Daily Market View

Investment Strategy ♦ August 21, 2026

بنك أبوظبي التجاري
ADCB

The blessing of long life meets the burden of long duration bonds

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

Macro headlines

On the day Ethel Caterham, the world's oldest verified person living, turns 117 – a reminder of extraordinary longevity – global markets confront their own pressures with long-end bonds as the fiscal trajectory continues to deteriorate. US Treasury said that they may further increase Treasury buybacks after Wednesday's surprise doubling of long-duration repurchases, an attempt to stabilize a debt market rattled by swelling public liabilities now exceeding USD40trn. In geopolitics, President Trump warned of economic consequences for any country offering "any type of lifeline to Iran," reinforcing Washington's sanctions-first strategy as the US-Iran war nears six months with no progress on reopening the Strait of Hormuz. Treasury Secretary Bessent said the US will impose "the toughest sanctions in history". In macroeconomic data, inflation across major economies added to the sense of renewed pressure: Japan's July core CPI accelerated to 1.8% y/y as firms passed through higher import costs, and Germany's July producer prices surged 3.0% y/y, the fastest pace in over three years. Central banks continue to respond cautiously – Sweden's Riksbank held rates steady with a still live chance of a hike before year-end, while Egypt kept its deposit rate at 19%. Trade and demand indicators were mixed: Taiwan's July export orders surged 62% y/y to a record USD98bn on strong AI-related demand, while Walmart reported its slowest comparable sales growth in six years, warning that high gasoline prices are squeezing US consumers.

Market performances

US Treasuries sold off again on Thursday after brief reprieve, with the 30-year yield rising 5.4bps to 5.247%, reversing part of Wednesday's decline. The 10-year yield rose to 4.70%, underscoring persistent concerns about the US fiscal trajectory despite Treasury's expanded buyback program. US equities weakened: the Nasdaq fell 1%, the S&P 500 dropped 0.9%, and the Dow declined 1.3%. MSCI's global equity gauge fell 0.3%. European equities were softer, with the STOXX 600 down 0.12%. Tech sentiment remained resilient despite higher yields, with semiconductor stocks rebounding as AI-infrastructure spending remains non-discretionary, limiting the impact of bond market turbulence on the sector. Oil prices climbed as disruption in the Strait of Hormuz showed no signs of easing. Brent rose 2% to USD93.49/bbl, while WTI gained 0.77% to USD85.59/bbl. Distillate inventories fell for a third week, adding to supply tightness concerns. In FX, the euro traded at EUR1.1695, its highest since May, before settling flat. The yen weakened to JPY159.12 per USD. The dollar index edged up to 98.89. Cryptocurrencies, helped by the regulatory tailwinds, continued their march higher.

What's Next

Friday's calendar includes Canada's June retail sales (headline and ex-auto), US S&P Global manufacturing and services PMIs (flash), Mexico's June retail sales, and Argentina's June economic activity index and July trade data. The UK releases August GfK consumer confidence, July public finances data, and July retail sales (headline and ex-auto-fuel). France publishes August business and manufacturing confidence and flash PMIs. Germany releases flash PMIs and eurozone PMIs follow shortly after, alongside eurozone negotiated wages and consumer confidence data. Asia's docket includes India's HSBC PMIs (manufacturing, services, composite). While markets will pay close attention to the August flash PMIs to get a sense of high frequency macro dynamics, and to the long-end bond yield dynamics, football fans will watch the start of the English Premier League season with last year's title winners Arsenal playing newly promoted Coventry City.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.62	0.00	3.00	12.00
UAE Eibor 3m	3.82	-8.63	-1.25	8.73
UAE Eibor 12m	4.23	0.89	9.27	19.35
US 3m Bills	3.79	0.81	-0.07	15.10
US 10yr Treasury	4.70	5.75	15.67	11.86
German 10yr Bund	3.26	-0.30	13.30	16.30
UK 10yr Gilt	5.07	2.30	11.60	7.90
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	502	-0.03	0.74	0.69
Global Treasuries	208	0.04	0.95	0.76
Global Corporate	303	-0.16	0.26	0.37
EM USD Sovereign	464	-0.25	-0.40	1.33
EM LCY Sovereign	169	0.15	1.94	2.96
Global High Yield	1,914	-0.10	0.63	1.83
Currencies				
Dollar Index	98.90	0.06	-1.86	-0.20
EUR USD	1.1673	0.03	2.05	0.40
GBP USD	1.3631	0.15	1.33	1.41
USD JPY	159.00	0.39	-2.09	0.10
Equities				
S&P 500	7,641	-0.87	2.46	2.80
Dow Jones	52,759	-1.32	1.18	5.50
NASDAQ	26,067	-1.00	2.14	-0.77
STOXX 600	650	-0.12	1.37	4.85
DAX	25,983	-0.42	4.64	5.04
Nikkei 225	66,217	1.36	3.24	10.72
FTSE 100	10,748	0.04	1.39	3.03
SENSEX	77,538	0.82	-0.79	2.95
Hang Seng	25,698	0.80	4.63	0.18
MSCI World	4,947	-0.57	2.90	3.79
MSCI EM	1,700	1.89	4.89	3.83
Regional Equities				
ADX	10,076	0.69	3.01	4.97
DFM	5,840	-0.04	0.44	3.78
Tadawul*	10,954	0.26	1.72	-1.27
DSM*	9,683	-0.92	-3.99	-8.25
MSM30*	7,523	-0.31	4.70	-1.25
BHSE*	1,944	-0.07	-1.10	-2.82
KWSE*	8,818	-0.03	0.89	-0.20
Commodities				
BBG Commodity Index	139.4	0.69	6.09	-0.52
Brent USD/bbl	93.78	2.36	6.45	-10.70
WTI USD/bbl	87.83	2.33	6.47	-10.61
Gold USD/t oz	4,510.1	0.37	12.26	-0.54
Silver USD/t oz	68.1	1.66	21.78	-10.29

Platinum USD/t oz	1,834.7	0.78	14.92	-6.10
Aluminum	3,206.4	-0.66	1.74	-12.38
Copper USD/MT	14,170.0	-0.07	5.96	5.60
Digital Assets				
Bitcoin	72,663.8	5.25	13.40	-6.44
Ether	2,318.1	4.51	25.85	8.62
Solana	87.6	4.58	16.69	1.69
XRP	1.2	13.11	14.27	-9.17
Volatility				
VIX	16.01	7.52	-14.70	-8.20
MOVE	73.18	2.69	3.24	-10.24

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – August 21, 2025. Performance in local currency terms.

Disclaimer

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige Abu Dhabi Commercial Bank PJSC ("ADCB") to enter into any transaction.

The content of this publication should not be considered legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication.

Information contained herein is based on various sources, including but not limited to public information, annual reports and statistical data that ADCB considers accurate and reliable. However, ADCB makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for qualified customers of ADCB.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. ADCB expressly disclaims any obligation to update or revise any forward-looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of the foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB. They are subject to investment risks, including possible loss of principal amount invested. Please refer to ADCB's Terms and Conditions for Investment Services.

This publication is being furnished to you solely for your information and neither it nor any part of it may be used, forwarded, disclosed, distributed or delivered to anyone else. You may not copy, reproduce, display, modify or create derivative works from any data or information contained in this publication.