Daily Market View

Investment Strategy ♦ November 2, 2026

Tech selloff closes a bruising October; the midterms, payrolls and the BOE fill the week ahead

Macro headlines

October ended with investors marking down the AI trade, and November opens with the US midterms, a jobs report and a Bank of England decision. Over the weekend, mediated talks in the region continued without a conclusion while shipping through the Gulf remained disrupted, keeping energy markets on edge; Brent rose 2.4% on Friday to USD117.64/bbl, and OPEC+ has since agreed to keep December output steady. In the US, the final polls before Tuesday's midterms show Democrats ahead in most Senate battleground states, with the cost of living the key issue for voters. On monetary policy, the BOJ held its policy rate at 1.25% on Friday and raised its core inflation forecast for the next fiscal year to 2.6% from 2.4%. Turning to Friday's data, France's economy contracted 0.1% q/q in the third quarter against expectations of 0.1% growth. French inflation rose to 3.8% y/y in October from 3.4%, above the 3.6% expected. Asia's chip economies told a different story from Wall Street, with Taiwan's GDP growing 14.4% y/y in the third quarter against the 12.0% expected. South Korea's industrial production jumped 9.0% m/m in September, well above the 3.1% forecast. In corporate news, last week's results raised the bar for AI spending and, according to Bloomberg, fuelled concerns that AI is eroding the businesses that fund it. Amazon's free cash flow over the reporting period swung to negative USD42.4bn from positive USD14.8bn a year earlier, while Alphabet's earnings per share of USD2.12 fell well short of the USD3.02 expected and Intel guided fourth quarter revenue to USD15bn to USD16bn, below the USD17bn consensus. Microsoft stood apart, with Azure growth of 48% beating expectations of 44%. The weekend left two questions over markets: whether AI spending can start paying its way, and whether diplomacy can ease the regional risk premium.

Market performances

Wall Street closed a bruising October on the back foot, as disappointing results from Amazon and Intel deepened the retreat in AI linked stocks. The S&P 500 fell 1.8% on Friday and the Dow 1.1%, while the tech heavy Nasdaq slumped 3.5%, its worst day since June, capping its weakest month since March 2025. The semiconductor index slid 7.2%, and the VIX touched its highest intraday level since April before closing at 19.42. Treasuries were little changed, with the 10-year yield at 4.93%, while Bund yields eased c3bps and gilt yields c1bp. Gold fell 3.7% to USD3,875/oz, its lowest close in more than a year, and silver down 5.9%, while the dollar index eased 0.2%. Europe ended the month mixed, with the STOXX 600 down 0.4% and the DAX 0.9%, while the FTSE 100 edged up 0.1%. In Asia, the Nikkei fell 2.1% as chip stocks retreated, while the Hang Seng rose 1.5% and the Sensex 0.4%; MSCI's emerging markets index lost 1.6% and developed markets 1.5%. In the GCC, the ADX slipped 0.1% and the DFM 0.8% on Friday. On Sunday, Qatar jumped 4.6%, taking its weekly gain to 11.1%, while Tadawul fell 0.8%, Kuwait 0.8%, Oman 0.7% and Bahrain 0.6%. Markets closed the last week of October navigating an AI trade under review, haven demand for Treasuries and an energy market still pricing regional risk.

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What's Next

The coming week brings the US midterm elections on Tuesday and the October jobs report on Friday, where payrolls are expected to rise 65,000 after 29,000 in September, with unemployment seen at 4.2%; a firm print would keep further Fed increases on the table. The Bank of England is expected on Thursday to raise its policy rate by 25bps to 4.00%, which would be its first increase since August 2023. Euro area inflation is due on Wednesday, as is the US Treasury's quarterly refunding announcement, which puts government borrowing needs and the long end of the bond market in focus. The ISM surveys are seen at 54.7 for manufacturing, from 54.5, and 54.7 for services, from 54.9. Apple and Palantir report on Monday and Qualcomm on Wednesday, while ADIPEC runs in Abu Dhabi through Thursday. Monday's calendar includes the ISM manufacturing survey, the final October PMIs and US construction spending, seen up 0.5% m/m from 0.9%, alongside a meeting of Chinese regulators on stock market support. Asia has steadied, with MSCI's Asia Pacific index down 0.6% and US equity futures higher, while Brent has eased 2.7% to USD110.34/bbl on reports that Washington wants to give diplomacy more time. Markets enter the week with AI spending under scrutiny and the regional risk premium intact, a firm payrolls print and a BOE hike would leave little room for rates relief, while Apple's results would show whether Big Tech can steady the mood.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.94	0.00	4.00	29.00
UAE Eibor 3m	4.30	-1.60	-0.70	43.20
UAE Eibor 12m	5.03	11.70	-5.40	68.10
US 3m Bills	4.08	-1.10	-6.60	23.30
US 10yr Treasury	4.94	-8.10	-29.90	33.10
German 10yr Bund	3.36	-1.60	-28.80	25.10
UK 10yr Gilt	5.29	-2.70	-12.80	35.00
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	494	0.34	1.21	-0.54
Global Treasuries	205	0.35	1.17	-0.17
Global Corporate	297	0.30	1.11	-1.28
EM USD Sovereign	456	0.43	1.35	-1.61
EM LCY Sovereign	169	0.17	1.01	1.92
Global High Yield	1,859	0.11	-0.26	-1.83
Currencies				
Dollar Index	102.04	-0.15	0.83	0.61
EUR USD	1.1180	0.23	-1.67	-1.84
GBP USD	1.3380	0.37	0.90	0.68
USD JPY	157.71	-0.08	0.20	-3.75
Equities				
S&P 500	7,720	-0.30	0.48	3.93
Dow Jones	52,343	-0.25	1.67	-0.77
NASDAQ	29,403	-1.38	-2.89	5.90
STOXX 600	649	0.77	1.63	0.34
DAX	26,040	1.31	2.62	2.26
Nikkei 225	64,659	1.10	-1.85	3.68
FTSE 100	10,722	0.26	0.35	-1.37
SENSEX	74,151	1.24	1.90	-3.41
Hang Seng	22,959	-0.59	-6.83	-9.29
MSCI World	4,936	-0.02	0.27	2.84
MSCI EM	1,593	-0.95	-6.85	0.63
Regional Equities				
ADX	9,478	-1.17	-6.71	-3.63
DFM	5,818	-0.47	-3.01	0.48
Tadawul*	9,922	-1.02	-6.22	-7.09
DSM*	9,151	-0.69	-2.75	-8.70
MSM30*	7,346	-0.42	-3.22	1.37
BHSE*	1,830	-0.27	-3.97	-6.97
KWSE*	8,454	-0.43	-4.41	-3.56
Commodities				
BBG Commodity Index	141.3	-0.73	-0.77	8.36
Brent USD/bbl	114.88	-0.38	9.12	36.62
WTI USD/bbl	102.00	-0.76	10.15	28.69
Gold USD/t oz	4,021.5	-1.13	-2.29	-0.20
Silver USD/t oz	52.2	-3.39	-14.00	-8.75

Platinum USD/t oz	1,489.2	-3.48	-13.36	-7.37
Aluminum	3,117.5	0.37	-4.40	-0.96
Copper USD/MT	14,449.3	-0.80	-0.01	5.29
Digital Assets				
Bitcoin	78,795.1	-3.03	-5.63	23.43
Ether	2,256.8	-4.33	-15.84	17.76
Solana	96.1	-6.18	-19.09	29.96
XRP	1.2	-6.96	-17.14	16.46
Volatility				
VIX	17.20	1.72	7.03	-5.55
MOVE	93.54	-1.07	-8.13	22.93

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – November 2, 2026. Performance in local currency terms.

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