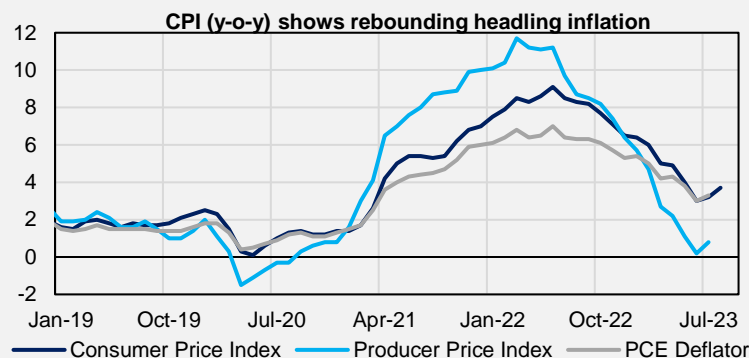


Stable economic data, more to come.

- ▶ US CPI mostly in line with expectations.
- ▶ Eurozone Industrial Production declined sharply.
- ▶ Markets showed mixed results.

Chart of the day: US Inflation Picture



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▷ US CPI index for August rose 3.7% y-o-y mostly in line with expectations of 3.6% still the largest m-o-m increase in prices in 2023. Core inflation excluding food and energy rose 4.3%.
- ▷ Eurozone industrial production dropped much more than expected in July falling 1.1% m-o-m and 2.2% y-o-y as opposed to the expected 0.7% m-o-m and 0.3% y-o-y drop estimated by economists by Reuters.

Rates and Fixed Income

- ▷ Yields on 10Y UST and 10Y UK gilts declined. Yields on 10Y German Bunds increased.
- ▷ Most Fixed Income Indices rose EM LCY Sovereign bonds outperformed.

Currencies

- ▷ The broader USD index rebounded slightly, to 104.77 from 104.71.
- ▷ EUR/USD declined, GBP/USD remained unchanged, USD/JPY rose.

Equities

- ▷ Global Equities were mixed but mostly declining with MSCI World rising 0.04% while EM declined 0.09%, US equities mostly rose.
- ▷ GCC markets were mixed as well with ADX continuing the winning streak, Oman and Kuwait outperformed on Wednesday.

Commodities

- ▷ Oil prices retracted as US crude inventories rose.
- ▷ Gold declined despite firm US inflation data, Copper rebounded from previous day's losses.

Key events in the day ahead

- ▷ France PPI
- ▷ US PPI

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.30	0.00	0.00	25.00
UAE Eibor 3m	5.16	-11.44	-22.45	4.78
UAE Eibor 12m	5.47	3.45	15.18	10.12
US 3m Bills	5.45	2.53	1.71	21.66
US 10yr Treasury	4.25	-3.16	3.54	44.05
German 10yr Bund	2.65	1.30	2.80	22.80
UK 10yr Gilt	4.35	-12.50	-18.00	-8.70
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	443	0.13	-1.16	-1.90
Global Treasuries	190	0.10	-1.55	-2.85
Global Corporate	254	0.00	-0.68	-0.21
EM USD Sovereign	352	0.04	-1.47	0.31
EM LCY Sovereign	138	0.23	-1.36	-1.62
Global High Yield	1420	0.11	-0.39	1.84
Currencies				
Dollar Index	104.77	0.05	1.39	1.63
EUR USD	1.07	-0.22	-1.47	-0.78
GBP USD	1.25	0.00	-1.47	-1.33
USD JPY	147.46	0.26	-1.03	-4.75
Equities				
S&P 500	4467	0.13	0.24	2.66
Dow Jones	34576	-0.20	-1.67	1.64
NASDAQ	13814	0.29	1.33	1.97
STOXX 600	454	-0.32	-1.01	-1.52
DAX	15654	-0.39	-1.13	-3.55
Nikkei 225	32707	-0.21	0.78	-0.77
FTSE 100	7526	-0.02	0.27	0.09
SENSEX	67467	0.37	3.33	7.32
Hang Seng	18009	-0.09	-5.00	-5.89
MSCI World	2957	0.04	-0.35	1.38
MSCI EM	975	-0.09	-2.10	-2.63
Regional Equities				
ADX	9755	0.06	-1.23	4.57
DFM	4051	-0.25	-0.22	9.40
Tadawul	11122	-0.22	-3.26	-1.32
DSM	10369	-0.16	-3.79	1.50
MSM30	4711	0.32	-1.22	0.40
BHSE	1930	-0.24	-0.03	1.29
KWSE	7036	0.40	-1.32	2.23
Commodities				
BBG Commodity Index	107.0	0.13	1.30	5.78
Brent USD/bbl	91.9	-0.20	6.97	25.98
Gold USD/t oz	1908.1	-0.29	0.15	-1.68
Copper USD/MT	8353	0.25	1.35	-0.81
Volatility				
VIX	13.5	-5.27	-9.16	-7.73
MOVE	105.1	-3.09	-9.16	-14.26

Source: Bloomberg, and ADCB Asset Management

Notes: *Data as at 9AM GST on September 14, 2023 unless stated otherwise. Performance in local currency terms.

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