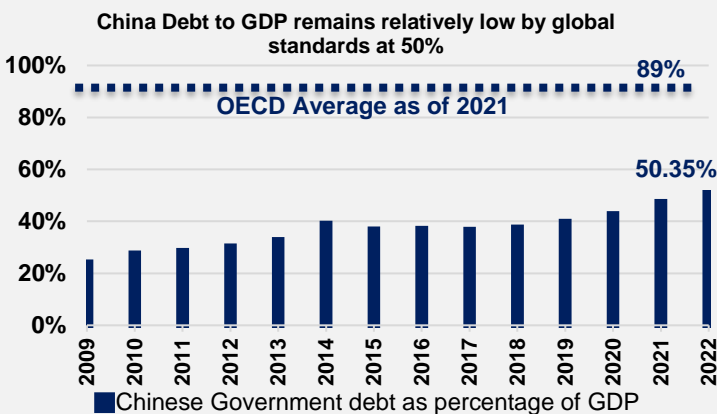


## Mixed PMI data and strong earnings on Tuesday.

- ▶ US and UK PMI higher than expected, Eurozone figures lower.
- ▶ US stocks rise as positive earnings encouraged investors.
- ▶ Copper rises as China demand outlook improves.

Chart of the Day: China Central Government Debt



Source: Bloomberg, and ADCB Asset Management

### Macroeconomic news

- ▶ S&P Global US Composite PMI figures came in higher than expected at 51 in October and higher than September's PMI.
- ▶ HCOB Eurozone Composite PMI came at 46.5 in October, lower than Bloomberg expectations of 47.4 and September's PPI of 48.6.
- ▶ S&P Global//CIPS UK Composite PMI came slight above expectations in October at 48.6 versus a figure of 48.5 both the estimate and the September's figures.
- ▶ Chinese President Xi Jinping stepped up support, issuing additional sovereign debt and raising the budget deficit ratio to 3.8% of GDP from 3% set in March.

### Rates and Fixed Income

- ▶ Yields on government sovereign bonds declined on Tuesday.
- ▶ Major fixed income indices rose on Tuesday as EM USD Sovereign outperformed, recovering losses from the previous session.

### Currencies

- ▶ Broader USD rebounded on Tuesday.
- ▶ The EUR, GBP and JPY weakened against the USD.

### Equities

- ▶ Global equities rose, particularly in the US as the Nasdaq and S&P500 led the rise due to strong corporate earnings. European and Asian shares rose as well apart from Hang Seng which fell over 1%. DM outperformed EM on the day.
- ▶ Regional equities were mixed as Saudi, Dubai and Bahrain rose. The rest of the GCC markets fell with Qatar underperforming the most falling more than 2%.

### Commodities

- ▶ Oil declined on mixed economic data while gold fell slightly.
- ▶ Copper rose c1% due to a better demand outlook in China.

### Key events in the day ahead

- ▶ US Mortgage Applications
- ▶ Germany IFO Business Climate

### Performance snapshot\*

| Rates            | Latest | 1D (bp) | 1M (bp) | 3M (bp) |
|------------------|--------|---------|---------|---------|
| SOFR             | 5.30   | 0.00    | -1.00   | 25.00   |
| UAE Eibor 3m     | 5.50   | 2.76    | 17.57   | 17.96   |
| UAE Eibor 12m    | 5.68   | -2.27   | 5.95    | 14.54   |
| US 3m Bills      | 5.42   | -2.82   | -4.39   | 1.35    |
| US 10yr Treasury | 4.82   | -2.73   | 28.95   | 95.04   |
| German 10yr Bund | 2.83   | -4.60   | 3.00    | 40.30   |
| UK 10yr Gilt     | 4.54   | -6.00   | 21.60   | 28.30   |

| Fixed Income      |       | 1D (%) | 1M (%) | 3M (%) |
|-------------------|-------|--------|--------|--------|
| Global Agg. Index | 432   | 0.19   | -1.09  | -5.41  |
| Global Treasuries | 186   | 0.13   | -1.03  | -6.12  |
| Global Corporate  | 248   | 0.27   | -1.24  | -4.53  |
| EM USD Sovereign  | 338   | 0.82   | -2.77  | -6.06  |
| EM LCY Sovereign  | 136   | 0.27   | -1.17  | -4.58  |
| Global High Yield | 1,386 | 0.42   | -1.54  | -2.78  |

| Currencies   |        | 1D (%) | 1M (%) | 3M (%) |
|--------------|--------|--------|--------|--------|
| Dollar Index | 106.27 | 0.70   | 0.26   | 4.86   |
| EUR USD      | 1.0590 | -0.75  | -0.03  | -4.28  |
| GBP USD      | 1.2160 | -0.73  | -0.42  | -5.21  |
| USD JPY      | 149.91 | 0.13   | 0.69   | 5.96   |

| Equities   |        | 1D (%) | 1M (%) | 3M (%) |
|------------|--------|--------|--------|--------|
| S&P 500    | 4,248  | 0.73   | -2.07  | -6.74  |
| Dow Jones  | 33,141 | 0.62   | -2.55  | -6.41  |
| NASDAQ     | 13,140 | 0.93   | -0.99  | -6.54  |
| STOXX 600  | 435    | 0.44   | -3.41  | -6.57  |
| DAX        | 14,880 | 0.54   | -3.41  | -8.10  |
| Nikkei 225 | 31,062 | 0.20   | -4.95  | -5.01  |
| FTSE 100   | 7,390  | 0.20   | -3.07  | -3.76  |
| SENSEX     | 64,572 | 0.00   | -2.20  | -2.73  |
| Hang Seng  | 16,992 | -1.05  | -4.16  | -8.98  |
| MSCI World | 2,802  | 0.55   | -2.70  | -7.75  |
| MSCI EM    | 921    | 0.31   | -3.85  | -9.16  |

| Regional Equities |        | 1D (%) | 1M (%) | 3M (%) |
|-------------------|--------|--------|--------|--------|
| ADX               | 9,273  | -0.03  | -5.73  | -4.80  |
| DFM               | 3,742  | 0.31   | -10.53 | -6.32  |
| Tadawul           | 10,380 | 0.84   | -4.58  | -12.05 |
| DSM               | 9,499  | -2.27  | -7.48  | -9.50  |
| MSM30             | 4,625  | -0.37  | -0.86  | -3.64  |
| BHSE              | 1,940  | 0.14   | 0.26   | -2.33  |
| KWSE              | 6,618  | -1.28  | -3.61  | -8.70  |

| Commodities         |         | 1D (%) | 1M (%) | 3M (%) |
|---------------------|---------|--------|--------|--------|
| BBG Commodity Index | 104.6   | -0.27  | -1.11  | -2.85  |
| Brent USD/bbl       | 88.1    | -1.96  | -5.60  | 6.44   |
| Gold USD/t oz       | 1,971.0 | -0.10  | 2.87   | 0.83   |
| Copper USD/MT       | 7,900.5 | 0.97   | -2.55  | -6.28  |

| Volatility |        | 1D (%) | 1M (%) | 3M (%) |
|------------|--------|--------|--------|--------|
| VIX        | 18.97  | -6.87  | 12.25  | 36.38  |
| MOVE       | 128.13 | -2.81  | 9.20   | 16.53  |

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 8AM GST on October 25, 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](mailto:ahmed.a5@adcb.com)

### Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 696 2358

[kishore.muktinutalapati@adcb.com](mailto:kishore.muktinutalapati@adcb.com)

### Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0)2 696 2236

[mohammed.alhemeiri@adcb.com](mailto:mohammed.alhemeiri@adcb.com)

### Nura Al Suwaidi

Analyst

Tel: +971 (0)2 497 9520

[nura.alsuwaidi@adcb.com](mailto:nura.alsuwaidi@adcb.com)

### Prerana Seth

Fixed Income Strategist

Tel: +971 (0)2 696 2878

[prerana.seth@adcb.com](mailto:prerana.seth@adcb.com)

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