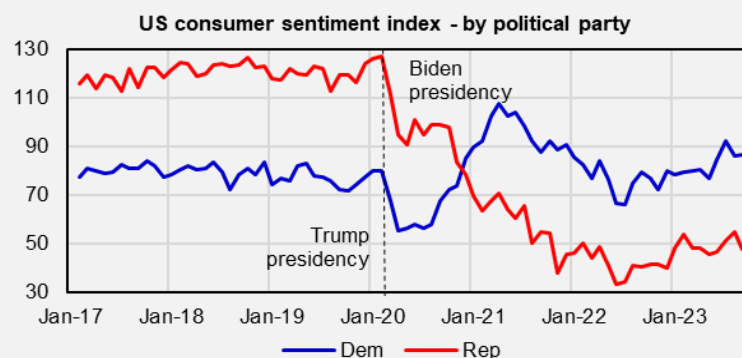


## Triple witching and chip-making induce volatility

- ▶ China data surprised positively, but US data was mixed.
- ▶ Rates increased, bond indices fell, treasuries underperformed.
- ▶ Stock volatility rose on Friday and US equities sold off.

Chart of the day: US consumer sentiment varies by political affiliation



Source: UMich Consumer Survey, Bloomberg, and ADCB Asset Management

### Macroeconomic news

- ▷ China's retail sales and industrial production growth for August came above market expectations.
- ▷ Consumer prices for August rose more than expected in France but rose less than expected in Italy.
- ▷ US industrial production rose more than expected during August; UMich. consumer sentiment was weaker than expected but inflation expectations fell too (see chart of the day).

### Rates and Fixed Income

- ▷ Yields on 10Y sovereign bonds rose in the US, UK, and Germany.
- ▷ Global bond indices declined with Treasuries underperforming.

### Currencies

- ▷ Broader USD was largely unchanged on Friday on mixed economic news out of the US.
- ▷ GBP and JPY lost ground against the USD but EUR/USD rose.

### Equities

- ▷ Taiwan's TSMC asking its major suppliers to delay the delivery of high-end chip-making equipment had an outsized impact on US equities. Triple witching (quarterly derivative expiry) did not help.
- ▷ Europe's STOXX 600 rose 0.2% on signs that Eurozone interest rates may have peaked.

### Commodities

- ▷ On Friday, oil prices rose on China optimism, copper declined after gaining over the previous days.
- ▷ Gold and silver prices rose as USD rally stalled.

### Key events in the day ahead (September 18)

- ▷ Japan market holiday
- ▷ US NAHB Housing Market Index

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.30	0.00	0.00	25.00
UAE Eibor 3m	5.24	13.63	-9.80	1.19
UAE Eibor 12m	5.59	15.05	17.97	12.87
US 3m Bills	5.45	-0.77	4.55	25.32
US 10yr Treasury	4.33	4.61	12.14	61.59
German 10yr Bund	2.68	8.20	0.30	17.10
UK 10yr Gilt	4.36	7.70	-23.10	-2.60
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	442	-0.31	-0.89	-2.69
Global Treasuries	190	-0.37	-1.28	-3.50
Global Corporate	254	-0.20	-0.50	-1.31
EM USD Sovereign	352	-0.16	0.14	0.00
EM LCY Sovereign	139	-0.05	-0.21	-1.44
Global High Yield	1421	-0.06	0.31	1.38
Currencies				
Dollar Index	105.32	-0.08	1.84	2.96
EUR USD	1.07	0.13	-1.89	-2.32
GBP USD	1.24	-0.21	-2.68	-3.12
USD JPY	147.85	0.26	-1.59	-3.90
Equities				
S&P 500	4450	-1.21	0.46	0.94
Dow Jones	34618	-0.83	-0.58	1.15
NASDAQ	13708	-1.56	0.67	-0.35
STOXX 600	462	0.23	1.52	-0.02
DAX	15894	0.56	0.80	-2.43
Nikkei 225	33533	1.10	4.08	0.32
FTSE 100	7711	0.50	4.61	2.10
SENSEX	67839	0.47	3.77	8.26
Hang Seng	18183	0.75	-1.52	-6.54
MSCI World	2961	-0.73	0.63	0.25
MSCI EM	985	0.29	0.56	-2.61
Regional Equities				
ADX	9880	0.86	0.78	5.54
DFM	4043	0.23	-0.08	8.57
Tadawul	11104	-0.45	-2.69	-2.35
DSM	10253	-0.64	-3.01	-0.17
MSM30	4711	-0.31	-1.55	0.74
BHSE	1925	-0.34	-1.42	0.94
KWSE	7011	-0.26	-1.46	0.73
Commodities				
BBG Commodity Index	107.5	-0.22	3.53	3.83
Brent USD/bbl	93.9	0.25	11.17	23.05
Gold USD/t oz	1923.9	0.69	2.10	-1.10
Copper USD/MT	8377	-0.55	3.08	-1.21
Volatility				
VIX	13.8	7.57	-16.22	-4.90
MOVE	96.6	-0.51	-20.68	-10.00

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 7AM GST on September 18, 2023 unless stated otherwise. Performance in local currency terms.

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