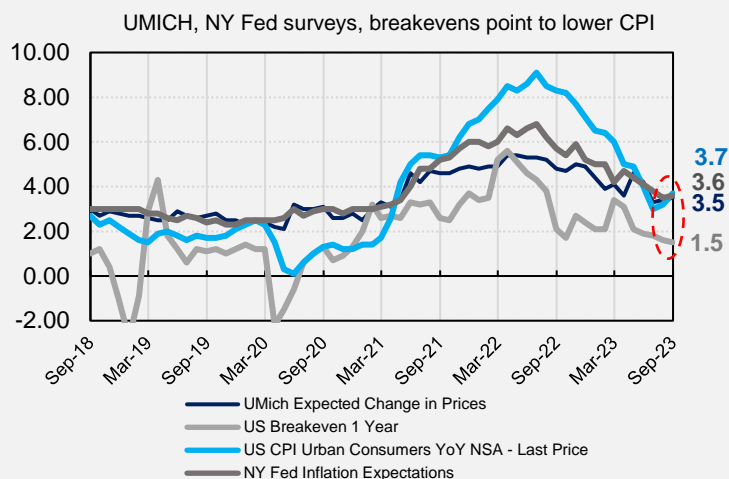


## Inflation expectations undeterred by oil prices

- ▶ U. Michigan inflation expectations decline.
- ▶ Eurozone composite PMI higher than expected, UK fell lower.
- ▶ Bond indices & USD rises, EM equities outperforms DM.

Chart of the Day: Inflation Expectations Cool



### Macroeconomic news

- ▶ U. Michigan sentiment fell below expectations in September, with 1Y and 5-10Y inflation expectations coming out lower than expected.
- ▶ Eurozone preliminary manufacturing PMI came in, lower than the expected higher than the expected figure of 47.6. UK manufacturing PMI improved. Eurozone services PMI while UK services PMI came out lower than expected.

### Rates and Fixed Income

- ▶ 10Y UST yields retreated after rising in the previous sessions while yields on German 10Y & UK 10Y government bonds increased on Friday.
- ▶ Global bond indices increased while Global Corporate remained unchanged.

### Currencies

- ▶ Broader USD rose marginally. The USD strengthened against the EUR, GBP and the JPY.

### Equities

- ▶ Major DM equities continued to decline for a third day in a row, however FTSE100 inched higher. EM equities outperformed DM.
- ▶ GCC equities were mixed with ADX inching higher and DFM declining.

### Commodities

- ▶ Oil prices remained on the 93 USD/bbl level from last week.
- ▶ Gold prices rose while copper prices declined just over 1%.

### Key events in the day ahead

- ▶ Germany IFO Business Climate.
- ▶ Germany IFO Current Assessment.

### Performance snapshot\*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.30	-1.00	0.00	25.00
UAE Eibor 3m	5.12	-13.68	-26.60	-7.52
UAE Eibor 12m	5.62	13.87	2.02	23.12
US 3m Bills	5.47	0.80	-0.35	16.42
US 10yr Treasury	4.43	-6.05	22.06	72.13
German 10yr Bund	2.74	3.70	9.40	24.50
UK 10yr Gilt	4.25	3.40	-39.60	-11.80
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	440	0.12	-0.81	-2.88
Global Treasuries	189	0.02	-1.21	-3.67
Global Corporate	253	0.00	-0.15	-1.53
EM USD Sovereign	349	0.09	-0.17	-1.18
EM LCY Sovereign	138	0.11	-0.86	-1.72
Global High Yield	1,412	0.05	0.26	0.96
Currencies				
Dollar Index	105.58	0.21	1.44	2.60
EUR USD	1.0653	-0.08	-1.37	-2.37
GBP USD	1.2241	-0.46	-2.70	-3.73
USD JPY	148.37	0.53	-1.31	-3.28
Equities				
S&P 500	4,320	-0.23	-1.40	-1.04
Dow Jones	33,964	-0.31	-0.71	0.58
NASDAQ	13,212	-0.09	-2.11	-2.89
STOXX 600	453	-0.31	0.48	0.17
DAX	15,557	-0.09	-0.94	-2.69
Nikkei 225	32,402	-0.52	1.78	-2.42
FTSE 100	7,684	0.07	5.84	3.41
SENSEX	66,009	-0.33	1.21	4.73
Hang Seng	18,057	2.29	2.18	-4.34
MSCI World	2,880	-0.21	-0.85	-1.30
MSCI EM	964	0.84	-0.05	-2.61
Regional Equities				
ADX	9,849	0.03	0.88	3.62
DFM	4,169	-0.27	2.46	10.68
Tadawul	10,949	-1.01	-3.69	-3.31
DSM	10,292	-0.30	-0.71	1.84
MSM30	4,679	0.05	-2.03	-1.01
BHSE	1,932	0.12	-1.05	1.05
KWSE	6,845	-1.32	-2.82	-2.36
Commodities				
BBG Commodity Index	106.2	0.15	2.20	2.91
Brent USD/bbl	93.3	-0.03	10.81	26.76
Gold USD/t oz	1,925.2	0.27	0.44	0.00
Copper USD/MT	8,188.0	-1.08	-1.85	-5.56
Volatility				
VIX	17.20	-1.94	1.36	33.23
MOVE	101.11	-4.61	-20.17	-6.12

Source: Bloomberg, and ADCB Asset Management

Notes: \*Data as at 8AM GST on September 25, 2023 unless stated otherwise. Performance in local currency terms.

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