Weekly Market View

Investment Strategy ♦ June 22, 2026

بنك أبوظبي التجاري
ADCB

Markets rally as US-Iran peace deal lifts sentiment, despite Fed hawkishness

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Macro headlines

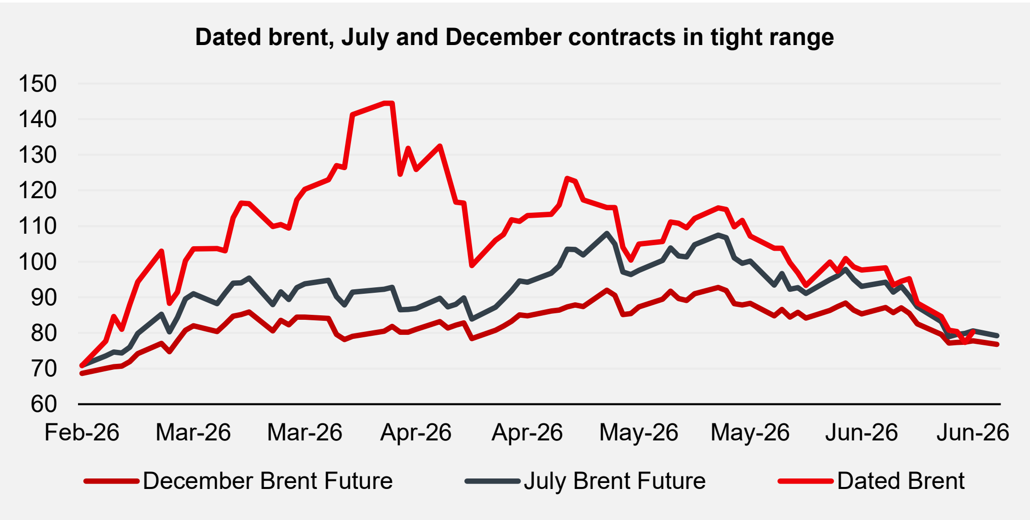
Global macro conditions improved during the week as optimism surrounding a preliminary US-Iran peace agreement outweighed the Federal Reserve's more hawkish policy stance. President Trump announced that Washington and Tehran had reached a preliminary agreement to end the Gulf conflict, including plans for a USD300bn investment fund tied to Iran's compliance with a broader nuclear framework and the reopening of the Strait of Hormuz. While implementation challenges remained, with negotiations facing delays and intermittent setbacks later in the week, the diplomatic breakthrough significantly reduced geopolitical risk premiums and improved investor sentiment. The reopening of tanker traffic through Hormuz supported expectations of gradually normalizing global energy markets, although Iran's temporary re-closure of the Strait at the end of the week highlighted the fragility of the peace process. Economic data painted a mixed but generally resilient picture. In the US, retail sales rose a stronger-than-expected 0.9% m/m in May, confirming continued consumer resilience despite elevated inflation, while the Federal Reserve kept rates unchanged at 3.50%-3.75% but adopted a more hawkish tone, signaling that policymakers now expect additional rate hikes later this year. In Europe, the Bank of England maintained rates at 3.75%, while Germany's ZEW survey improved into positive territory, reflecting recovering business confidence. The Bank of Japan raised its policy rate to 1.0%, its largest tightening in decades, although Japanese inflation remained below target later in the week. China's economy continued to display an uneven recovery, with industrial production supported by exports and AI-related manufacturing, while retail sales and investment remained weak. Overall, easing geopolitical risks, resilient global growth and improving business confidence offset tighter monetary policy expectations.

Market performances

Global markets posted another constructive week as investors welcomed progress toward a US-Iran peace agreement and a gradual reopening of the Strait of Hormuz, although gains moderated following the Federal Reserve's hawkish guidance. US equities advanced, with the Nasdaq outperforming (+2.4%), followed by the S&P 500 (+0.9%) and the Dow Jones (+0.7%), supported by continued strength in technology shares. Emerging markets also outperformed, with MSCI EM rising 4.1%, while Japan's Nikkei surged 7.9% following the Bank of Japan's rate hike. European equities delivered modest gains, led by the DAX (+1.4%) and STOXX 600 (+0.4%), although the FTSE 100 declined slightly. Within the GCC, regional markets remained broadly positive, with the DFM (+3.5%), DSM (+2.4%), ADX (+2.2%) and BHSE (+2.4%) outperforming.

Fixed income markets were mixed as the Fed's hawkish outlook pushed yields higher despite easing geopolitical risks. Global Aggregate bonds declined 0.3%, while Global Treasuries and Global Corporate bonds also posted modest losses. The US dollar strengthened for a second consecutive week, with the Dollar Index rising 1.1%, weighing on both the euro and sterling. Commodity markets retraced some of their recent war-related gains as Brent crude fell 7.7% and WTI declined 9.8% on expectations of improving oil supply following the preliminary peace agreement. Gold and silver also weakened, reflecting reduced safe-haven demand and stronger USD. Digital assets were mixed, with Bitcoin remaining broadly unchanged while Ether, Solana and XRP recorded modest weekly gains. Market volatility continued to decline, with both the VIX and MOVE indices falling sharply, reflecting improving investor confidence as geopolitical risks moderated.

Chart of the Week: Brent Curve Eases



Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.63	-2.00	1.00	-24.00
UAE Eibor 3m	3.82	6.64	12.64	34.11
UAE Eibor 12m	4.19	23.34	49.37	57.87
US 3m Bills	3.74	4.24	4.05	11.37
US 10yr Treasury	4.49	-2.56	7.37	28.63
German 10yr Bund	2.99	-1.00	-5.80	13.00
UK 10yr Gilt	4.84	0.60	-15.20	36.30
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	500	-0.28	0.84	-0.27
Global Treasuries	206	-0.32	0.41	-0.92
Global Corporate	304	-0.23	1.60	0.03
EM USD Sovereign	469	0.41	4.26	2.32
EM LCY Sovereign	166	0.10	2.29	1.87
Global High Yield	1,901	0.02	3.44	2.08
Currencies				
Dollar Index	100.92	1.10	1.21	2.57
EUR USD	1.1456	-0.84	-0.87	-2.26
GBP USD	1.3207	-1.30	-0.82	-1.64
USD JPY	161.67	0.66	1.30	2.85
Equities				
S&P 500	7,501	0.93	15.28	9.57
Dow Jones	51,565	0.71	13.14	7.28
NASDAQ	26,518	2.43	22.50	14.09
STOXX 600	636	0.38	10.87	7.33
DAX	24,986	1.42	11.64	2.02
Nikkei 225	72,444	7.92	33.50	41.54
FTSE 100	10,363	-1.04	4.49	4.35
SENSEX	77,199	1.69	3.05	-9.88
Hang Seng	23,691	-3.21	-5.35	-6.66
MSCI World	4,828	0.82	13.75	8.97
MSCI EM	1,786	4.09	22.07	27.19
Regional Equities				
ADX	10,017	2.16	4.66	0.24
DFM	6,164	3.52	11.05	1.93
Tadawul*	11,121	0.72	1.60	6.01
DSM*	10,511	2.41	2.13	-2.34
MSM30*	7,582	-0.68	-2.36	29.24
BHSE*	2,028	2.36	6.04	-1.86
KWSE*	8,760	0.43	3.33	-1.66
Commodities				
BBG Commodity Index	126.6	-1.93	-5.36	15.71
Brent USD/bbl	79.3	-7.74	-28.18	32.41
WTI USD/bbl	76.7	-9.75	-22.09	33.40
Gold USD/t oz	4,175.8	-1.51	-7.50	-3.85
Silver USD/t oz	65.5	-4.58	-4.48	-9.43
Platinum USD/t oz	1,664.6	-3.09	-13.53	-19.07

Aluminum	3,412.4	-3.41	4.84	14.56
Copper USD/MT	13,530.5	-0.53	12.55	8.21
Digital Assets				
Bitcoin	63,893.9	-0.34	-9.77	-27.89
Ether	1,729.5	2.61	-19.97	-42.66
Solana	73.4	3.82	-22.26	-44.33
XRP	1.1	0.11	-21.07	-38.35
Volatility				
VIX	16.78	-5.09	-37.34	12.24
MOVE	65.39	-5.72	-39.92	2.24

Source:Bloomberg, and ADCB Asset Management | Notes: *Data as of June 19 2026 unless stated otherwise; **Data as of June 18 2026.

Forthcoming important economic data/events

United States

Date	Time (GST)	Indicator	Period	Expected	Prior
Jun 23	**17:45**	**S&P Global US Manufacturing PMI**	**Jun P**	**54.6**	**55.1**
Jun 23	**17:45**	**S&P Global US Services PMI**	**Jun P**	**51.0**	**50.7**
Jun 23	18:00	Richmond Fed Manufacturing Index	Jun	8.0	13.0
Jun 24	**—**	**Building Permits**	**May F**	**—**	**1,413k**
Jun 24	**15:00**	**MBA Mortgage Applications**	**Jun 19**	**—**	**-3.8%**
Jun 24	16:30	Current Account Balance	1Q	-$227.0b	-$190.7b
Jun 24	**18:00**	**New Home Sales**	**May**	**640k**	**622k**
Jun 25	**16:30**	**GDP Annualized QoQ**	**1Q T**	**1.65%**	**1.60%**
Jun 25	**16:30**	**Personal Consumption**	**1Q T**	**1.4%**	**1.4%**
Jun 25	**16:30**	**GDP Price Index**	**1Q T**	**3.5%**	**3.5%**
Jun 25	**16:30**	**Core PCE Price Index QoQ**	**1Q T**	**4.4%**	**4.4%**
Jun 25	**16:30**	**Personal Income**	**May**	**0.4%**	**0.0%**
Jun 25	**16:30**	**Personal Spending**	**May**	**0.6%**	**0.5%**
Jun 25	16:30	Real Personal Spending	May	0.25%	0.1%
Jun 25	**16:30**	**PCE Price Index YoY**	**May**	**4.100%**	**3.767%**
Jun 25	**16:30**	**Core PCE Price Index YoY**	**May**	**3.400%**	**3.289%**
Jun 25	**16:30**	**Initial Jobless Claims**	**June 20**	**225K**	**226K**
Jun 25	**16:30**	**Continuing Claims**	**June 13**	**1803K**	**1810K**
Jun 25	**16:30**	**Durable Goods Orders**	**May P**	**-4.7%**	**8.0%**
Jun 26	**18:00**	**U. of Michigan Sentiment**	**Jun F**	**50.0**	**48.9**
Jun 26	18:00	U. of Michigan Expectations	Jun F	—	49.3
Jun 26	**18:00**	**U. of Michigan 1-Yr Inflation**	**Jun F**	**—**	**4.6%**
Jun 26	**18:00**	**U. of Michigan 5-10 Yr Inflation**	**Jun F**	**—**	**3.4%**

Japan

Date	Time (GST)	Indicator	Period	Expected	Prior
Jun 23	**04:30**	**S&P Global Japan PMI Manufacturing**	**Jun P**	**—**	**54.5**
Jun 23	**04:30**	**S&P Global Japan PMI Services**	**Jun P**	**—**	**50.0**
Jun 24	**03:50**	**PPI Services YoY**	**May**	**3.3%**	**3.0%**
Jun 25	09:00	Leading Index CI	Apr F	—	115.9
Jun 25	09:00	Coincident Index	Apr F	—	117.9
Jun 25	09:30	Nationwide Department Store Sales YoY	May	—	5.2%
Jun 25	10:00	Machine Tool Orders YoY	May F	—	37.4%
Jun 26	03:30	Tokyo CPI YoY	Jun	1.6%	1.4%
Jun 26	03:30	Tokyo CPI Ex-Fresh Food & Energy YoY	Jun	1.8%	1.6%

Eurozone

Date	Time (GST)	Indicator	Period	Expected	Prior
Jun 22	18:00	Eurozone Consumer Confidence	Jun P	-18.0	-19.0
Jun 23	**10:45**	**France Manufacturing Confidence**	**Jun**	**101.0**	**102.0**
Jun 23	**11:15**	**France S&P Global Manufacturing PMI**	**Jun P**	**50.1**	**49.7**
Jun 23	11:15	France S&P Global Services PMI	Jun P	45.75	44.3
Jun 23	**11:30**	**Germany S&P Global/BME Manufacturing PMI**	**Jun P**	**50.0**	**50.1**
Jun 23	11:30	Germany S&P Global Services PMI	Jun P	49.0	48.1
Jun 23	**12:00**	**Eurozone S&P Global Manufacturing PMI**	**Jun P**	**51.5**	**51.6**
Jun 23	**12:00**	**Eurozone S&P Global Services PMI**	**Jun P**	**49.0**	**47.7**
Jun 24	12:00	Germany IFO Business Climate	Jun	85.5	84.9
Jun 24	12:00	Germany IFO Current Assessment	Jun	86.0	86.1
Jun 24	12:00	Germany IFO Expectations	Jun	84.5	83.8
Jun 25	10:00	Germany GfK Consumer Confidence	Jul	-28.0	-29.8

United Kingdom

Date	Time (GST)	Indicator	Period	Expected	Prior
Jun 23	**12:30**	**S&P Global UK Manufacturing PMI**	**Jun P**	**53.0**	**53.9**
Jun 23	**12:30**	**S&P Global UK Services PMI**	**Jun P**	**50.0**	**49.3**

China & India

Date	Time (GST)	Indicator	Period	Expected	Prior
Jun 22	**05:00**	**China 1-Year Loan Prime Rate**	**Jun 22**	**3.000%**	**3.000%**
Jun 22	**05:00**	**China 5-Year Loan Prime Rate**	**Jun 22**	**3.500%**	**3.500%**
Jun 22	15:30	India Eight Infrastructure Industries	May	—	1.7%
Jun 23	**09:00**	**India HSBC PMI Manufacturing**	**Jun P**	**—**	**55.0**
Jun 23	**09:00**	**India HSBC PMI Services**	**Jun P**	**—**	**59.8**
Jun 27	**05:30**	**China Industrial Profits YoY**	**May**	**—**	**24.7%**
Jun 27	05:30	China Industrial Profits YTD YoY	May	—	18.2%
Jun 26	15:30	India Foreign Exchange Reserves	Jun 19	—	—
Jun 26	—	China BoP Current Account Balance	1Q F	—	$184.1b

GCC

Date	Time (GST)	Indicator	Period	Expected	Prior
Jun 24	**—**	**Bahrain CPI YoY**	**May**	**—**	**1.4%**
Jun 25	—	Saudi Arabia Foreign Trade Oil Exports	Apr	—	SAR 92,502.7m
Jun 25	—	Trade Balance	Apr	—	SAR 57,442.5m

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