Daily Market View

Investment Strategy ♦ August 19, 2026

بنك أبوظبي التجاري ADCB

Yields climb, tech declines, and Hormuz tensions tighten August's risk lines

Macro headlines

President Trump said Tuesday that no talks were taking place with Iran and insisted the Strait of Hormuz was open, contradicting Tehran's assertion that the waterway remains shut. The comments highlight widening information gaps as the conflict drags on and tanker traffic remains disrupted. In tariff related matters, Trump also announced a three-day pause on new 50% tariffs on Canadian goods, saying both countries had reached a deal "subject to finalization of documents." The US Securities and Exchange Commission proposed a new regulatory framework for crypto assets, marking the administration's first major step toward tailored rules for the sector. The proposal would exempt certain crypto companies and offerings from securities rules, easing token issuance and capital raising. Turning to macroeconomic data, US industrial production rose by a weaker-than-expected 0.2% m/m in July, with manufacturing output excluding autos up 0.4%. Capacity utilization edged up to 76.3%, still 3.1ppt below its long-run average. Housing data remained weak: single family homebuilding fell to its lowest level in more than three-and-a-half years, and pending home sales declined, reflecting pressure from higher mortgage rates and uncertainty linked to the Iran conflict. US import prices fell 0.4% m/m in July, the largest drop since May 2025, driven by a 7.2% decline in fuel import costs. Export prices fell 1.3% m/m. Despite the monthly declines, import prices remain up 5.9% y/y, with fuel import prices up 25.2% y/y. UK payrolled employees fell 78,000 y/y in June, with July's early estimate showing a further 94,000 decline. Germany's ZEW expectations index rose sharply to 34.2, its highest since February, while eurozone expectations climbed to 31.4, reflecting improving sentiment despite weak current conditions readings.

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Market performances

US equities fell Tuesday as rising long-end yields, soft economic data, and escalating geopolitical tension weighed on sentiment. The Nasdaq declined 1.33% to 26,729.16, the S&P 500 fell 0.69% to 7,748.50, and the Dow slipped 0.22% to 53,653.41. Heavyweight tech stocks led losses, with higher yields undermining capital-intensive AI infrastructure names. MSCI's global equity gauge fell 0.75%, while the STOXX 600 declined 0.69%. The VIX hit its highest level in more than a week as markets turned cautious ahead of Wednesday's FOMC minutes and next week's Jackson Hole symposium. Oil prices rose to their highest levels since July 24 as Iran said it would adopt a more offensive stance and the Strait of Hormuz would remain closed. Brent settled at USD91.02/bbl, while WTI closed at USD84.94/bbl. Gains were limited by concerns about demand and broader risk aversion. Long-end bond yields remained the dominant market driver. The 30-year Treasury yield touched 5.3371%, its highest level since 2007, before easing to 5.2922%. The 10-year yield rose to 4.712% before softening. Worsening fiscal dynamics, heavy AI-related corporate duration supply, and rising Japanese yields – now near 3% for the first time since the mid-1990s – are adding upward pressure to US yields as Japanese investors consider reallocating capital. The dollar index rose to 99.67, while the euro traded at EUR1.1574. The yen weakened to JPY159.64 per USD. Gold fell c1.4% to USD4,345/oz.

What's Next

Wednesday's US calendar includes the FOMC meeting minutes, which will provide insight into policymakers' views on inflation, supply shocks, and geopolitical risk. The UK releases July CPI, core CPI, services inflation, CPIH, RPI, and PPI output and input. The eurozone publishes June current account data and final July HICP and core HICP. South Africa releases July CPI and core CPI, along with June retail sales. Japan publishes June core machine orders; Indonesia announces its BI rate decision; and Poland releases Q2 GDP (flash). Earnings include Analog Devices, Carlsberg, Estée Lauder, Evolution Mining, Geberit, Hong Kong Exchanges and Clearing, Ithaca Energy, Lowe's, Santos, Target, and Viking. China's World Robot Conference begins in Beijing. Markets will remain sensitive to long-end yield dynamics, Iran's military posture, and signals from the FOMC minutes and Jackson Hole.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.66	0.00	2.00	13.00
UAE Eibor 3m	3.95	-0.54	12.38	8.99
UAE Eibor 12m	4.19	4.27	6.65	10.20
US 3m Bills	3.78	-0.26	0.24	13.96
US 10yr Treasury	4.70	-1.78	15.68	11.67
German 10yr Bund	3.26	3.80	13.70	11.10
UK 10yr Gilt	5.08	2.00	14.30	-1.80
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	499	-0.10	0.16	0.36
Global Treasuries	206	-0.14	0.25	0.34
Global Corporate	302	-0.04	-0.14	0.16
EM USD Sovereign	463	-0.30	-0.66	1.17
EM LCY Sovereign	168	-0.14	1.26	2.51
Global High Yield	1,910	-0.18	0.32	1.66
Currencies				
Dollar Index	99.66	0.02	-0.82	0.47
EUR USD	1.1580	-0.07	1.21	-0.62
GBP USD	1.3541	-0.13	0.11	0.83
USD JPY	159.57	0.13	-1.60	0.40
Equities				
S&P 500	7,692	-0.69	1.58	3.90
Dow Jones	53,343	-0.22	1.30	7.36
NASDAQ	26,290	-1.33	0.08	0.76
STOXX 600	652	-0.69	1.43	6.84
DAX	26,128	-0.80	4.52	7.49
Nikkei 225	67,461	-2.54	-1.88	10.93
FTSE 100	10,728	0.07	2.02	3.92
SENSEX	77,235	-0.63	0.06	2.55
Hang Seng	25,471	0.07	3.20	-0.79
MSCI World	4,971	-0.73	1.94	4.88
MSCI EM	1,695	-0.88	0.37	1.90
Regional Equities				
ADX	10,098	0.22	2.71	5.62
DFM	5,858	0.04	-0.90	4.43
Tadawul*	10,912	0.03	0.99	-1.18
DSM*	9,848	-0.45	-1.84	-4.05
MSM30*	7,550	0.12	6.08	-1.11
BHSE*	1,947	-0.25	-1.02	-1.75
KWSE*	8,774	0.13	1.30	0.59
Commodities				
BBG Commodity Index	137.0	-0.10	4.90	-4.27
Brent USD/bbl	91.02	0.17	7.15	-18.80
WTI USD/bbl	84.94	0.52	6.71	-21.83
Gold USD/t oz	4,364.0	-1.36	8.19	-4.09
Silver USD/t oz	63.4	-3.68	9.63	-18.47

Platinum USD/t oz	1,716.6	-3.20	2.27	-13.48
Aluminum	3,219.6	-1.27	2.30	-11.25
Copper USD/MT	14,335.0	-3.47	5.89	6.75
Digital Assets				
Bitcoin	64,551.6	0.31	-0.59	-16.01
Ether	1,912.0	0.36	-0.56	-9.64
Solana	76.8	1.19	-0.67	-9.48
XRP	1.0	-0.34	-10.00	-27.77
Volatility				
VIX	15.84	4.28	1.08	-11.11
MOVE	74.98	-0.86	9.49	-12.88

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

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