

## Equities rise despite higher yields

- ▶ **EU commission revises yearly growth forecasts lower.**
- ▶ **Equities rise, some Asian and GCC indices were exceptions.**
- ▶ **Dollar falls, oil stable, and metals gain.**

### Macroeconomic news

- ▷ The Eurozone economy will grow slower than previously expected this year and next say the EU commission as consumer demand suffers from high inflation.
- ▷ Germany is set to be the only major European economy to contract this year as it is predicted to contract by 0.4% this year according to forecasts by the European Commission.
- ▷ Comments from Bank of Japan Governor Ueda triggered speculations of a hawkish policy in Japan.

### Rates and Fixed Income

- ▷ Both 10Y US Treasury yields and US 3m Bill yields increased.
- ▷ Germany 10Y Bund yields and UK 10Y Gilts yields rose too.
- ▷ Global aggregate bond, global treasuries and global high yield indices all increased. EM LCY Sovereign bonds rose 0.41% but their USD equivalents declined 0.21%.

### Currencies

- ▷ The broader USD index declined 0.5%.
- ▷ EUR/USD and GBP/USD both rose.
- ▷ USD weakened against the Japanese Yen

### Equities

- ▷ MSCI World outperformed EM for a second day in a row with the former rising 0.70% and the latter rising 0.37%.
- ▷ US equities rose on Monday with tech sector leading the gains with the NASDAQ rising more than 1%, higher than peer indices. European equities rose to a lower degree. Asian equities declined for the most part.
- ▷ GCC gained with Saudi leading and ending a seven sessions of losses, with gains in the banking and petrochemical sector. Qatar equities continued to over perform on average rising 0.55% due to gains in the banking sector. Bahrain and Kuwait underperformed.

### Commodities

- ▷ Oil prices were unchanged; Brent is still holding that USD90/bbl level.
- ▷ Precious metals rose as the dollar declined, before this week's key US inflation reading which could influence the Fed's interest rate decision later this month.
- ▷ Copper rose 1.31% due to a stronger Yuan, a weaker dollar and as resilient loan data from China fuelled purchases by traders. Aluminium rose also 0.93%.

### Key events in the day ahead

- ▷ NFIB Small Business Optimism
- ▷ ILO Unemployment Rate 3mths
- ▷ India CPI YoY & Industrial Production YoY

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.30	-1.00	0.00	25.00
UAE Eibor 3m	5.27	3.39	-11.01	-1.33
UAE Eibor 12m	5.43	-12.30	11.73	-3.08
US 3m Bills	5.45	-3.69	-0.90	19.37
US 10yr Treasury	4.29	-0.19	13.39	55.05
German 10yr Bund	2.64	-0.40	1.10	24.60
UK 10yr Gilt	4.47	-0.70	-6.20	12.70

Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	444	0.05	-1.07	-2.05
Global Treasuries	191	0.06	-1.40	-2.93
Global Corporate	254	-0.03	-0.63	-0.38
EM USD Sovereign	352	-0.21	-1.45	0.68
EM LCY Sovereign	138	0.41	-1.38	-1.68
Global High Yield	1421	0.12	-0.33	2.21

Currencies				
Dollar Index	104.57	0.13	1.82	1.02
EUR USD	1.08	-0.22	-1.65	-0.29
GBP USD	1.25	-0.06	-1.43	-0.06
USD JPY	146.59	-0.12	-0.82	-4.89

Equities				
S&P 500	4487	0.67	0.69	4.80
Dow Jones	34664	0.25	-1.42	2.90
NASDAQ	13918	1.14	2.09	5.17
STOXX 600	456	0.34	-0.51	-0.30
DAX	15801	0.36	-0.20	-0.93
Nikkei 225	32776	-0.43	0.04	0.81
FTSE 100	7497	0.25	-0.12	0.13
SENSEX	67127	0.79	2.81	7.66
Hang Seng	18096	-0.47	-4.59	-4.79
MSCI World	2969	0.70	0.07	3.36
MSCI EM	978	0.40	-1.85	-1.23

Regional Equities				
ADX	9713	0.23	-1.66	3.92
DFM	4070	0.07	0.26	10.34
Tadawul	11235	0.96	-1.30	-0.23
DSM	10404	0.55	-3.09	1.91
MSM30	4698	0.04	-1.24	0.71
BHSE	1939	-0.12	0.48	1.74
KWSE	7016	-0.11	-1.32	2.30

Commodities				
BBG Commodity Index	106.7	0.57	1.04	5.67
Brent USD/bbl	90.6	0.11	4.53	26.31
Gold USD/t oz	1922.3	-0.13	0.67	-1.94
Copper USD/MT	8333	1.31	1.10	-0.42

Volatility				
VIX	13.8	-0.29	-7.01	-0.22
MOVE	107.2	2.77	-4.37	-7.38

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 11AM GST on September 12, 2023 unless stated otherwise. Performance in local currency terms.

Prepared by the Investment Strategy Team

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