Daily Market View

Investment Strategy ♦ August 25, 2026

ADCB بنك أبوظبي التجاري

Voyager 2 kept its course, the US Treasury must too

Macro headlines

On the anniversary of Voyager 2's closest approach to Saturn in 1981, the spacecraft offers a message for Secretary Bessent: trajectory discipline matters. Just as Voyager 2 stayed on course through gravitational cross-currents, the Treasury is now navigating its own gravitational field — rising yields, swelling debt, and a buyback strategy that risks losing credibility if not anchored by a coherent fiscal path. Treasury yields fell Monday and bounced back subsequently after reports that the department may tap its cash account (the TGA) to finance expanded buybacks, less than a week after Bessent's surprise decision to double repurchases of 10- to 30-year securities. Bessent said scheduled auctions will continue, reinforcing that buybacks are an overlay, not a replacement, but markets remain focused on whether the Treasury can maintain a stable trajectory as debt dynamics worsen. Elsewhere, sanctions policy tightened further. Bessent invoked the D-Day landing while announcing new measures against Iran, warning that countries continuing to trade with Tehran risk exclusion from the dollar-based financial system. Iran vowed retaliation and expressed confidence that major partners would resist US pressure. Trade tensions also escalated: President Trump threatened to raise tariffs on all Canadian autos, trucks, and parts to 50% starting January 1, 2027, after negotiations collapsed last week. Canada's retaliatory tariffs on US goods take effect September 8, complicating the future of the US-Mexico-Canada trade pact. Domestic policy developments added to the shifting landscape. The Supreme Court lifted an order blocking the administration's restrictions on mail-in ballots ahead of the November midterms. In Asia, Japan's finance minister said the government will examine tax incentives for retail JGB investors, while RBA minutes showed a divided board, with "several" members arguing a rate hike may be needed given upside inflation risks. In China, Alibaba shares slumped after announcing a USD10.2bn discounted share sale to fund AI ambitions, raising dilution and execution concerns.

Market performances

Global equities weakened Monday as technology stocks dragged benchmarks lower despite falling Treasury yields and softer oil prices. The S&P 500 fell 0.28% to 7,652.86, the Nasdaq dropped 0.76% to 25,980.19, and MSCI's global index declined 0.40%. The Dow outperformed, rising 0.26% to 53,417.16. Tech sentiment was fragile ahead of Nvidia's earnings, with investors questioning whether the AI-infrastructure leader can meet exceptionally lofty expectations. Alibaba's discounted share sale and Samsung's shareholder return plan weighed on Asian tech, with the KOSPI down more than 3%. Oil prices fell sharply despite expanded US sanctions on Iran, with Brent down 2.35% to USD92.17/bbl and WTI down 2.35% to USD85.01/bbl, as markets focused on near-term demand softness. Treasury yields eased: the 10-year fell to 4.70%, and the 30-year declined to 5.228%, reflecting speculation that the Treasury may use the TGA to support buybacks – only to reverse subsequently. The 2-year yield edged up to 4.238%, consistent with stable Fed expectations ahead of Jackson Hole. In FX, the dollar strengthened modestly, with the dollar index rising to 99.01. The euro slipped to EUR1.1662, while the yen weakened to JPY159.13 per USD. The Canadian dollar fell 0.56% amid escalating trade tensions. Gold extended its rally, rising to USD4,647/oz. Crypto assets gained, with bitcoin benefiting from diversification away from US debt-linked assets.

What's Next

Tuesday's US calendar includes the Richmond Fed manufacturing survey, July new home sales, and August Conference Board consumer confidence. Brazil releases August consumer confidence; Mexico publishes Q2 current account data. Europe's docket includes Germany's final Q2 GDP, government spending, private consumption, and capital investment; France's August consumer confidence; and Germany's ifo business climate indices. South Africa releases its June leading indicator; Poland publishes July unemployment; Hungary announces its base rate decision; Taiwan releases July industrial production; and Hong Kong reports July trade data. Earnings include Gold Fields, Heico, Intuit, Lego, and Zoom. Markets will watch the Treasury buyback strategy, US-Canada trade tensions, sanctions escalation, Nvidia's earnings, and Chair

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

Warsh's upcoming Jackson Hole speech. With PCE inflation due later this week, investors will look for confirmation that July's benign CPI and PPI readings translate into softer Fed-preferred inflation metrics.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.65	0.00	4.00	10.00
UAE Eibor 3m	3.84	-3.94	6.80	20.86
UAE Eibor 12m	4.24	0.44	10.72	26.43
US 3m Bills	3.79	-0.60	-1.44	12.53
US 10yr Treasury	4.70	-3.78	6.80	13.83
German 10yr Bund	3.25	-0.50	9.00	21.50
UK 10yr Gilt	5.06	-0.30	2.70	16.00
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	501	0.07	1.08	0.53
Global Treasuries	207	0.06	1.26	0.56
Global Corporate	303	0.12	0.72	0.27
EM USD Sovereign	465	0.14	-0.07	1.12
EM LCY Sovereign	169	0.06	2.04	2.98
Global High Yield	1,916	0.06	0.83	1.77
Currencies				
Dollar Index	99.00	0.20	-2.15	-0.24
EUR USD	1.1665	-0.12	2.25	0.53
GBP USD	1.3635	-0.07	1.88	1.50
USD JPY	159.07	0.08	-2.42	-0.07
Equities				
S&P 500	7,653	-0.28	1.91	2.40
Dow Jones	53,417	0.26	2.28	5.61
NASDAQ	25,980	-0.76	0.55	-1.38
STOXX 600	654	0.00	1.71	4.65
DAX	26,107	-0.11	4.38	4.89
Nikkei 225	65,528	-0.74	-1.06	3.46
FTSE 100	10,854	0.35	2.54	3.71
SENSEX	77,369	-0.22	-0.13	2.59
Hang Seng	25,517	-1.89	1.53	-0.35
MSCI World	4,958	-0.24	2.52	3.27
MSCI EM	1,695	-1.59	2.50	0.51
Regional Equities				
ADX	10,048	0.44	2.69	4.04
DFM	5,866	0.15	0.92	3.03
Tadawul*	11,174	0.86	5.52	0.48
DSM*	9,741	0.54	-1.81	-7.33
MSM30*	7,501	-0.11	3.08	-1.07
BHSE*	1,947	0.14	-0.47	-3.99
KWSE*	8,900	0.08	1.64	1.60
Commodities				
BBG Commodity Index	139.4	-0.80	4.47	0.51
Brent USD/bbl	92.17	-2.35	1.27	-10.98
WTI USD/bbl	85.01	-2.35	0.12	-12.00
Gold USD/t oz	4,645.0	0.91	14.08	3.01
Silver USD/t oz	68.9	-0.08	17.25	-8.74

Platinum USD/t oz	1,881.5	0.09	15.37	-2.40
Aluminum	3,225.9	-0.43	2.16	-12.63
Copper USD/MT	14,344.0	0.37	3.52	5.90
Digital Assets				
Bitcoin	78,929.5	1.84	18.90	3.98
Ether	2,474.9	1.41	28.74	19.49
Solana	96.5	5.11	23.95	13.62
XRP	1.5	7.59	28.81	10.32
Volatility				
VIX	15.85	4.76	-7.04	-5.09
MOVE	73.98	0.79	-0.92	-5.67

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – August 25, 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.