Daily Market View

Investment Strategy ♦ November 6, 2026

The blue wave breaks on tech, Brent bounces back; payrolls have the last word

Macro headlines

The Democratic sweep that markets cheered on Wednesday turned against technology on Thursday, as investors weighed what tighter oversight of data centre development could mean for AI investment. The concern has a clear footprint, with a large share of pending US data centre capacity planned in states whose newly elected governors have promised to stop or pause such construction. In energy, Brent rebounded 3.9% to USD98.29/bbl, recovering some of Wednesday's slide, as regional tensions escalated again and investors reassessed the outlook for the conflict; for GCC investors, the rebound was a reminder that the regional risk premium did not leave with Wednesday's relief rally. On monetary policy, the Bank of England raised Bank Rate by 25bps to 4.00%, its first increase in more than three years, warning that inflation is on track to reach nearly 5% next year and that another increase is likely, while in the US, Cleveland Fed President Hammack said rates need to be restrictive to bring inflation back to target. Turning to macroeconomic data, US weekly jobless claims fell below all estimates, while nonfarm productivity jumped at a 3.6% annualised pace in the third quarter and unit labour costs fell 0.7%, although earlier quarters were revised higher. In corporate news, the data centre buildout drew fresh questions as Microsoft opted not to extend a Texas data centre contract with startup Nscale and Micron suspended plans for a memory chip plant in Taiwan amid a labour dispute, while Oracle's planned USD165bn New Mexico complex faces another potential delay over an air permit review. Qualcomm fell after its smartphone chip sales outlook disappointed, and in Asia, China blocked SoftBank's USD5.4bn acquisition of ABB's robotics unit. The election lifted one weight from markets and added another, swapping political uncertainty for a regulatory bill on the AI trade, while dearer oil and the BoE kept energy at the centre of the rate outlook.

Market performances

Wall Street sold off sharply on Thursday, with the AI trade taking the full force of the reassessment. The S&P 500 fell 4.4%, its worst session since April 2025, and the Dow 3.4%, while the tech heavy Nasdaq dropped 6.4%, taking it into correction territory, and the VIX jumped to 28.18. Every S&P 500 sector declined, led by information technology down 7.3%, followed by industrials at 4.1% and consumer discretionary at 3.7%, while the semiconductor index tumbled 12%. Tesla slid 10.8% and Nvidia 9.3%, extending Wednesday's losses, while Meta lost 4.0%, and Microsoft and Amazon gave back part of Wednesday's gains, falling 3.6% and 2.2% respectively. Treasuries rallied as investors moved into government bonds, with the 2-year yield down c12bps to 4.46% and the 10-year c5bps to 4.83%, while Bund yields eased c3bps and gilt yields were little changed. Gold rose 0.7% to USD4,088/oz, its highest in more than two weeks, as Treasury yields fell, while the dollar index finished flat. Europe finished mostly lower as early gains faded with the US tech selloff and technology shares lagged on concern about greater scrutiny of AI investment, with the STOXX 600, the DAX and the FTSE 100 each down 0.4%, while the CAC 40 edged up 0.3%. In Asia, the Hang Seng rose 3.7% and the Sensex 2.6%, while the Nikkei fell 1.8%; MSCI's emerging markets index lost 0.9% and developed markets 3.3%. GCC markets were mostly higher, led by Qatar up 1.8%, with Kuwait 0.8%, the ADX and Tadawul 0.6% each and Oman 0.2%, while the DFM finished flat and Bahrain slipped 0.1%. Markets enter the final session of the week with the Nasdaq in correction, Treasuries bid and Brent back above USD98/bbl.

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What's Next

Today's October payrolls have the final word on a volatile week, with nonfarm payrolls seen rising 70K after 29K, unemployment steady at 4.2% and average hourly earnings up 2.9% y/y from 3.0%; a firmer print would strengthen the case for further Fed tightening, while a softer one would add to the growth concerns now weighing on equities. The University of Michigan survey is expected to hold sentiment at 48.0, with one year inflation expectations easing to 4.6% from 4.7%. Next week, October CPI on Tuesday is expected to rise 0.3% m/m from 0.6%, with core at 0.2% from 0.3%. Producer prices follow on Friday, seen rising 0.4% m/m from 1.3%, the next tests for central banks still weighing the energy bill. Asia has since extended the selloff, with MSCI's Asia Pacific index down 3.2% and the Nikkei 5.3%, while Brent rose 1% to USD99.24/bbl. Markets head into the weekend with the bar set by payrolls, a labour market resilient enough to absorb dearer oil would steady nerves, but the AI leaders would need clarity on policy, not just strong demand, to win investors back.

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.94	0.00	6.00	30.00
UAE Eibor 3m	4.28	-3.78	5.55	36.21
UAE Eibor 12m	4.96	-16.13	-10.46	74.77
US 3m Bills	4.08	-4.26	-1.46	26.55
US 10yr Treasury	4.83	-5.32	-43.59	22.20
German 10yr Bund	3.24	-3.10	-22.10	13.00
UK 10yr Gilt	5.13	0.30	-23.40	24.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	498	0.21	2.13	-0.71
Global Treasuries	206	0.26	2.08	-0.58
Global Corporate	300	0.14	2.10	-1.24
EM USD Sovereign	458	0.00	2.36	-1.76
EM LCY Sovereign	170	0.23	1.26	1.28
Global High Yield	1,867	0.52	0.64	-2.41
Currencies				
Dollar Index	101.55	-0.02	-0.38	1.88
EUR USD	1.1219	-0.08	-0.32	-2.89
GBP USD	1.3450	-0.16	1.58	-0.13
USD JPY	157.70	-0.46	-0.10	-0.03
Equities				
S&P 500	7,354	-4.36	-4.78	-4.79
Dow Jones	51,523	-3.44	0.68	-5.20
NASDAQ	24,315	-5.52	-10.58	-7.77
STOXX 600	655	-0.38	3.73	-0.35
DAX	26,325	-0.43	4.34	0.76
Nikkei 225	61,078	-1.79	-10.59	-7.88
FTSE 100	10,829	1.79	3.07	-0.97
SENSEX	79,310	2.60	10.29	0.93
Hang Seng	24,797	3.67	3.44	-4.32
MSCI World	4,760	-3.28	-3.37	-4.45
MSCI EM	1,544	-0.87	-9.66	-8.49
Regional Equities				
ADX	9,520	0.62	-4.54	-5.85
DFM	6,043	0.03	2.39	0.58
Tadawul*	10,095	0.56	-1.83	-9.27
DSM*	10,066	1.84	12.13	2.64
MSM30*	7,276	0.21	-6.76	-4.31
BHSE*	1,816	-0.08	-3.53	-6.21
KWSE*	8,547	0.81	-1.19	-3.94
Commodities				
BBG Commodity Index	134.94	0.48	-4.64	4.06
Brent USD/bbl	98.29	3.88	-3.87	23.71
WTI USD/bbl	90.52	2.72	-0.65	20.34
Gold USD/t oz	4,088.0	0.67	-1.28	-3.74

Silver USD/t oz	51.8	-0.85	-14.22	-16.55
Platinum USD/t oz	1,519.3	1.28	-10.71	-12.46
Aluminum	3,125.3	0.75	0.87	-3.50
Copper USD/MT	14,110.0	-0.64	-1.71	-0.41
Digital Assets				
Bitcoin	75,734.3	-5.52	-10.31	16.90
Ether	2,226.6	-7.84	-16.33	16.22
Solana	89.9	-5.09	-23.67	20.92
XRP	1.2	-6.36	-17.10	14.15
Volatility				
VIX	28.18	69.66	84.06	78.24
MOVE	97.92	4.30	-8.73	33.08

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – November 6, 2026. Performance in local currency terms.

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