Daily Market View

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ADCB بنك أبوظبي التجاري

Messi matches the World Cup record, and markets match the mood as peace talks advance

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Macro headlines

Details of the interim US-Iran agreement began to emerge on Tuesday, with President Trump saying the deal would rule out a nuclear weapon for Tehran and extend the April ceasefire by another 60 days. A senior US official said the agreement would allow Iran to sell oil immediately upon signing and that Washington is prepared to support the creation of a USD300bn investment fund tied to Iran's compliance with the memorandum. Trump also said Russia "should make peace" with Ukraine after a meeting with President Zelenskiy, comments that G7 leaders interpreted as a tentative opening for broader diplomatic engagement. Meanwhile, the US and Europe discussed a "trusted partner" scheme for cutting-edge AI models, days after the administration banned Anthropic from supplying its latest system to foreign customers. The European Parliament approved legislation implementing the EU-US trade deal announced in August 2025, introducing tariff reductions with safeguards for European industry. In the US, housing data showed single family starts falling to an eight-month low in May, with overall homebuilding at a six-year low. Higher mortgage rates, scarce labor, and elevated materials costs continue to constrain supply. Import price inflation accelerated sharply. Import prices rose 1.9% m/m in May and 6.7% y/y – the largest annual increase since August 2022 – driven by fuels and capital goods demand, including AI related equipment. Germany's ZEW expectations index jumped to 10.5, signaling improving sentiment. The Reserve Bank of Australia held rates steady, while Japan's exports rose for a ninth straight month, supported by semiconductor demand and a weaker yen.

Market performances

Markets were mixed on Tuesday as oil prices fell sharply, semiconductors slumped, and investors positioned ahead of the Fed's policy decision. The Dow rose 0.64% to 51,999.67, marking a second consecutive record close, while the S&P 500 fell 0.57% to 7,511.35 and the Nasdaq declined 1.15% to 26,376.34. Global equities slipped 0.26%, while the STOXX 600 gained 0.25% and closed at another record high. SpaceX surged 4.8%, briefly surpassing Amazon's valuation and momentarily topping Microsoft's during volatile options-driven trading. The firm's USD2trn plus valuation continues to reshape expectations for upcoming AI-linked IPOs. Nvidia fell 2.4% after announcing a USD25bn bond issuance to establish a liquid benchmark for future debt sales. The SOX index dropped 5.7% as investors reassessed stretched valuations. Oil extended its steep decline as investors priced in the reopening of the Strait of Hormuz under the preliminary US-Iran agreement. Brent settled at USD78.96/bbl (-5.1%) and WTI at USD76.05/bbl (-5.8%). The drop eased inflation expectations and supported global bond markets.

Treasury yields fell, with the 10-year at 4.424%. The dollar index slipped to 99.55, the euro rose to USD1.1609, and the yen weakened to 160.43 after the BoJ raised rates to 1%. Investors remain cautious ahead of the Fed's meeting, where Chair Warsh is expected to hold rates at 3.50%-3.75% and potentially drop the easing bias.

What's Next

Wednesday's calendar includes US May retail sales, April business inventories, May pending home sales, and the FOMC rate decision. Brazil releases April economic activity data and the Selic rate decision. Europe publishes UK May CPI, RPI, April GDP, industrial production, services output, construction output, and trade balance, along with eurozone final May HICP and core HICP. APAC releases include Japan's May trade balance, imports, exports, and April core machine orders, Singapore's May non-oil exports, and New Zealand's Q1 GDP. The IEA publishes its monthly oil market report.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.69	0.00	10.00	-1.00
UAE Eibor 3m	3.80	4.66	1.26	17.02
UAE Eibor 12m	4.05	9.15	4.44	36.44
US 3m Bills	3.71	0.61	3.23	2.42
US 10yr Treasury	4.44	-3.36	-2.94	22.34
German 10yr Bund	2.93	-2.40	-17.00	-2.20
UK 10yr Gilt	4.79	-2.40	-27.70	1.80
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	503	0.06	0.38	0.96
Global Treasuries	208	0.03	0.23	0.63
Global Corporate	306	0.08	0.63	1.62
EM USD Sovereign	470	0.04	1.60	3.07
EM LCY Sovereign	166	0.03	0.78	2.52
Global High Yield	1,908	-0.01	1.00	3.16
Currencies				
Dollar Index	99.54	-0.09	1.03	-0.17
EUR USD	1.1613	0.08	-0.82	1.05
GBP USD	1.3429	0.00	-0.64	0.95
USD JPY	160.40	0.11	1.61	0.71
Equities				
S&P 500	7,511	-0.57	0.90	12.12
Dow Jones	52,000	0.64	4.64	10.76
NASDAQ	26,376	-1.15	-0.10	17.89
STOXX 600	636	0.25	4.02	6.27
DAX	24,910	0.07	3.21	5.71
Nikkei 225	69,405	0.13	9.69	29.12
FTSE 100	10,494	0.61	1.64	1.71
SENSEX	76,808	0.71	2.95	1.73
Hang Seng	24,494	-1.40	-7.18	-5.19
MSCI World	4,844	-0.39	1.38	10.85
MSCI EM	1,775	0.64	4.11	20.01
Regional Equities				
ADX	9,963	1.61	2.66	5.29
DFM	6,055	1.70	5.14	14.49
Tadawul*	11,146	0.45	1.07	-1.74
DSM*	10,551	-0.02	1.65	-0.85
MSM30*	7,634	0.20	0.02	-6.48
BHSE*	2,000	0.00	3.67	5.62
KWSE*	8,836	0.00	1.42	2.42
Commodities				
BBG Commodity Index	127.7	-0.63	-10.80	-3.55
Brent USD/bbl	78.96	-5.06	-25.25	-21.21
WTI USD/bbl	76.05	-5.82	-24.72	-18.66
Gold USD/t oz	4,340.7	0.03	-7.56	-13.04
Silver USD/t oz	70.0	0.04	-20.02	-13.31
Platinum USD/t oz	1,807.2	1.89	-15.61	-14.57
Aluminum	3,384.6	0.78	-9.24	-1.28
Copper USD/MT	13,682.0	-0.23	-2.94	7.23

Digital Assets				
Bitcoin	65,785.2	-1.07	-17.43	-11.38
Ether	1,796.0	-1.11	-20.63	-23.43
Solana	74.1	-1.12	-18.78	-22.66
XRP	1.2	-3.30	-14.25	-20.06
Volatility				
VIX	16.41	1.30	-8.17	-30.20
MOVE	67.28	-3.03	-4.21	-21.08

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – June 17, 2025. Performance in local currency terms.

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