

US treasury yields hit new multi-year highs

- ▶ Chinese property-sector problems continue.
- ▶ German IFO business climate and current assessment falls.
- ▶ US equities snap a four day losing streak.

Chart of the Day: Treasury yields extend highs



Source: Bloomberg, and ADCB Asset Management

Macroeconomic news

- ▶ Investor's worries about China's growth recovery continues as the already weak confidence in the property market in China face new problems just as it enters a key holiday sales season with major property developers facing debt restructuring and liquidation problems
- ▶ German IFO Business Climate Index inched lower from 85.8 to 85.7 slightly above the expected 85.2 in September. The Current Economic Assessment edged lower to 88.7 from 89.0 in the same period, while the Expectations Index, which indicates firms' projections for the next six months, rose slightly from 82.6 to 82.9.

Rates and Fixed Income

- ▶ 10Y UST yields hit 4.55%, its highest level since 2007s while 10Y German 10Y & UK 10Y government bonds also continue to increase.
- ▶ Global bond indices declined across the board with Global Aggregate Bond Index underperforming, falling 0.7%.

Currencies

- ▶ Broader USD rose 0.39% on Monday. The USD continued to strengthen against the EUR, GBP. USDJPY rose 0.34%.

Equities

- ▶ Global equities were mixed as U.S. and Japanese equities rose. European equities declined. EM equities fell while. DM ended flat.
- ▶ GCC equities continued to have mixed performances on Monday with Saudi continuing to underperform.

Commodities

- ▶ Brent prices remained relatively unchanged
- ▶ Gold prices declined as the dollar rose, copper inched higher.

Key events in the day ahead

- ▶ US New Home Sales.
- ▶ US Conf. Board Consumer Confidence.

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	5.30	0.00	0.00	25.00
UAE Eibor 3m	5.32	20.69	-6.04	9.99
UAE Eibor 12m	5.62	0.47	4.58	19.95
US 3m Bills	5.47	0.18	-3.25	11.77
US 10yr Treasury	4.53	9.97	30.84	82.26
German 10yr Bund	2.80	6.10	23.70	44.50
UK 10yr Gilt	4.32	1.80	-11.80	0.30
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	437	-0.70	-1.72	-3.62
Global Treasuries	188	-0.69	-2.02	-4.31
Global Corporate	251	-0.69	-1.27	-2.34
EM USD Sovereign	347	-0.43	-1.56	-1.78
EM LCY Sovereign	137	-0.42	-1.63	-1.91
Global High Yield	1,408	-0.32	-0.35	0.87
Currencies				
Dollar Index	106.00	0.39	1.86	3.23
EUR USD	1.0593	-0.56	-2.18	-2.96
GBP USD	1.2211	-0.25	-3.21	-4.06
USD JPY	148.88	0.34	-1.58	-3.61
Equities				
S&P 500	4,337	0.40	-1.42	0.13
Dow Jones	34,007	0.13	-0.77	1.36
NASDAQ	13,271	0.45	-2.29	-1.45
STOXX 600	450	-0.62	-0.10	-0.10
DAX	15,405	-0.98	-1.45	-2.68
Nikkei 225	32,679	0.85	3.40	-0.14
FTSE 100	7,624	-0.78	3.93	3.15
SENSEX	66,024	0.02	1.75	5.19
Hang Seng	17,729	-1.81	-0.63	-4.45
MSCI World	2,880	0.00	-0.96	-0.34
MSCI EM	957	-0.71	-1.21	-2.40
Regional Equities				
ADX	9,837	-0.13	0.76	3.18
DFM	4,182	0.32	2.01	10.57
Tadawul	10,878	-0.65	-4.30	-3.88
DSM	10,268	-0.23	-0.94	4.31
MSM30	4,665	-0.31	-2.33	-1.68
BHSE	1,935	0.17	-0.89	1.48
KWSE	6,866	0.31	-2.51	-1.22
Commodities				
BBG Commodity Index	105.8	-0.44	0.26	3.33
Brent USD/bbl	93.3	0.02	9.96	25.22
Gold USD/t oz	1,915.9	-0.48	-0.32	-0.48
Copper USD/MT	8,107.0	0.07	-3.28	-4.51
Volatility				
VIX	16.90	-1.74	7.78	25.74
MOVE	117.33	16.04	6.31	10.96

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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