Daily Market View

Investment Strategy ♦ June 10, 2026

Equities slip as tech unwinds again, yields ease, Dollar steadies, and oil falls

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Macro headlines

Geopolitical tensions escalated sharply after the US launched strikes against Iran on Tuesday, with President Trump saying Tehran had shot down a US Apache helicopter in the Strait of Hormuz. Turning to policy, in Washington, the House passed a USD70bn bill to fund immigration enforcement through the remainder of Trump's term, ending a longstanding congressional stalemate. The move strengthens the administration's domestic policy agenda at a time when geopolitical and economic uncertainty is rising. In macroeconomic data, US small business sentiment weakened further. The NFIB Small Business Optimism Index fell to 95.3 in May, well below its long-term average of 98. Owners planning price hikes reached the highest level since July 2022, signaling persistent inflation pressure. Hiring plans softened, and labor shortages remained acute in sectors such as agriculture and wholesale trade. The US trade deficit narrowed in April as exports of petroleum products and capital goods hit record highs. AI-related equipment drove a surge in capital goods imports, while services exports dipped due to weaker travel and transport. The data suggests trade could contribute positively to Q2 GDP despite disruptions in the Strait of Hormuz. US existing home sales rose 3.2% in May to 4.17mn units, beating expectations, though higher mortgage rates and tight inventory continue to constrain the housing market. In Europe, German industrial production rose 0.4% m/m in April – slightly below expectations – while exports increased 0.9%. Economists warned the improvement is too modest to offset broader weakness driven by the Iran war related energy shock. China's factory gate inflation accelerated to 3.9% y/y in May, reflecting higher energy and commodity costs. CPI held at 1.2% y/y, with food prices falling and core inflation easing slightly. The divergence highlights the uneven impact of global supply chain pressures on China's domestic economy.

Market performances

Global equities were mixed on Tuesday as geopolitical uncertainty, tech sector weakness, and caution ahead of the US CPI release weighed on sentiment. The S&P 500 fell 0.26% to 7,386.44, the Nasdaq dropped 0.97% to 25,678.82, and the Dow rose 0.17% to 50,870.94. MSCI ACWI gained 0.22%, while the STOXX 600 fell 0.5%. Tech stocks led declines, with the S&P technology index falling as much as 5.5% intraday before closing down 1.8%. Investors rotated into defensive sectors such as real estate, utilities, and healthcare. The VIX rose to 19.87 after touching 23.34, its highest level since early April. Oil prices fell as mixed signals emerged from the Middle East. WTI settled at USD88.20/bbl (-3.4%), while Brent closed at USD91.45/bbl (-2.97%). The EIA reported that global oil stockpiles are heading toward their lowest levels since at least

2003 but also forecast a decline in global oil demand in 2026, reversing earlier expectations of an increase. Treasury yields dipped as traders awaited Wednesday's CPI report. The US 10-year yield fell to 4.52% (-4bps), the 30-year to 4.9977% (-2.6bps), and the 2-year to 4.122% (-3.6bps). Fed funds futures now price a 43% probability of a 25bp hike by December and a 21% chance of a 50bp move. In FX, the dollar index eased to 99.94. The euro rose to USD1.1544, while the yen weakened to 160.38 amid ongoing intervention warnings from Tokyo. Gold fell to USD4,259.89/oz as expectations for a Fed hike increased. Bitcoin declined 2.1% to USD62,154.

What's Next

Wednesday's calendar includes the Bank of Canada's rate decision and the US May CPI report, where headline and core inflation are expected to rise 0.6% m/m and 0.3% m/m, respectively. Europe releases Italy's April industrial production. APAC data includes Japan's May PPI, Australia's April building permits, and China's May CPI and PPI. Earnings include Casey's General Stores, Frontier Developments, Fuller's, Oxford Industries, Pennon, WHSmith, and Workspace Group.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.63	0.00	2.00	-2.00
UAE Eibor 3m	3.79	-1.44	3.85	20.95
UAE Eibor 12m	4.01	-5.57	2.49	33.07
US 3m Bills	3.69	-1.82	1.14	2.45
US 10yr Treasury	4.52	-4.57	16.76	42.07
German 10yr Bund	3.04	-1.70	4.40	18.40
UK 10yr Gilt	4.90	-4.00	-3.60	25.60
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	499	0.24	-1.02	-0.69
Global Treasuries	206	0.27	-1.28	-1.04
Global Corporate	303	0.23	-0.67	-0.40
EM USD Sovereign	464	0.19	-0.20	1.14
EM LCY Sovereign	165	0.37	-0.51	1.16
Global High Yield	1,892	0.12	-0.17	1.67
Currencies				
Dollar Index	99.91	-0.14	1.92	0.74
EUR USD	1.1541	0.02	-1.73	-0.33
GBP USD	1.3372	0.22	-1.56	-0.10
USD JPY	160.40	0.15	2.54	1.30
Equities				
S&P 500	7,387	-0.26	0.29	8.69
Dow Jones	50,872	0.17	1.93	6.56
NASDAQ	25,679	-0.97	-0.62	13.14
STOXX 600	619	-0.50	-0.74	3.99
DAX	24,433	-0.74	-1.95	4.37
Nikkei 225	65,417	2.17	9.92	24.06
FTSE 100	10,227	-1.41	-2.02	-0.22
SENSEX	73,919	0.54	-5.18	-4.70
Hang Seng	24,566	-0.37	-6.29	-3.32
MSCI World	4,746	-0.21	-0.16	7.43
MSCI EM	1,712	3.42	0.73	17.68
Regional Equities				
ADX	9,561	0.82	-3.17	-3.05
DFM	5,785	0.88	-1.92	0.55
Tadawul*	11,115	1.30	1.09	-1.36
DSM*	10,282	1.89	-2.01	0.54
MSM30*	7,625	0.45	-4.21	-7.42
BHSE*	1,978	0.06	2.20	4.70
KWSE*	8,714	1.21	-0.57	2.90
Commodities				
BBG Commodity Index	131.0	-1.37	-4.95	-1.28
Brent USD/bbl	91.45	-2.97	-9.70	-7.59
WTI USD/bbl	88.20	-3.40	-7.24	-6.93
Gold USD/t oz	4,252.3	-2.04	-9.20	-16.56
Silver USD/t oz	65.4	-4.15	-15.52	-24.84
Platinum USD/t oz	1,728.6	-1.78	-16.24	-20.93
Aluminum	3,561.9	-2.09	-0.51	4.45

Copper USD/MT	13,716.0	0.40	2.73	7.57
Digital Assets				
Bitcoin	62,116.4	-2.13	-23.71	-9.95
Ether	1,659.7	-1.77	-29.39	-18.09
Solana	65.6	-2.78	-26.42	-23.57
XRP	1.1	-2.89	-19.73	-16.77
Volatility				
VIX	19.87	5.02	14.26	-22.08
MOVE	77.03	0.06	9.06	-3.40

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – June 09, 2025. Performance in local currency terms.

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