Daily Market View

Investment Strategy ♦ August 24, 2026

ADCB بنك أبوظبي التجاري

Of changing frameworks markets must now navigate

Macro headlines

On the anniversary of Pluto's demotion from 'planet' to 'dwarf planet,' markets should be reminded that changes can come from shifting frameworks, even if the underlying objects do not change. Over the last few days, the US threatened Iran with 'the greatest financial offensive ever marshalled,' preparing sanctions targeting Iran's trade partners, including China. In this environment, the investors' lens must now shift from military confrontation to a period defined by economic and sanctions-driven escalation. Elsewhere, Canada responded to collapsed negotiations with Washington by announcing "dollar-for-dollar" retaliatory tariffs on US steel, electronics, and other goods effective September 8, complicating the future of the US-Mexico-Canada trade pact. In a contrasting diplomatic gesture, the Trump administration notified Congress of its intention to pay USD725m to the United Nations, contingent on reforms, marking a partial reversal of earlier funding cuts. Turning to macroeconomic data, Global PMIs painted a picture of broad but uneven expansion. US business activity hit a 52-month high in August, driven by services and cooling price pressures. The UK saw its fastest private sector expansion since April, with services offsetting weaker manufacturing. The eurozone sustained growth, supported by manufacturing strength, rising new orders, and easing inflation pressures. Germany posted modest expansion with stabilizing employment and improving expectations, while France saw a second month of slight contraction and weakening demand. India's PMI showed a marginally stronger expansion led by services, though firms raised charges at the fastest pace since April. Japan's private sector activity accelerated to a six-month high, supported by stronger new orders and improved confidence. Australia recorded its fourth expansion in five months, driven by services, though cost pressures picked up. UK retail sales fell 0.5% m/m in July after June's weather-boosted surge, with annual growth slowing to 1.6% y/y.

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Market performances

Global markets closed out a difficult week as bond-market strain persisted and oil prices hovered near one-month highs. US Treasury yields resumed their climb after Wednesday's buyback-driven reprieve faded. The 30-year yield rose to 5.266%, while the 10-year reached 4.73%. Selling was heaviest in the 2-year, which rose 5bps on the day and 9bps for the week, reflecting stronger-than-expected US PMI data and persistent inflation concerns. Higher yields pressured equities globally. The Nikkei fell nearly 4% for the week, its largest drop since mid-July. The STOXX 600 posted its biggest weekly fall since early July, down nearly 1%. MSCI's world index slipped modestly on the week. On Wall Street, major indexes posted weekly losses despite Friday's rebound: the S&P 500 and Nasdaq snapped three-week winning streaks, while the Dow recorded a second weekly decline. Friday's gains were supported by strong US services sector PMI readings and a calmer Treasury tape. Oil remained firm as sanctions threats and continued disruption in the Strait of Hormuz lifted supply-risk premia. Brent rose to USD94/bbl, up more than 5% for the week, while WTI climbed to USD87/bbl. Distillate inventories fell for a third week, adding to concerns about tightening supply. The dollar weakened broadly amid rising concerns over the US debt trajectory and policy uncertainty. The dollar index fell to 98.74, its lowest in three months. The euro strengthened to EUR1.1689, while the dollar slid 1.5% against the Swiss franc during the week and eased to JPY158.79. Gold rose 1.3% to USD4,583/oz on Friday, touching a three-month high. Bitcoin surged more than 20% for the week to USD76,446, its largest weekly gain in two-and-a-half years, as investors sought alternatives to US assets.

What's Next

The upcoming week centers on US personal income and spending data, with estimates pointing to a 0.3% m/m rise in income and a 0.2% m/m increase in nominal spending. Headline PCE prices are expected to rise 0.2% m/m and 3.6–3.7% y/y, while core PCE inflation is projected at 0.2% m/m and 3.3% y/y. The Bureau of Economic Analysis will introduce methodological changes to PCE components on September 30, potentially lowering measured inflation thereafter. Markets will closely watch Fed Chair Warsh's speech at the Jackson Hole symposium (August 27–29), where he may address the five Fed task forces on communications, balance sheet policy, data, productivity, and inflation frameworks. Nvidia's earnings on August 26 will test assumptions behind the AI-driven equity rally, with implications for chipmakers and data center infrastructure providers. Monday's calendar includes Mexico's June economic activity index, Q2 GDP (final), and bi weekly CPI; Poland's July retail sales; Singapore's July CPI and core CPI; and Taiwan's July unemployment rate. Markets will remain highly sensitive to long end yield dynamics, sanctions escalation, and the evolving inflation narrative ahead of PCE and Jackson Hole. Markets will also watch US Treasury Secretary's press conference scheduled for 9PM UAE time today.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.63	0.00	6.00	12.00
UAE Eibor 3m	3.88	5.77	8.54	11.40
UAE Eibor 12m	4.24	1.18	11.37	31.20
US 3m Bills	3.79	0.17	0.91	13.29
US 10yr Treasury	4.73	2.98	14.22	16.43
German 10yr Bund	3.26	-0.10	10.80	16.00
UK 10yr Gilt	5.06	-0.70	2.80	9.50
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	501	-0.12	0.85	0.57
Global Treasuries	207	-0.14	1.04	0.64
Global Corporate	303	-0.12	0.41	0.24
EM USD Sovereign	464	-0.04	-0.35	1.17
EM LCY Sovereign	169	0.13	2.03	2.98
Global High Yield	1,915	0.01	0.69	1.83
Currencies				
Dollar Index	98.80	-0.10	-2.13	-0.46
EUR USD	1.1679	0.05	2.34	0.72
GBP USD	1.3644	0.10	1.66	1.76
USD JPY	158.95	-0.03	-2.20	-0.12
Equities				
S&P 500	7,674	0.43	3.10	3.07
Dow Jones	53,277	0.98	2.77	5.95
NASDAQ	26,180	0.43	2.64	-0.43
STOXX 600	654	0.59	2.28	5.42
DAX	26,137	0.59	5.19	6.22
Nikkei 225	66,016	-0.30	2.92	7.02
FTSE 100	10,817	0.64	2.77	3.57
SENSEX	77,541	0.00	-0.22	3.14
Hang Seng	26,009	1.21	3.45	2.45
MSCI World	4,970	0.45	3.68	4.03
MSCI EM	1,722	1.29	6.49	2.77
Regional Equities				
ADX	10,004	-0.71	2.60	3.82
DFM	5,857	0.29	1.04	3.46
Tadawul*	11,079	1.13	4.62	-0.38
DSM*	9,688	0.06	-2.34	-7.83
MSM30*	7,509	-0.18	3.19	-0.96
BHSE*	1,944	0.03	-0.61	-4.13
KWSE*	8,893	0.85	1.56	1.52
Commodities				
BBG Commodity Index	140.5	0.80	6.46	1.14
Brent USD/bbl	94.39	0.65	5.79	-7.98
WTI USD/bbl	87.06	-0.88	4.60	-9.64
Gold USD/t oz	4,603.1	2.06	14.79	1.85
Silver USD/t oz	69.0	1.33	22.28	-10.02

Platinum USD/t oz	1,879.7	2.45	17.83	-4.55
Aluminum	3,239.9	1.04	3.18	-11.92
Copper USD/MT	14,291.0	0.85	4.86	6.43
Digital Assets				
Bitcoin	77,504.6	6.66	18.64	-0.17
Ether	2,440.6	5.29	28.16	14.22
Solana	91.8	4.88	17.96	4.97
XRP	1.4	10.57	23.39	-0.11
Volatility				
VIX	15.13	-5.50	-18.87	-9.73
MOVE	73.40	0.30	1.02	-7.93

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – August 24, 2025. Performance in local currency terms.

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