Daily Market View

Investment Strategy ♦ November 3, 2026

Oil drops on diplomacy; tech extends its slide; America votes today

Macro headlines

Monday priced diplomacy into oil and a bigger bill into AI, on the eve of the US midterms. Brent slumped 7.6% as both sides of the conflict signalled a willingness to pursue talks, with Qatar mediating, as per Reuters, while Beijing held meetings with Saudi Arabia and Oman as China seeks a role in brokering a resolution; no agreement has been announced and regional shipping remains disrupted. Turning to macroeconomic data, the US ISM manufacturing index rose to 55.5 in October from 54.5, beating expectations, while input costs stayed elevated. On monetary policy, ECB Governing Council member Kazimir warned that markets may be underestimating the tightening needed to return inflation to target, citing an energy shock that shows no sign of fading. In China, the central bank raised the foreign exchange reserve requirement ratio by 2 percentage points to 6% to slow the yuan's appreciation and said it will encourage financial institutions to make greater use of its stock support tools. In corporate news, the AI bill kept growing, Anthropic's third quarter revenue rose to USD16.96bn from USD1.38bn a year earlier, alongside a net loss of USD23.3bn, while Oracle announced plans to raise USD10bn in equity and a further USD10bn in debt to fund its AI infrastructure, and Marvell Technology agreed to buy Lumentum at an enterprise value of USD115bn. After the bell, Apple's upbeat sales forecast in its first report under CEO John Ternus was overshadowed by narrower margins, while Palantir guided fourth quarter revenue to about USD2.65bn, above the USD2.46bn expected, though its outlook pointed to slower growth in AI driven sales. Consumer names offered the counterweight, with Marriott's adjusted EPS of USD3.02 beating the USD2.85 expected and Estée Lauder raising its sales outlook. Investors priced a diplomatic outcome into oil before one is agreed, while asking AI spenders to show how the buildout will be paid for.

Market performances

Wall Street split on Monday as investors rotated out of large technology companies and into cyclical and defensive areas of the market. The Dow rose 0.4%, while the S&P 500 fell 0.5% and the tech heavy Nasdaq 1.4%; the VIX rose to 21.15. Energy dropped 4.0% and technology 2.7%, while consumer discretionary gained 2.2%, and materials, financials and consumer staples also advanced. The semiconductor index extended its three day decline to 12%. Oracle fell about 8%, Marvell about 12% and Lumentum 18.6%, while Microsoft lost 2.7%; Amazon gained 2.7% and Walmart 3.5%. Treasuries extended their rally ahead of the midterms, with the 10-year yield down c2bps to 4.91%, a third straight decline, while the 2-year held at 4.59%; Bund yields fell c3bps and gilt yields c9bps. Gold rebounded nearly 2% to USD3,946/oz from a one year low as the retreat in oil tempered inflation concerns, while the dollar index eased 0.1%. Europe advanced on the oil relief, with the CAC 40 up 1.0%, the DAX 0.6%, the STOXX 600 0.4% and the FTSE 100 0.3%; travel and leisure led with a gain of about 3% on lower fuel costs, while energy fell 2.3%. In Asia, the Nikkei slipped 0.3%, while the Sensex rose 1.7% and the Hang Seng 0.4%; MSCI's emerging markets index gained 0.6%, while developed markets fell 0.4%. GCC markets were mixed, with the DFM up 0.6%, Tadawul 0.5%, the ADX 0.3% and Qatar 0.2%, while Kuwait fell 0.5%, Oman 0.4% and Bahrain 0.3%. Markets enter Tuesday with Brent sharply lower, Treasuries in demand and large tech still out of favour.

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What's Next

Today Americans vote in the midterm elections, with all 435 House seats and 34 Senate seats contested; the Cook Political Report and prediction markets favour Democrats to retake the House, while prediction markets put their odds of winning the Senate above 70%. In the data, September JOLTS job openings are expected at 7.16mn from 7.08mn, and factory orders are seen rising 1.2% m/m after 0.1%, the first of a run of labour and activity reports ahead of Friday's payrolls. Wednesday brings euro area inflation, the ISM services survey, seen at 54.7 from 54.9, and the US Treasury's quarterly refunding announcement, alongside Qualcomm's results. The Bank of England is expected on Thursday to raise its policy rate by 25bps to 4.00%, its first increase since August 2023, while Friday's October payrolls are seen rising 65,000 after 29,000, with unemployment at 4.2%. ADIPEC continues in Abu Dhabi through Thursday. Asia has since followed Wall Street's chip losses rather than oil's relief, with MSCI's Asia Pacific index down 0.6% and Korea's benchmark index more than 3%, while Japan is closed for a holiday and Brent has steadied near USD105/bbl. Markets head into the vote with the bar set, diplomacy that holds would keep inflation fears in check into Friday's payrolls, while any setback would put the premium straight back into Brent.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.95	0.00	7.00	29.00
UAE Eibor 3m	4.32	-1.61	-1.87	38.42
UAE Eibor 12m	5.22	35.58	11.29	96.66
US 3m Bills	4.07	-0.94	-7.64	31.48
US 10yr Treasury	4.91	-1.64	-32.37	17.78
German 10yr Bund	3.29	-3.00	-33.40	8.60
UK 10yr Gilt	5.19	-9.20	-21.80	14.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	496	0.18	1.66	-0.38
Global Treasuries	205	0.17	1.62	-0.24
Global Corporate	298	0.12	1.47	-0.95
EM USD Sovereign	457	0.06	1.42	-1.08
EM LCY Sovereign	169	0.11	0.95	1.32
Global High Yield	1,858	0.15	-0.13	-2.02
Currencies				
Dollar Index	101.75	-0.13	0.37	1.83
EUR USD	1.1187	0.24	-1.37	-2.95
GBP USD	1.3406	0.11	1.31	-0.57
USD JPY	157.94	0.24	0.41	0.34
Equities				
S&P 500	7,541	-0.51	-1.69	0.69
Dow Jones	51,984	0.41	1.23	-0.95
NASDAQ	25,164	-1.07	-6.09	-0.83
STOXX 600	649	0.42	1.78	0.04
DAX	25,981	0.63	2.29	1.37
Nikkei 225	63,082	-0.33	-3.66	-1.99
FTSE 100	10,761	0.29	1.17	-0.98
SENSEX	75,693	1.66	4.36	-3.08
Hang Seng	23,393	0.42	-4.61	-9.62
MSCI World	4,844	-0.37	-1.32	-0.08
MSCI EM	1,575	0.56	-7.43	-5.43
Regional Equities				
ADX	9,491	0.26	-6.33	-4.28
DFM	5,808	0.64	-3.01	0.21
Tadawul*	9,883	0.45	-4.76	-12.06
DSM*	9,591	0.16	6.50	-2.89
MSM30*	7,262	-0.42	-7.28	-3.59
BHSE*	1,814	-0.29	-4.32	-6.58
KWSE*	8,347	-0.47	-3.31	-6.15
Commodities				
BBG Commodity Index	138.0	-2.25	-2.26	4.53
Brent USD/bbl	104.77	-10.94	2.12	16.26
WTI USD/bbl	96.46	-7.36	7.92	13.92
Gold USD/t oz	3,946.3	1.85	-5.64	-2.47
Silver USD/t oz	50.6	3.13	-17.64	-12.08

Platinum USD/t oz	1,447.4	0.85	-15.52	-12.19
Aluminum	3,141.9	0.81	-2.53	-1.62
Copper USD/MT	14,380.0	-0.48	-0.65	3.95
Digital Assets				
Bitcoin	76,709.9	-0.09	-8.23	21.96
Ether	2,254.5	0.83	-16.15	21.17
Solana	92.2	-3.05	-22.60	26.42
XRP	1.3	0.14	-16.45	17.86
Volatility				
VIX	21.15	8.91	31.86	32.27
MOVE	100.36	0.16	-5.85	20.89

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – November 3, 2026. Performance in local currency terms.

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