

## Treasury yields rebound on Wednesday

- ▶ German business sentiment rose for the first time in six months.
- ▶ Global fixed income declined.
- ▶ European and Asian equities rose while US declined.

Chart of the Day: Yen approaching 151 level.



Source: Bloomberg, and ADCB Asset Management

### Macroeconomic news

- ▶ German sentiment rose for the first time in six months, but economist say a second recession seems likely. The Ifo says its business climate index stood at 86.9, beating a forecast of 86.9.
- ▶ Interest rates on the US home loan rose to its highest since September 2000 – 7.9% - moving mortgage applications to a 28-year low.

### Rates and Fixed Income

- ▶ Yields on government sovereign bonds rose with yield on 10Y US Treasury jumping 13.20bp.
- ▶ Major fixed income indices declined with Global corporate declining the most by -0.54%.

### Currencies

- ▶ Broader USD index continued to increase on Wednesday.
- ▶ The EUR and GBP weakened against the USD.
- ▶ USDJPY rose 0.21%.

### Equities

- ▶ Global equities ended mixed on Wednesday, with US stocks declining however, European and Asian equities rose.
- ▶ Regional equities were mixed on Wednesday.

### Commodities

- ▶ Oil rose over 2% on Wednesday.
- ▶ Gold and copper also increased on Wednesday.

### Key events in the day ahead

- ▶ US 3Q GDP
- ▶ ECB MPC meeting

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.30	0.00	-1.00	24.00
UAE Eibor 3m	5.57	7.17	34.37	13.37
UAE Eibor 12m	5.68	-0.07	6.26	7.74
US 3m Bills	5.46	3.56	1.74	5.47
US 10yr Treasury	4.95	13.20	41.93	107.04
German 10yr Bund	2.89	6.10	8.10	46.40
UK 10yr Gilt	4.61	7.10	28.40	34.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	430	-0.47	-1.45	-5.77
Global Treasuries	185	-0.39	-1.32	-6.39
Global Corporate	247	-0.54	-1.65	-4.94
EM USD Sovereign	337	-0.17	-2.61	-6.20
EM LCY Sovereign	135	-0.15	-0.99	-5.03
Global High Yield	1,385	-0.09	-1.37	-2.79
Currencies		1D (%)	1M (%)	3M (%)
Dollar Index	106.53	0.24	0.28	5.11
EUR USD	1.0566	-0.23	-0.06	-4.42
GBP USD	1.2112	-0.39	-0.38	-6.12
USD JPY	150.23	0.21	0.78	6.62
Equities		1D (%)	1M (%)	3M (%)
S&P 500	4,187	-1.43	-2.03	-8.33
Dow Jones	33,036	-0.32	-1.73	-6.78
NASDAQ	12,821	-2.43	-1.86	-9.36
STOXX 600	435	0.04	-2.78	-6.98
DAX	14,892	0.08	-2.38	-8.14
Nikkei 225	31,270	0.67	-3.23	-4.32
FTSE 100	7,414	0.33	-2.77	-3.61
SENSEX	64,049	-0.81	-2.88	-3.48
Hang Seng	17,085	0.55	-2.18	-12.09
MSCI World	2,772	-1.07	-2.56	-8.97
MSCI EM	921	0.02	-2.79	-10.80
Regional Equities		1D (%)	1M (%)	3M (%)
ADX	9,325	0.56	-4.98	-4.14
DFM	3,841	2.66	-7.53	-4.33
Tadawul	10,505	1.20	-3.79	-11.60
DSM	9,480	-0.21	-8.19	-10.03
MSM30	4,593	-0.69	-1.64	-3.97
BHSE	1,943	0.15	0.27	-2.25
KWSE	6,593	-0.38	-4.39	-9.38
Commodities		1D (%)	1M (%)	3M (%)
BBG Commodity Index	105.1	0.46	-0.33	-2.94
Brent USD/bbl	90.1	2.34	-4.08	7.76
Gold USD/t oz	1,979.7	0.44	4.16	0.75
Copper USD/MT	7,946.0	0.58	-1.49	-7.57
Volatility		1D (%)	1M (%)	3M (%)
VIX	20.19	6.43	6.60	45.67
MOVE	131.21	2.40	11.46	16.09

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 8AM GST on October 26, 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)

Visit [Investment Strategy Webpage](#) to read our other reports

## Disclaimer

ADCB Asset Management Limited ("AAML"), is a member of ADCB Group, licensed by Financial Services Regulatory Authority in Abu Dhabi Global Markets under financial services permission number 170036.

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige ADCB Group to enter into any transaction.

The content of this publication should not be considered as legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication. Investment products are not available to US persons.

Information and opinions contained herein is are based on various sources, including but not limited to public information, annual reports and statistical data that AAML considers accurate and reliable. However, AAML makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for customers who are either retail or professional investors.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. AAML expressly disclaims any obligation to update or revise any forward looking statement to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB Group does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication. Opinions expressed herein may differ from opinions expressed by other businesses or affiliates of ADCB Group.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB Group. They are subject to investment risk, including possible of loss of principal amount invested. This publication may not be reproduced or circulated without ADCB Group written authority. The manner of circulation and distribution may be restricted by law or regulation in certain jurisdictions. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorized use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.