.
- ▶ Global fixed income posted gains, led by EM USD sovereigns and Global high yield.

Currencies

- ▶ Broader USD index declined -0.71%.
- ▶ GBP, EUR and JPY strengthened against USD.

Equities

- ▶ Global equities rose. S&P 500 increased the most by 1.89%.
- ▶ Most regional equities rose across the board, except for MSM30 and BHSE

Commodities

- ▶ All commodities rose led by Brent USD/bbl rose 2.62%

Key events in the day ahead

- ▶ US labour market data
- ▶ US ISM services

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.32	0.00	0.00	2.00
UAE Eibor 3m	5.18	-38.81	-5.48	3.43
UAE Eibor 12m	5.69	7.27	20.56	12.73
US 3m Bills	5.43	-2.43	-6.87	5.05
US 10yr Treasury	4.66	-7.51	-7.39	58.15
German 10yr Bund	2.72	-4.70	-20.20	18.20
UK 10yr Gilt	4.38	-11.70	-19.70	-2.10
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	436	0.76	1.09	-3.20
Global Treasuries	187	0.77	0.93	-3.82
Global Corporate	251	0.90	1.43	-2.34
EM USD Sovereign	345	1.32	2.24	-3.45
EM LCY Sovereign	137	0.71	1.35	-3.05
Global High Yield	1,409	1.18	2.03	-0.72
Currencies				
Dollar Index	106.12	-0.71	-0.63	3.44
EUR USD	1.0622	0.49	1.12	-2.89
GBP USD	1.2203	0.42	0.56	-4.00
USD JPY	150.45	-0.33	0.89	4.97
Equities				
S&P 500	4,318	1.89	1.27	-4.33
Dow Jones	33,839	1.70	2.14	-4.09
NASDAQ	13,294	1.78	0.44	-4.86
STOXX 600	443	1.58	0.77	-3.77
DAX	15,144	1.48	0.29	-5.47
Nikkei 225	31,950	1.10	4.66	-2.32
FTSE 100	7,447	1.42	0.46	-1.52
SENSEX	64,081	0.77	-1.76	-2.59
Hang Seng	17,231	0.75	0.20	-11.72
MSCI World	2,853	1.97	1.48	-4.93
MSCI EM	931	1.60	0.30	-8.76
Regional Equities				
ADX	9,486	0.61	-3.43	-3.46
DFM	3,913	0.54	-6.65	-4.17
Tadawul	10,853	0.36	0.12	-5.44
DSM	9,712	1.39	-4.66	-11.57
MSM30	4,492	-0.22	-5.09	-6.39
BHSE	1,918	-0.22	-1.46	-3.55
KWSE	6,533	0.95	-4.36	-9.12
Commodities				
BBG Commodity Index	105.0	0.85	3.36	0.03
Brent USD/bbl	86.9	2.62	1.21	4.39
Gold USD/t oz	1,985.8	0.16	9.03	2.65
Copper USD/MT	8,066.0	0.31	1.97	-5.61
Volatility				
VIX	15.66	-7.17	-15.72	-2.67
MOVE	118.64	-1.58	-7.48	3.03

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on November 3, 2023 unless stated otherwise.

Performance in local currency terms.

Prepared by the Investment Strategy Team

Ahmed Al Falahi

Analyst

Tel: +971 (0)2 497 3934

ahmed.a5@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 696 2358

kishore.muktinutalapati@adcb.com

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 696 2236

mohammed.alhemeiri@adcb.com

Nura Al Suwaidi

Analyst

Tel: +971 (0)2 497 9520

nura.alsuwaidi@adcb.com

Prerana Seth

Fixed Income Strategist

Tel: +971 (0)2 696 2878

prerana.seth@adcb.com

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