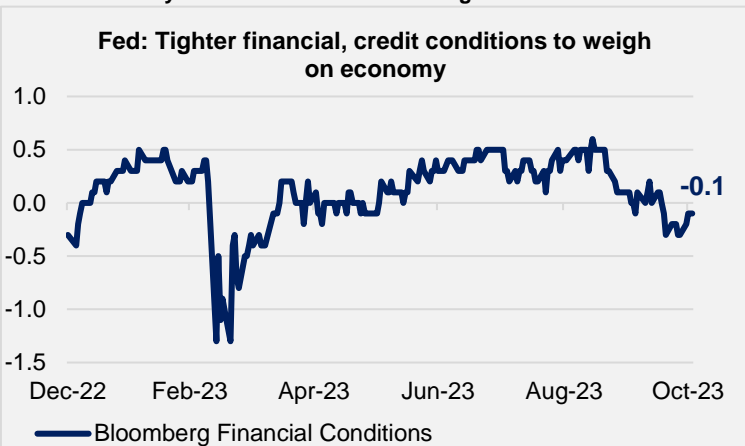


Fed pauses for the second time

- ▶ Fed keeps policy rates unchanged.
- ▶ 10Y US treasury yields slumped c20bp, global equities rallied.
- ▶ All eyes on the BoE today.

Chart of the Day: US Financial Conditions Tighten



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Fed kept interest rates unchanged at 5.25%-5.5%. But Fed chair Jerome Powell indicated that there's still a long way to go to bring inflation down to 2% and hinted that the central bank is not considering rate cuts in the near future.
- ▶ US ADP employment change for October rose 113,000, less than estimation of 150,000 but higher than the 89,000 rise in September.

Rates and Fixed Income

- ▶ Global rates mostly declined with 10Y UST yields declining the most.
- ▶ Global aggregate bond posted gains, led by Global corporate.

Currencies

- ▶ Broader USD index rose by 0.21%.
- ▶ GBP and EUR weakened against USD.
- ▶ JPY strengthened against USD.

Equities

- ▶ Global equities rose c1%. Nikkei increased the most by 2.41%.
- ▶ Most regional equities rose across the board, except for MSM30, BHSE and KWSE.

Commodities

- ▶ All commodities declined with Copper being an exception which rose by 0.14%.

Key events in the day ahead

- ▶ Bank of England rate decision
- ▶ US Initial jobless claims

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.35	0.00	2.00	4.00
UAE Eibor 3m	5.57	12.49	16.28	17.19
UAE Eibor 12m	5.62	1.74	4.43	5.55
US 3m Bills	5.45	-1.12	-2.69	7.14
US 10yr Treasury	4.73	-19.66	-6.14	71.11
German 10yr Bund	2.76	-4.20	-20.40	20.70
UK 10yr Gilt	4.50	-1.30	-9.80	10.00

Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	433	0.47	0.57	-4.28
Global Treasuries	185	0.33	0.23	-4.90
Global Corporate	249	0.62	0.91	-3.61
EM USD Sovereign	340	0.51	0.69	-5.34
EM LCY Sovereign	136	0.07	0.01	-4.28
Global High Yield	1,393	0.29	0.75	-2.35

Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	106.88	0.21	-0.11	4.48
EUR USD	1.0570	-0.05	0.98	-3.77
GBP USD	1.2152	-0.01	0.62	-4.89
USD JPY	150.95	-0.48	1.30	5.31

Equities		1D (%)	1M (%)	3M (%)
S&P 500	4,238	1.05	0.20	-7.40
Dow Jones	33,275	0.67	0.82	-6.61
NASDAQ	13,061	1.64	0.02	-8.56
STOXX 600	437	0.67	-0.94	-6.55
DAX	14,923	0.76	-1.07	-8.11
Nikkei 225	31,602	2.41	1.16	-5.60
FTSE 100	7,342	0.28	-1.71	-4.22
SENSEX	63,591	-0.44	-2.93	-4.32
Hang Seng	17,102	-0.06	-1.32	-14.54
MSCI World	2,797	1.04	-0.08	-8.24
MSCI EM	916	0.08	-2.47	-12.19

Regional Equities		1D (%)	1M (%)	3M (%)
ADX	9,429	0.91	-4.16	-3.57
DFM	3,893	0.40	-7.36	-4.53
Tadawul	10,815	1.17	-1.25	-7.06
DSM	9,579	0.59	-6.75	-13.76
MSM30	4,502	-0.95	-5.01	-6.01
BHSE	1,922	-0.37	-0.67	-3.51
KWSE	6,472	-0.92	-5.64	-10.49

Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	104.2	-0.44	0.67	-2.35
Brent USD/bbl	84.6	-3.18	-6.92	-0.33
Gold USD/t oz	1,982.5	-0.07	8.75	1.97
Copper USD/MT	8,041.0	0.04	1.02	-7.79

Volatility		1D (%)	1M (%)	3M (%)
VIX	16.87	-7.00	-14.71	21.11
MOVE	120.55	-4.97	-14.91	3.58

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 8AM GST on November 2, 2023 unless stated otherwise.

Performance in local currency terms.

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