Daily Market View

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بنك أبوظبي التجاري
ADCB

Neutrinos and Nvidia both punch above their mass

Macro headlines

Exactly 70 years ago, physicists Cowan and Reines confirmed the existence of neutrinos – particles so light and weakly interacting that they pass through matter unnoticed, yet cosmology shows they help shape the universe's large scale structure. Today's macro landscape has its own neutrino: Nvidia. A micro story – one company's earnings – is exerting gravitational pull across global markets, influencing capex cycles, productivity expectations, and even sovereign yield dynamics. Nvidia forecast 70% revenue growth next fiscal year, arguing that AI has reached its "inflection point" and that "compute is revenue." The company also agreed to acquire Hugging Face for USD12.9bn, reinforcing its dominance across both proprietary and open-source AI ecosystems. Supply constraints in memory components remain a bottleneck, but demand from hyperscalers and AI labs continues to expand. Staying with corporate news, Meta agreed to pay up to USD18bn over a decade to settle claims related to teen usage of its platforms, adding another layer to the tech regulation backdrop. In geopolitical matters, Qatar's prime minister will visit Tehran to relaunch diplomacy as the US expands sanctions targeting Iran's trade partners. Washington also said it disrupted a Chinese hacking operation targeting multiple federal agencies, adding to cybersecurity tensions. US macro data were mixed. Q2 GDP was confirmed at 1.5% annualised, with stronger consumer spending offset by higher imports. July personal income rose 0.4% m/m, disposable income rose 0.5% m/m, and nominal PCE rose 0.2% m/m. Real PCE increased less than 0.1% m/m. The PCE price index rose 0.2% m/m and 3.7% y/y, while core PCE rose 0.2% m/m and 3.3% y/y. China's industrial profit growth slowed in July as domestic demand-dependent sectors remained under pressure despite strong AI-related export momentum.

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Market performances

Global equities were subdued Wednesday as investors awaited Nvidia's earnings. The S&P 500 fell 0.02% to 7,675.70, the Nasdaq slipped 0.08% to 26,130.20, and the Dow declined 0.21% to 53,463.88. MSCI's global index rose 0.03%. European equities were flat. Treasury yields moved modestly higher after the inflation data came in largely in line with expectations. The 10-year rose to 4.647%, the 30-year edged down to 5.168%, and the 2-year rose to 4.211%. Markets priced a 64% probability of the Fed holding rates in September, with expectations of a hike later in the year still elevated. Oil prices fell despite ongoing Strait of Hormuz negotiations. Brent declined 0.84% to USD87.84/bbl, and WTI fell 0.16% to USD82.23/bbl. Markets viewed economic pressure as less threatening to supply than military escalation. The dollar strengthened slightly, with the dollar index rising to 99.15. The euro traded at EUR1.1653, while the yen weakened to JPY159.35 per USD. Gold fell c1% to USD4,595/oz, retreating from three-month.

What's Next

Thursday's US calendar includes the July advance goods trade balance, wholesale and retail inventories, initial and continuing jobless claims, and the Kansas City Fed manufacturing survey. Canada releases its Q2 current account balance. Brazil publishes July current account and foreign direct investment data, along with the national unemployment rate. Mexico releases July unemployment, trade balance, exports, and imports, followed by its inflation report. Europe's docket includes Norway's Q2 mainland GDP, Germany's September GfK consumer confidence, France's July PPI, eurozone M3 money supply, Hungary's June wage data, South Africa's July PPI, Israel's June manufacturing production, and Poland's rate meeting minutes. Asia includes the Philippines' overnight borrowing rate and Korea's base rate decision. Earnings include Autodesk, Best Buy, CIBC, Delivery Hero, Dollar General, Dollar Tree, Gap, Harmony Gold Mining Company, Hormel Foods, Marvell Technology, Pernod Ricard, Prudential, Qantas Airways, and Royal Bank of Canada. Jackson Hole economic policy symposium begins with dozens of central bankers, policymakers, academics and economists gathering to discuss global economic issues.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.66	0.00	2.00	3.00
UAE Eibor 3m	3.97	10.05	13.06	28.52
UAE Eibor 12m	4.21	-4.25	-3.69	23.39
US 3m Bills	3.77	-0.57	-11.95	10.62
US 10yr Treasury	4.65	1.77	-4.67	16.19
German 10yr Bund	3.23	3.30	3.10	25.50
UK 10yr Gilt	5.03	4.30	-7.10	15.60
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	502	-0.17	1.70	0.19
Global Treasuries	208	-0.15	1.86	0.21
Global Corporate	304	-0.15	1.46	0.02
EM USD Sovereign	466	-0.02	1.00	0.95
EM LCY Sovereign	169	-0.01	2.41	2.59
Global High Yield	1,919	-0.05	1.50	1.57
Currencies				
Dollar Index	99.17	0.25	-2.25	0.00
EUR USD	1.1650	-0.19	2.37	0.22
GBP USD	1.3590	-0.33	2.00	1.11
USD JPY	159.42	0.09	-2.66	0.07
Equities				
S&P 500	7,676	-0.02	3.61	2.08
Dow Jones	53,464	-0.21	3.39	5.95
NASDAQ	26,130	-0.08	3.95	-1.97
STOXX 600	656	-0.01	2.68	4.52
DAX	26,286	0.08	6.15	4.37
Nikkei 225	66,262	0.62	-0.24	1.95
FTSE 100	10,878	-0.07	2.25	3.69
SENSEX	77,473	-0.24	1.42	1.93
Hang Seng	25,653	0.56	1.75	0.21
MSCI World	4,972	-0.07	3.96	2.92
MSCI EM	1,717	0.76	2.71	-0.19
Regional Equities				
ADX	10,036	-0.34	1.98	3.44
DFM	5,867	0.55	1.17	1.90
Tadawul*	11,260	0.25	5.18	1.65
DSM*	9,854	0.71	-1.96	-5.98
MSM30*	7,533	0.40	3.25	0.58
BHSE*	1,943	-0.20	-0.75	-4.28
KWSE*	8,894	-0.08	1.11	1.54
Commodities				
BBG Commodity Index	139.0	0.39	2.01	1.53
Brent USD/bbl	87.84	-0.84	-12.76	-11.79
WTI USD/bbl	82.23	-0.16	-10.80	-12.42
Gold USD/t oz	4,591.7	-1.12	13.33	1.92
Silver USD/t oz	68.1	-0.78	18.28	-11.42

Platinum USD/t oz	1,833.7	-1.47	14.81	-6.63
Aluminum	3,227.9	-0.24	1.15	-13.15
Copper USD/MT	14,525.0	0.69	5.67	7.04
Digital Assets				
Bitcoin	78,444.8	0.31	20.50	3.22
Ether	2,472.1	1.46	31.15	19.09
Solana	96.9	0.25	27.40	15.62
XRP	1.4	-4.47	23.98	3.56
Volatility				
VIX	15.21	-1.55	-18.66	-10.58
MOVE	69.44	-3.45	-13.29	-7.35

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – August 27, 2025. Performance in local currency terms.

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