Weekly Market View

Investment Strategy ♦ August 17, 2026

Energy disruptions and AI investment dominate market sentiment

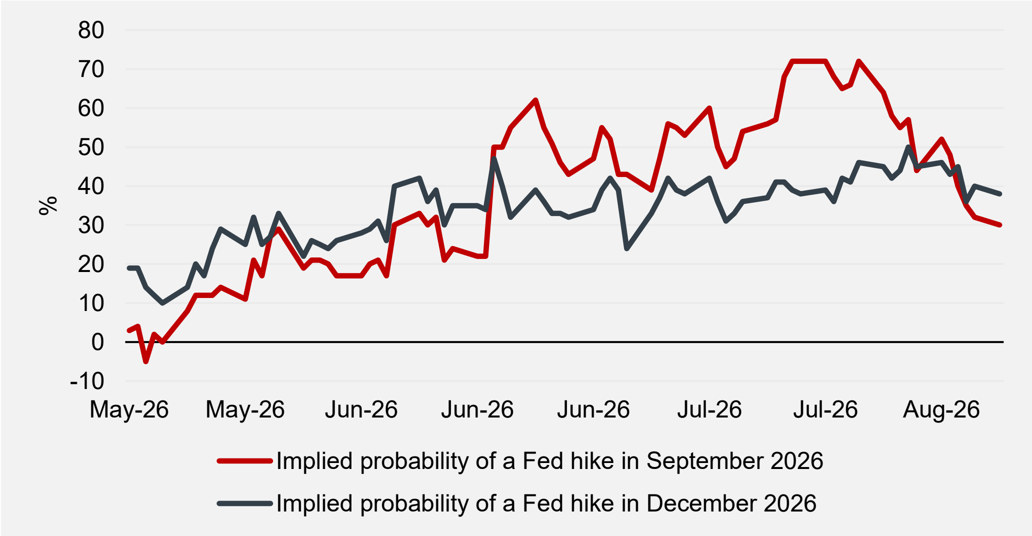
Macro headlines

Markets were driven by escalating tensions around the Strait of Hormuz, with Iran maintaining demands for compensation and sanctions relief while the US intensified economic and military pressure. Ongoing disruptions to shipping routes kept energy security concerns elevated and supported oil prices. At the same time, inflation data in the US continued to soften, with both CPI and PPI easing, reinforcing expectations that the Federal Reserve can remain on hold for the rest of the year. China introduced additional property-market support measures, while Japan reported a record current-account surplus despite softer GDP growth. AI remained a major market theme, with financial institutions exploring a USD500bn-plus funding package for AI infrastructure and strong earnings reported by AI-related companies.

Market performances

Global equities posted mixed but generally resilient performance as softer US inflation and continued AI optimism offset geopolitical concerns. US equities edged higher, with the S&P 500 gaining 0.4%, while Japan's Nikkei 225 outperformed, rising 4.7%. Emerging markets advanced 2.6%, although Hong Kong's Hang Seng fell 2.2%. Fixed income markets weakened as long-term bond yields moved higher across major developed markets. The US dollar strengthened modestly, while the yen weakened further. Commodities were the strongest asset class, with Brent crude rising 6.0% and WTI gaining 5.4% amid ongoing supply disruption concerns linked to Hormuz. Gold posted modest gains, while digital assets remained under pressure. Market volatility stayed relatively contained despite heightened geopolitical risks.

Chart of the Week: Fed hike bets fall



Mohammed Al Hemeiri
Senior Specialist
+971 (0)2 812 6450
mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati
Head - Investment Strategy
+971 (0)2 812 6457
kishore.muktinutalapati@adcb.com

www.adcb.com/marketinsights

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بنك أبوظبي التجاري
ADCB

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.62	0.00	7.00	-25.00
UAE Eibor 3m	3.95	7.25	8.78	47.12
UAE Eibor 12m	4.30	3.79	26.16	68.38
US 3m Bills	3.78	-1.48	11.59	15.36
US 10yr Treasury	4.68	4.68	9.88	52.52
German 10yr Bund	3.20	7.20	3.70	34.90
UK 10yr Gilt	5.04	11.60	-13.50	55.80
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	500	-0.14	0.59	-0.22
Global Treasuries	207	-0.21	0.59	-0.76
Global Corporate	303	-0.13	0.41	-0.33
EM USD Sovereign	466	-0.05	1.45	1.51
EM LCY Sovereign	168	0.09	2.53	3.39
Global High Yield	1,915	0.16	1.85	2.83
Currencies				
Dollar Index	99.49	0.13	0.39	1.37
EUR USD	1.1587	0.10	-0.47	-1.41
GBP USD	1.3555	0.35	1.59	0.64
USD JPY	159.06	0.99	0.37	1.59
Equities				
S&P 500	7,786	0.36	5.09	13.74
Dow Jones	53,732	-0.56	8.49	11.80
NASDAQ	26,729	0.14	1.92	15.00
STOXX 600	658	-0.36	8.39	11.09
DAX	26,440	0.46	10.40	7.96
Nikkei 225	68,928	4.74	11.89	36.50
FTSE 100	10,750	-1.38	5.44	8.24
SENSEX	77,665	-0.62	3.68	-8.46
Hang Seng	25,522	-2.15	-3.26	-2.00
MSCI World	5,029	0.43	6.07	13.52
MSCI EM	1,701	2.61	1.98	21.13
Regional Equities				
ADX	10,047	-0.47	3.82	0.55
DFM	5,886	-0.99	3.10	-2.67
Tadawul*	10,824	0.11	-1.56	3.17
DSM*	10,021	-0.90	-4.50	-6.89
MSM30*	7,509	1.91	-5.67	27.99
BHSE*	1,954	-0.46	0.94	-5.44
KWSE*	8,839	-0.30	0.85	-0.77
Commodities				
BBG Commodity Index	135.5	2.78	-3.92	23.43
Brent USD/bbl	88.7	5.95	-18.98	45.47
WTI USD/bbl	82.3	5.40	-21.84	43.50
Gold USD/t oz	4,397.2	0.80	-3.61	1.26
Silver USD/t oz	65.6	1.77	-14.88	-9.74
Platinum USD/t oz	1,752.4	-0.06	-11.76	-15.11
Aluminum	3,246.1	-0.89	-10.48	8.97
Copper USD/MT	14,545.0	2.14	7.32	16.32

Digital Assets				
Bitcoin	63,469.7	-3.22	-20.53	-28.30
Ether	1,901.8	-1.84	-15.33	-36.91
Solana	75.4	1.72	-15.86	-39.60
XRP	1.0	-2.63	-30.41	-45.73
Volatility				
VIX	14.25	-4.36	-22.68	-4.68
MOVE	69.58	-3.40	-12.88	8.79

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of August 14 2026 unless stated otherwise; **Data as of August 13 2026.

Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
8/17/2026 16:30	Empire Manufacturing	Aug	10	15.6
8/17/2026 18:00	NAHB Housing Market Index	Aug	33	34
8/18/2026 16:15	**ADP Weekly Employment Change**	**1-Aug**	**--**	**8.250k**
8/18/2026 16:30	New York Fed Services Business Activity	Aug	--	8.7
8/18/2026 16:30	**Housing Starts**	**Jul**	**1350k**	**1427k**
8/18/2026 16:30	**Building Permits**	**Jul P**	**1370k**	**1374k**
8/18/2026 17:15	**Industrial Production MoM**	**Jul**	**0.30%**	**0.10%**
8/18/2026 17:15	**Manufacturing Production MoM**	**Jul**	**0.20%**	**0.00%**
8/18/2026 17:15	Capacity Utilization	Jul	76.30%	76.10%
8/18/2026 18:00	**Pending Home Sales NSA YoY**	**Jul**	**--**	**2.30%**
8/19/2026 15:00	**MBA Mortgage Applications**	**14-Aug**	**--**	**3.60%**
8/19/2026 22:00	**FOMC Meeting Minutes**	**29-Jul**	**--**	**--**
8/20/2026 16:30	Philadelphia Fed Business Outlook	Aug	25	41.4
8/20/2026 16:30	**Initial Jobless Claims**	**15-Aug**	**210k**	**209k**
8/20/2026 16:30	**Continuing Claims**	**8-Aug**	**--**	**1777k**
8/20/2026 18:00	Leading Index	Jul	0.10%	-0.20%
8/21/2026 17:45	**S&P Global US Manufacturing PMI**	**Aug P**	**53.7**	**53.9**
8/21/2026 17:45	**S&P Global US Services PMI**	**Aug P**	**53.9**	**54.6**

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
8/17/2026 3:50	**GDP SA QoQ**	**2Q P**	**0.50%**	**0.50%**
8/17/2026 8:30	**Industrial Production MoM**	**Jun F**	**--**	**1.30%**
8/17/2026 8:30	Capacity Utilization MoM	Jun	--	0.10%
8/17/2026 8:30	Tertiary Industry Index MoM	Jun	-1.00%	1.10%
8/19/2026 3:50	Core Machine Orders MoM	Jun	7.80%	-12.40%
8/21/2026 3:30	**Natl CPI YoY**	**Jul**	**1.90%**	**1.60%**
8/21/2026 3:30	**Natl CPI Ex Fresh Food, Energy YoY**	**Jul**	**1.90%**	**1.70%**
8/21/2026 4:30	**S&P Global Japan PMI Mfg**	**Aug P**	**--**	**54.5**
8/21/2026 4:30	**S&P Global Japan PMI Services**	**Aug P**	**--**	**51.2**

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
8/03/2026 10:00	Germany Retail Sales NSA YoY	Jun	--	1.80%
8/18/2026 13:00	Eurozone ZEW Survey Expectations	Aug	--	23.4
8/19/2026 12:00	Eurozone ECB Current Account SA	Jun	--	25.1b
8/19/2026 13:00	**Eurozone CPI YoY**	**Jul F**	**2.90%**	**2.90%**
8/19/2026 13:00	**Eurozone CPI Core YoY**	**Jul F**	**2.50%**	**2.50%**
8/20/2026 10:00	**Germany PPI YoY**	**Jul**	**2.30%**	**1.80%**
8/21/2026 11:15	**France S&P Global Manufacturing PMI**	**Aug P**	**50.1**	**49.8**
8/21/2026 11:15	**France S&P Global Services PMI**	**Aug P**	**49.4**	**49.6**
8/21/2026 11:30	**Germany S&P Global/BME Manufacturing PMI**	**Aug P**	**52**	**52.2**
8/21/2026 11:30	**Germany S&P Global Services PMI**	**Aug P**	**50.2**	**49.8**
8/21/2026 12:00	**Eurozone S&P Global Manufacturing PMI**	**Aug P**	**51.8**	**51.9**
8/21/2026 12:00	**Eurozone S&P Global Services PMI**	**Aug P**	**51.5**	**51.7**
8/21/2026 12:00	Eurozone ECB 1 Year CPI Expectations	Jul	--	3.00%
8/21/2026 12:00	Eurozone ECB 3 Year CPI Expectations	Jul	2.80%	2.80%
8/21/2026 18:00	**Eurozone Consumer Confidence**	**Aug P**	**-16.2**	**-15.9**

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
8/17/2026 3:01	Rightmove House Prices YoY	Aug	--	-0.40%
8/18/2026 10:00	ILO Unemployment Rate 3Mths	Jun	4.80%	4.90%
8/18/2026 10:00	Jobless Claims Change	Jul	--	6.7k
8/19/2026 10:00	**CPI YoY**	**Jul**	**2.90%**	**2.60%**
8/19/2026 10:00	**CPI Core YoY**	**Jul**	**2.50%**	**2.60%**
8/19/2026 10:00	**RPI YoY**	**Jul**	**3.40%**	**3.00%**
8/19/2026 12:30	House Price Index YoY	Jun	--	2.70%
8/21/2026 3:01	**GfK Consumer Confidence**	**Aug**	**-18**	**-17**
8/21/2026 10:00	Retail Sales Inc Auto Fuel YoY	Jul	2.20%	4.20%
8/21/2026 10:00	Retail Sales Ex Auto Fuel MoM	Jul	-0.40%	1.10%
8/21/2026 12:30	**S&P Global UK Manufacturing PMI**	**Aug P**	**51.5**	**51.9**
8/21/2026 12:30	**S&P Global UK Services PMI**	**Aug P**	**52**	**52.1**

China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
8/17/2026 6:00	China Retail Sales YoY	Jul	1.50%	1.00%
8/17/2026 6:00	China Industrial Production YoY	Jul	5.00%	5.30%
8/17/2026 14:30	India Unemployment Rate	Jul	--	5.50%
8/20/2026 5:00	China 1-Year Loan Prime Rate	20-Aug	3.00%	3.00%
8/20/2026 5:00	China 5-Year Loan Prime Rate	20-Aug	3.50%	3.50%
8/21/2026 9:00	India HSBC PMI Mfg	Aug P	--	53.5
8/21/2026 9:00	India HSBC PMI Services	Aug P	--	53.3

GCC

Date & Time (GST)	Indicator	Period	Expected	Prior
8/10/2026-8/24/2026	Bah GDP Constant Prices YoY	1Q	--	4.60%
8/15/2026-8/25/2026	KUW CPI YoY	Jul	--	2.19%
8/10/2026-8/17/2026	QAT GDP Constant Prices YoY	1Q	--	2.00%
8/19/2026-8/22/2026	QAT CPI YoY	Jul	--	2.21%
8/19/2026-8/27/2026	UAE M3 Money Supply YoY	Jun	--	15.10%
8/20/2026-8/26/2026	Dubai CPI YoY	Jul	--	5.66%

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