Daily Market View

Investment Strategy ♦ August 26, 2026

بنك أبوظبي التجاري
ADCB

Tomatoes fly in Buñol, tariffs fly in North America

Macro headlines

As Buñol prepares to celebrate La Tomatina, the world's largest food fight, the US-Canada tariff clash delivered its own macro scale splatter. Canada imposed retaliatory tariffs on USD20bn of US imports, matching Washington's 15%, 25%, and 50% duties "dollar-for-dollar" across roughly 700 products. President Trump escalated further, threatening to raise tariffs on all Canadian autos, trucks, and parts to 50% from January 1, 2027, after last week's negotiations collapsed. In more geopolitical matters, Iran said it restarted talks with Oman to manage the Strait of Hormuz amid heightened US sanctions. US Treasury Secretary Bessent warned countries to cut financial ties with Tehran or face secondary sanctions, invoking "economic D-Day." Tehran vowed retaliation, insisting major partners would resist US pressure. US macro data softened. The Richmond Fed manufacturing index slipped slightly to 4, with new orders easing and employment turning negative. New home sales fell 10.5% m/m to 607k – the lowest since January – as high mortgage rates sidelined buyers. Consumer confidence dropped to 89.4, a seven-month low, driven by worsening expectations for inflation and labor markets. Europe delivered mixed signals. France's household confidence held steady at 86, still below its long-term average. Germany surprised positively: the Ifo business climate index jumped to 88.8, its highest since August 2025, while Q2 GDP was revised up to 0.3% q/q on stronger exports. Taiwan's July industrial production surged 25.6% y/y to a record high, driven by AI-related manufacturing strength.

Market performances

Global equities rose Tuesday as investors awaited Nvidia's earnings and assessed the implications of expanded Treasury buybacks. The S&P 500 gained 0.32% to 7,677.28, the Nasdaq rose 0.66% to 26,151.30, and the Dow added 0.30% to 53,577.40. MSCI's global index climbed 0.38%. European equities were firmer, with the STOXX 600 up 0.35%, while MSCI Asia ex-Japan gained 0.56%. Tech outperformed after Monday's weakness, with Nvidia's upcoming results driving sentiment. Treasury yields fell for a second day as markets digested reports that the Treasury may tap the TGA to finance expanded buybacks. The 10-year yield declined to 4.625%, while the 30-year fell to 5.162%. The 2-year yield dropped to 4.176%, reflecting stable Fed expectations ahead of PCE data and Jackson Hole. Oil prices fell sharply despite expanded sanctions threats, with Brent down 3.89% to USD88.58/bbl and WTI down 3.12% to USD82.36/bbl, as traders viewed economic pressure as less threatening to supply than military escalation. Bitcoin briefly crossed USD80,000 before settling at USD78,893. The dollar index slipped to 98.87, while the euro strengthened to EUR1.1677. The yen traded at JPY159.13 per USD.

What's Next

Wednesday's US calendar includes the second release of Q2 GDP, consumer spending, the GDP price index, core PCE, July personal income and spending, and July PCE inflation (headline and core) 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. Durable goods orders (headline and ex-transportation) will also be released. Brazil publishes August IPCA-15 inflation and federal debt data. Earnings include Abercrombie & Fitch, Agilent, CrowdStrike, HP, Nvidia, Okta, Salesforce, JM Smucker, Synopsys, and Williams-Sonoma. Markets will remain extremely sensitive to Nvidia's results, PCE inflation, Treasury buyback strategy, and US-Canada trade escalation. On Nvidia, markets appear to be positioning for a strong report, expecting AI-infrastructure demand to remain robust.

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.65	0.00	3.00	10.00
UAE Eibor 3m	3.87	3.21	6.73	18.47
UAE Eibor 12m	4.25	0.97	10.12	27.64
US 3m Bills	3.77	-1.31	-5.90	11.39
US 10yr Treasury	4.63	-6.73	-2.57	7.10
German 10yr Bund	3.20	-5.20	3.00	25.50
UK 10yr Gilt	4.99	-6.90	-4.60	9.10
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	503	0.30	1.51	0.46
Global Treasuries	208	0.27	1.64	0.38
Global Corporate	305	0.39	1.24	0.42
EM USD Sovereign	466	0.36	0.49	1.48
EM LCY Sovereign	169	0.09	2.28	2.61
Global High Yield	1,920	0.20	1.12	1.89
Currencies				
Dollar Index	98.92	-0.09	-2.19	-0.33
EUR USD	1.1672	0.06	2.31	0.27
GBP USD	1.3635	0.00	1.96	0.97
USD JPY	159.27	0.13	-2.35	0.23
Equities				
S&P 500	7,677	0.32	2.38	2.73
Dow Jones	53,577	0.30	2.60	5.93
NASDAQ	26,151	0.66	1.79	-0.73
STOXX 600	656	0.35	1.48	3.93
DAX	26,266	0.61	4.42	3.45
Nikkei 225	65,856	0.50	-0.39	1.07
FTSE 100	10,886	0.29	1.58	4.01
SENSEX	77,656	0.37	1.17	1.53
Hang Seng	25,511	-0.02	2.48	-0.37
MSCI World	4,976	0.36	2.87	3.26
MSCI EM	1,704	0.56	3.00	-0.43
Regional Equities				
ADX	10,070	0.22	3.06	3.79
DFM	5,835	-0.53	0.85	1.34
Tadawul*	11,232	0.51	6.06	0.99
DSM*	9,785	0.46	-1.37	-6.91
MSM30*	7,503	0.02	3.10	-1.05
BHSE*	1,947	0.00	-0.47	-3.99
KWSE*	8,902	0.02	1.66	1.62
Commodities				
BBG Commodity Index	138.5	-0.65	2.47	-0.15
Brent USD/bbl	88.58	-3.89	-5.84	-7.86
WTI USD/bbl	82.36	-3.12	-5.15	-14.74
Gold USD/t oz	4,643.5	-0.03	11.98	1.53
Silver USD/t oz	68.7	-0.40	14.91	-12.07

Platinum USD/t oz	1,861.1	-1.08	13.22	-5.58
Aluminum	3,235.7	0.30	1.29	-12.37
Copper USD/MT	14,425.0	0.56	3.81	6.50
Digital Assets				
Bitcoin	78,199.4	-0.93	18.68	1.28
Ether	2,436.5	-1.55	26.48	15.62
Solana	96.7	0.15	24.32	13.30
XRP	1.4	-2.40	26.87	6.65
Volatility				
VIX	15.45	-2.52	-7.15	-6.87
MOVE	71.92	-2.78	-5.75	-8.30

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – August 26, 2025. Performance in local currency terms.

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