Daily Market View

Investment Strategy ♦ November 5, 2026

The ballots clear the fog, oil sheds its weight; the BoE and payrolls test the view

Macro headlines

The ballot box cleared the fog on Wednesday, and markets liked what they saw. Democrats won majorities in both the House and the Senate, with some races still being counted, and President Trump accepted the results and said he would work with Democrats; investors welcomed the prospect of legislative gridlock, although greater scrutiny of AI and data centre development is a concern for parts of the technology sector. In energy, Brent fell 8.7% to USD94.62/bbl, its lowest level in more than two months, on expectations that a Democratic Congress could accelerate efforts to end the regional conflict. Turning to macroeconomic data, US private employers added 86K jobs in October on the ADP measure, ahead of the 69K expected, while the ISM services index eased to 54.5 from 54.9, slightly below the 54.8 expected. In Europe, euro area inflation accelerated to 4.0% y/y in October, its highest in three years, as elevated energy costs continued to feed into consumer prices. On monetary policy, the print reinforced expectations of an ECB rate hike in December, with Governing Council member Kazaks saying a gradual rise in rates may be needed if inflation spreads on higher energy prices, while the BOJ minutes showed one member saying it is desirable to bring the policy rate closer to neutral soon. In the US, the Treasury dropped "at least" from its commitment to hold auction sizes steady, signalling scope for larger sales of shorter maturities and less longer-term issuance. In corporate news, Block led US financials to a record close after its third quarter beat, while Circle cut about 5% of its workforce to incorporate AI as its results beat expectations; solar names rallied as Array Technologies and Shoals Technologies agreed a stock for stock merger. Washington's verdict lowered two costs at once, political uncertainty and the oil bill, while the euro area print was a reminder that energy is still working its way through prices.

Market performances

Wall Street rallied hard on Wednesday as the election result reduced political uncertainty. The Dow jumped 3.0%, the S&P 500 1.6% and the tech heavy Nasdaq 0.9%, while the VIX fell to 16.61. The rotation favoured economically sensitive and defensive areas, with consumer discretionary leading at 4.3%, followed by financials at 3.5%, materials at 3.1% and health care and communication services at 3.0% each, while energy fell 4.8% as crude slid and industrials lost 1.1%. Microsoft and Amazon each gained 6.5%, Apple 5.5%, Walmart 4.2% and Alphabet 3.6%, while Nvidia fell 2.8% and Tesla 3.3% as AI infrastructure names faced renewed regulatory concerns after the vote. Treasuries rallied on expectations that divided government would constrain additional fiscal spending, with the 10-year yield down c7bps to 4.89% and the 2-year easing to 4.58%, while Bund yields fell c6bps and gilt yields c13bps. Gold jumped 3.3% to about USD4,061/oz, its biggest daily gain since the middle of August, and silver 4.9%, as the dollar index slipped 0.3%. Europe advanced strongly on reduced US political uncertainty and lower energy prices, with the DAX up 2.2%, the CAC 40 2.0% and the STOXX 600 and FTSE 100 1.8% each. In Asia, the Nikkei fell 1.4% on its return from holiday, while the Hang Seng rose 1.7% and the Sensex 0.5%; MSCI's emerging markets index gained 0.6% and developed markets 1.5%. GCC markets rallied, led by the DFM up 4.0%, with Qatar up 2.8%, Tadawul 1.7%, Kuwait 0.6%, Oman 0.5% and Bahrain 0.1%, while the ADX finished flat. Markets enter Thursday with Washington's verdict priced, Brent below USD95/bbl and the AI leaders trailing the rally.

investmentstrategy@adcb.com

Wishwesh Pandya
Investment Strategist
+971 (0)2 812 7463
wishwesh.pandya@adcb.com

Mohammed Al Hemeiri
Investment Strategist
+971 (0)2 812 6450
mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati
Head - Investment Strategy
+971 (0)2 812 6457
kishore.muktinutalapati@adcb.com

www.adcb.com/marketinsights

What's Next

Today the Bank of England is expected to raise its policy rate by 25bps to 4.00%, its first hike in more than three years, with all 35 economists in a Bloomberg survey expecting the move and a 7 to 2 vote seen as most likely; markets price three further hikes by July 2027. US initial jobless claims are seen at 196K from 194K, alongside third quarter productivity at 2.7% from 1.4% and unit labour costs at 0.4% from 1.2%, while Canada presents its federal budget. Friday's October payrolls are the week's centrepiece, seen rising 65K after 29K, with unemployment at 4.2% and average hourly earnings up 2.9% y/y; a firmer print would strengthen the case for further Fed tightening, while a softer one would ease pressure on the timing. Next Tuesday, October CPI is expected to rise 0.3% m/m from 0.6%, with core at 0.2%. Closer to home, ADIPEC concludes in Abu Dhabi today, and Qatar's September inflation data is due this week. Asia has since extended the rotation, with the Hang Seng up 3.3% and Korea's benchmark index down more than 4% as chipmakers slid, while gold rose 1.7% to USD4,143/oz and Brent slipped 0.5% to USD94.13/bbl. Markets head into payrolls with the political fog lifted, a Democratic Congress would have room to slow deficit spending, but the labour market and the energy bill still decide how far central banks go.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.97	0.00	10.00	31.00
UAE Eibor 3m	4.32	3.89	-7.30	36.30
UAE Eibor 12m	5.12	-1.15	2.93	91.75
US 3m Bills	4.12	0.73	4.04	32.85
US 10yr Treasury	4.89	-7.42	-35.28	27.53
German 10yr Bund	3.33	3.80	-25.60	17.80
UK 10yr Gilt	5.26	6.90	-16.30	30.80
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	497	0.43	1.37	-0.90
Global Treasuries	206	0.40	1.27	-0.85
Global Corporate	299	0.56	1.23	-1.41
EM USD Sovereign	458	0.52	1.34	-1.71
EM LCY Sovereign	169	0.30	0.62	1.14
Global High Yield	1,867	0.52	-0.12	-2.37
Currencies				
Dollar Index	101.57	-0.30	-0.52	1.71
EUR USD	1.1228	0.31	-0.14	-2.63
GBP USD	1.3471	0.42	2.08	0.14
USD JPY	158.43	-0.16	0.22	0.43
Equities				
S&P 500	7,689	1.58	-1.08	-0.42
Dow Jones	53,356	3.03	1.73	-2.62
NASDAQ	25,737	1.44	-5.54	-2.09
STOXX 600	657	1.82	1.70	-0.99
DAX	26,438	2.22	2.64	-0.53
Nikkei 225	62,189	-1.42	-5.50	-1.06
FTSE 100	10,829	1.79	0.31	-2.02
SENSEX	77,301	0.50	6.12	-2.19
Hang Seng	23,920	1.67	-4.42	-9.55
MSCI World	4,922	1.48	-1.07	-1.12
MSCI EM	1,557	0.57	-9.18	-6.24
Regional Equities				
ADX	9,461	-0.02	-6.03	-4.81
DFM	6,041	3.96	-2.51	-1.15
Tadawul*	10,039	1.65	-4.82	-12.12
DSM*	9,884	2.81	6.76	-2.66
MSM30*	7,261	0.54	-7.79	-4.12
BHSE*	1,817	0.14	-4.27	-6.53
KWSE*	8,478	0.56	-2.34	-5.22
Commodities				
BBG Commodity Index	134.3	-2.04	-3.31	4.97
Brent USD/bbl	94.62	-8.67	0.07	23.67
WTI USD/bbl	88.12	-8.29	6.27	19.60
Gold USD/t oz	4,060.7	3.33	-5.48	-3.07

Silver USD/t oz	52.2	4.86	-17.58	-14.38
Platinum USD/t oz	1,500.1	5.61	-17.23	-12.99
Aluminum	3,102.1	0.34	-2.66	-4.22
Copper USD/MT	14,201.0	0.64	-2.60	1.19
Digital Assets				
Bitcoin	80,156.7	3.02	-6.96	22.06
Ether	2,416.1	5.37	-14.48	22.78
Solana	94.7	1.20	-20.66	26.81
XRP	1.3	1.72	-14.05	18.28
Volatility				
VIX	16.61	-20.26	27.48	31.34
MOVE	93.88	-6.09	-9.49	24.22

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – November 5, 2026. Performance in local currency terms.

Disclaimer

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige Abu Dhabi Commercial Bank PJSC ("ADCB") to enter into any transaction.

The content of this publication should not be considered legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication.

Information contained herein is based on various sources, including but not limited to public information, annual reports and statistical data that ADCB considers accurate and reliable. However, ADCB makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for qualified customers of ADCB.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. ADCB expressly disclaims any obligation to update or revise any forward-looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of the foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB. They are subject to investment risks, including possible loss of principal amount invested. Please refer to ADCB's Terms and Conditions for Investment Services.

This publication is being furnished to you solely for your information and neither it nor any part of it may be used, forwarded, disclosed, distributed or delivered to anyone else. You may not copy, reproduce, display, modify or create derivative works from any data or information contained in this publication.