Weekly Market View

Investment Strategy ♦ June 08, 2026

Strong US jobs and gulf escalation pressure risk assets

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Macro headlines

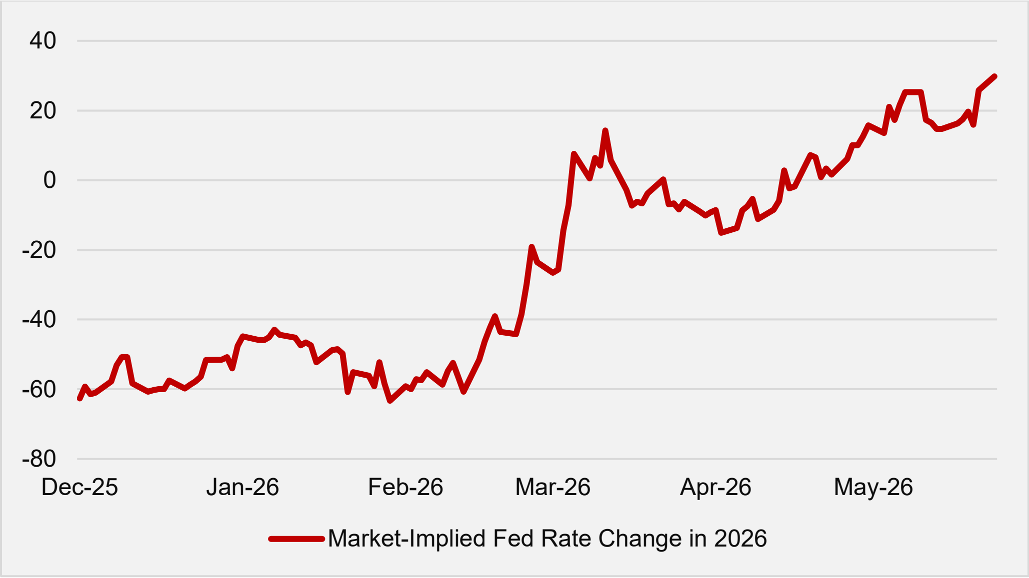
Global macro conditions were shaped by renewed Middle East escalation, resilient US activity data, and rising inflation concerns across major economies. Fresh US-Iran hostilities threatened to derail recent diplomatic progress, with Washington striking Iranian military sites and Tehran retaliating against US and regional targets, while renewed attacks in Kuwait and Bahrain further complicated efforts to secure a broader peace deal. Although Lebanon announced a partial ceasefire between Hezbollah and Israel, Iran continued to condition any agreement on a Lebanon ceasefire, keeping the Strait of Hormuz risk firmly in focus. In the US, economic data remained resilient: ISM Manufacturing rose to 54.0 in May, the strongest reading in four years, ISM Services increased to 54.5, factory orders gained 4.8% m/m, and job openings climbed to 7.6mn. The May payrolls report also surprised to the upside, with nonfarm payrolls rising 172k versus expectations of 88k, while wage growth eased slightly and unemployment held at 4.3%. However, corporate restructuring accelerated, with Challenger data showing the highest May job cuts since 2020, driven largely by AI-related layoffs. Inflation pressures remained evident globally, with Eurozone inflation rising to 3.2% y/y, producer prices accelerating, and South Korea's CPI reaching its fastest pace in more than two years. In Asia, South Korea's semiconductor exports surged to a record, India's growth remained strong despite a more hawkish RBI stance, while the Eurozone Q1 GDP revision pointed to headline weakness driven largely by Ireland, with ex-Ireland activity more consistent with survey data.

Market performances

Markets weakened as stronger US jobs data, rising yields, renewed Gulf escalation, and technology pressure weighed on risk appetite. Global equities declined, with the MSCI World down 2.2% w/w and MSCI EM falling 2.0%. US equities sold off, led by the Nasdaq (-4.7%), while the S&P 500 declined 2.6% and the Dow Jones fell 0.3%. European equities also softened, with the STOXX 600 down 0.5% and the DAX falling 1.4%, while Asian markets were mixed as Japan's Nikkei gained 0.4% but the Hang Seng dropped 0.9% and Sensex fell 0.7%. GCC markets were mixed to weaker, with ADX down 0.9%, DSM falling 2.4%, and MSM30 declining 1.5%, while DFM and BHSE posted small gains. Fixed income markets also weakened as yields rose, with the Global Aggregate Index down 0.9%, Global Treasuries falling 0.9%, and Global Corporate bonds down 0.8%; the US 10-year Treasury yield rose 9.5bp, while German Bund and UK Gilt yields increased 10.0bp and 9.1bp, respectively. The US dollar strengthened 1.14%, weighing on the euro and sterling, while USD/JPY rose 0.6%. Commodities were mixed: Brent rose 1.13% and WTI gained 3.64% on renewed Gulf risks, but the broader commodity index fell 1.84%

as precious metals and industrial metals declined, with gold down 4.67% and silver falling 9.91%. Digital assets came under heavy pressure, with Bitcoin down 16.3%, Ether falling 20.5%, and Solana losing 21.3%. Volatility rose sharply, with the VIX up 40.4%, reflecting a clear risk-off shift across global markets.

Chart of the Week: Markets Look for Fed 2026 Hike



Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.62	-1.00	-3.00	-25.00
UAE Eibor 3m	3.79	10.44	19.27	31.75
UAE Eibor 12m	4.06	8.77	49.95	44.94
US 3m Bills	3.70	3.56	4.85	7.92
US 10yr Treasury	4.57	9.48	39.20	36.33
German 10yr Bund	3.04	10.00	17.80	18.30
UK 10yr Gilt	4.90	9.10	27.60	42.40
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	499	-0.89	-0.67	-0.40
Global Treasuries	206	-0.94	-1.08	-1.00
Global Corporate	303	-0.81	-0.27	-0.21
EM USD Sovereign	464	-0.33	0.87	1.20
EM LCY Sovereign	165	-0.64	0.61	1.30
Global High Yield	1,891	-0.38	1.40	1.55
Currencies				
Dollar Index	100.02	1.14	1.09	1.78
EUR USD	1.1532	-1.18	-0.83	-1.82
GBP USD	1.3343	-0.85	-0.53	-0.82
USD JPY	160.31	0.64	1.59	2.21
Equities				
S&P 500	7,384	-2.59	9.55	7.86
Dow Jones	50,867	-0.32	7.08	5.83
NASDAQ	25,709	-4.68	14.84	10.62
STOXX 600	623	-0.53	4.00	5.15
DAX	24,759	-1.38	4.95	1.10
Nikkei 225	64,108	0.39	19.72	32.28
FTSE 100	10,368	-0.40	0.81	4.40
SENSEX	73,544	-0.71	-5.92	-12.88
Hang Seng	24,669	-0.88	-3.09	-2.61
MSCI World	4,756	-2.24	7.91	7.34
MSCI EM	1,717	-1.99	14.51	22.29
Regional Equities				
ADX	9,614	-0.91	-2.92	-3.79
DFM	5,768	0.18	-2.53	-4.62
Tadawul*	10,990	-0.34	1.99	4.76
DSM*	10,336	-2.41	-3.40	-3.96
MSM30*	7,658	-1.51	3.79	30.53
BHSE*	1,982	0.16	-0.07	-4.08
KWSE*	8,755	-0.68	2.40	-1.71
Commodities				
BBG Commodity Index	133.7	-1.84	0.87	20.91
Brent USD/bbl	96.7	1.13	0.43	52.98
WTI USD/bbl	93.9	3.64	-0.40	57.68
Gold USD/t oz	4,317.0	-4.67	-16.31	0.15
Silver USD/t oz	67.8	-9.91	-19.76	-5.34
Platinum USD/t oz	1,768.3	-7.28	-17.25	-13.59
Aluminum	3,627.6	-2.45	3.81	21.78
Copper USD/MT	13,731.0	0.85	7.21	9.81

Digital Assets				
Bitcoin	62,862.4	-16.25	-9.75	-29.69
Ether	1,664.3	-20.46	-19.19	-46.16
Solana	65.7	-21.31	-23.71	-47.99
XRP	1.1	-15.58	-18.21	-39.35
Volatility				
VIX	21.51	40.40	-27.06	43.88
MOVE	75.20	7.09	-7.46	17.57

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – June 08, 2025. Performance in local currency terms.

Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
6/08/2026 19:00	**NY Fed 1-Yr Inflation Expectations**	**May**	**--**	**3.64%**
6/09/2026 14:00	**NFIB Small Business Optimism**	**May**	**96**	**95.9**
6/09/2026 16:15	**ADP Weekly Employment Change**	**23-May**	**--**	**35.750k**
6/09/2026 16:30	Trade Balance	Apr	-$55.5b	-$60.3b
6/09/2026 18:00	**Existing Home Sales**	**May**	**4.08m**	**4.02m**
6/09/2026 18:00	Wholesale Inventories MoM	Apr F	--	0.50%
6/10/2026 16:30	**CPI YoY**	**May**	**4.20%**	**3.80%**
6/10/2026 16:30	**Core CPI YoY**	**May**	**2.90%**	**2.80%**
6/10/2026 16:30	Real Avg Hourly Earning YoY	May	--	-0.30%
6/10/2026 22:00	**Federal Budget Balance**	**May**	**--**	**$215.0b**
6/11/2026 16:30	**Initial Jobless Claims**	**6-Jun**	**--**	**225k**
6/11/2026 16:30	**Continuing Claims**	**30-May**	**--**	**1777k**
6/11/2026 16:30	**PPI Final Demand MoM**	**May**	**0.70%**	**1.40%**
6/11/2026 16:30	**PPI Ex Food and Energy MoM**	**May**	**0.50%**	**1.00%**
6/12/2026 18:00	**U. of Mich. Sentiment**	**Jun P**	**46**	**44.8**
6/12/2026 18:00	U. of Mich. Current Conditions	Jun P	--	45.8
6/12/2026 18:00	U. of Mich. Expectations	Jun P	--	44.1
6/12/2026 18:00	**U. of Mich. 1 Yr Inflation**	**Jun P**	**--**	**4.80%**
6/12/2026 18:00	**U. of Mich. 5-10 Yr Inflation**	**Jun P**	**--**	**3.90%**

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
6/08/2026 3:50	**GDP Annualized SA QoQ**	**1Q F**	**1.40%**	**2.10%**
6/08/2026 3:50	BoP Current Account Balance	Apr	¥3136.7b	¥4681.5b
6/08/2026 9:00	Eco Watchers Survey Current SA	May	41.3	40.8
6/08/2026 9:00	Eco Watchers Survey Outlook SA	May	40.1	39.4
6/09/2026 3:50	**Money Stock M2 YoY**	**May**	**--**	**2.30%**
6/09/2026 10:00	**Machine Tool Orders YoY**	**May P**	**--**	**45.10%**

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
6/08/2026 10:00	Germany Factory Orders WDA YoY	Apr	--	6.30%
6/08/2026 12:30	Eurozone Sentix Investor Confidence	Jun	--	-16.4
6/09/2026 10:00	**Germany Industrial Production WDA YoY**	**Apr**	**--**	**-2.80%**
6/11/2026 16:15	Eurozone ECB Deposit Facility Rate	11-Jun	2.25%	2.00%
6/11/2026 16:15	Eurozone ECB Main Refinancing Rate	11-Jun	2.40%	2.15%
6/11/2026 16:15	Eurozone ECB Marginal Lending Facility	11-Jun	--	2.40%
6/12/2026 10:00	**Germany CPI YoY**	**May F**	**--**	**2.60%**
6/12/2026 10:00	**Germany CPI EU Harmonized YoY**	**May F**	**--**	**2.70%**
6/12/2026-6/15/2026	Germany Wholesale Price Index YoY	May	--	6.30%
6/12/2026 10:45	**France CPI EU Harmonized YoY**	**May F**	**--**	**2.80%**
6/12/2026 10:45	**France CPI YoY**	**May F**	**--**	**2.40%**
6/08/2026 10:00	Germany Factory Orders WDA YoY	Apr	--	6.30%

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
6/11/2026 3:01	RICS House Price Balance	May	--	-34.00%
6/12/2026 10:00	**Industrial Production MoM**	**Apr**	**--**	**-0.20%**
6/12/2026 10:00	**Manufacturing Production MoM**	**Apr**	**--**	**1.20%**
6/12/2026 12:30	**BoE/Ipsos Inflation Next 12 Mths**	**May**	**--**	**3.20%**

China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
6/09/2026	China Exports YoY	May	15.00%	14.10%
6/09/2026	China Imports YoY	May	28.00%	25.30%
6/09/2026	China Trade Balance	May	$86.50b	$84.82b
6/09/2026-6/15/2026	China New Yuan Loans CNY YTD	May	9050.0b	8590.0b
6/09/2026-6/15/2026	China Aggregate Financing CNY YTD	May	17300.0b	15450.0b
6/09/2026-6/15/2026	**China Money Supply M2 YoY**	**May**	**8.60%**	**8.60%**
6/10/2026 5:30	**China PPI YoY**	**May**	**3.80%**	**2.80%**
6/10/2026 5:30	**China CPI YoY**	**May**	**1.30%**	**1.20%**
6/10/2026 5:30	**China CPI Core YoY**	**May**	**--**	**1.20%**
6/12/2026 14:30	**India CPI YoY**	**May**	**4.00%**	**3.48%**

GCC

Date & Time (GST)	Indicator	Period	Expected	Prior
6/10/2026-6/15/2026	**United Arab Emirates Dubai CPI YoY**	**May**	**--**	**4.81%**
6/09/2026-6/23/2026	**Qatar CPI YoY**	**May**	**--**	**2.62%**
6/09/2026	**Saudi Arabia GDP Constant Prices YoY**	**1Q F**	**--**	**2.80%**
6/10/2026	**Saudi Arabia Industrial Production YoY**	**Apr**	**--**	**-14.10%**
6/09/2026-6/20/2026	**Oman CPI YoY**	**May**	**--**	**3.30%**

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