Daily Market View

Investment Strategy ♦ November 17, 2026

Washington sets the pace, chips fall behind, oil runs out of breath; tonight one set of results carries the AI trade

Macro headlines

Monday's selloff had a policy trigger, with Washington tightening access to American AI chips just as investors brace for the chip bellwether's results, while oil slid for a simpler reason, more supply. In energy, Brent fell 3.6% to USD92.44/bbl as recovering exports from the Middle East reinforced expectations of a global supply surplus in the fourth quarter, with the International Energy Agency (IEA) reporting that global supply has topped demand for the first time since the conflict began. On technology policy, the Commerce Department issued an interim rule requiring US licences for advanced AI chips from Nvidia and other American manufacturers going to data centre operators in Singapore, Malaysia, Thailand, Indonesia and Brazil, closing a loophole that let Chinese companies use those chips through remote computing. The rule comes days before President Trump is scheduled to meet Presidents Xi and Putin at the APEC summit in Shenzhen. Turning to macroeconomic data, the New York Fed's Empire State survey showed manufacturing activity moderating in November, with prices paid and received easing but still elevated. On monetary policy, Cleveland Fed President Hammack said she prefers slow, steady rate increases at successive meetings, but that larger moves may be needed if inflation pressures worsen; traders raised bets on further tightening into 2027. In Europe, ECB Vice President Vujcic said market bets on a 2027 hike do not seem unreasonable, while ECB policymaker Simkus said he is not sure December's increase alone would be enough; in Japan, BOJ board member Takata called for a nimble approach to raising rates toward neutral. In corporate news, the AI buildout continued to draw capital. OpenAI signed a six year deal for 457 megawatts of computing capacity powered by AMD chips, while Blackstone bought majority stakes in two Amazon Web Services data centre joint ventures in a deal valued at about USD5bn. Between tighter rules on who can use American chips and central banks from the Fed to the BOJ still leaning towards higher rates, policy is setting the pace for markets as much as earnings.

Market performances

Wall Street fell broadly to start the week as the selloff in AI linked stocks deepened. The S&P 500 lost 1.9%, the Nasdaq gave up 2.7% and the Dow slid 1.4%, while the VIX jumped to 22.91. Technology was the weakest sector, down 3.0%, followed by communication services, down 2.8%, while consumer discretionary and energy lost 2.1% each; consumer staples was the only sector higher, up 0.3%, helped by Procter & Gamble and Costco. Nvidia fell 4.1% and the semiconductor index sank 5.3%, with Micron down 7.6%, Intel 7.1% and Advanced Micro Devices 5.6%; SanDisk slid more than 8% and Dell 7%. Treasuries were steady, with the 10-year yield edging down to 5.13%, while Bund yields rose c1bp and gilt yields c3bps. The dollar index rose 0.1% to its highest level since April 2025, supported by last week's strong US inflation data and hawkish Fed commentary, while gold fell 0.7% to USD3,857/oz. European stocks edged back from near record highs, with the STOXX 600 down 0.3% as technology and basic resources weighed, while healthcare led with a 0.8% gain as Novo Nordisk rose 2.4% after trial data for its obesity treatment CagriSema, and luxury and household goods also advanced. The DAX lost 0.6%, and the FTSE 100 and the CAC 40 0.2% each. In Asia, the Nikkei fell 2.4%, while the Hang Seng rose 0.5% and the Sensex 0.6%; MSCI's emerging markets index lost 2.8% and developed markets 1.6%. GCC markets held firm, led by Qatar up 2.6%, with Oman up 0.3%, the DFM, the ADX and Kuwait 0.2% each and Tadawul 0.1%, while Bahrain fell 0.3%. Markets enter Tuesday with chipmakers on the back foot, volatility higher and the dollar firm, leaving little room for disappointment.

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What's Next

Today's US retail sales will show how households are coping with higher prices and borrowing costs; October sales are expected to rise 0.1% m/m after 0.8% in September, with industrial production also seen up 0.1%. A firm print would keep the case for further Fed increases intact, while a soft one would show higher rates starting to bite. In Europe, Germany's ZEW survey of investor sentiment is expected to improve slightly to 28.8 from 28.1. Nvidia reports after the US close, giving the first major read on AI demand since Monday's selloff in chip stocks. Wednesday brings minutes of the Fed's latest meeting, UK CPI, seen at 3.6% y/y from 3.5%, and final euro area inflation, expected at 4.0%, while Anthropic prices its IPO, targeting a valuation of about USD1.4tn, ahead of its Nasdaq debut on Thursday. Thursday also brings US jobless claims, expected at 198,000, and Friday closes with Japan's national CPI, seen at 2.5% y/y from 2.1%. Asia has extended its slide for a fourth session, with MSCI's Asia Pacific index down 1.2%, led by financials and technology. Markets head into the day with two questions, whether the consumer is still spending and whether AI revenue still justifies the capital going in.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.90	0.00	1.00	28.00
UAE Eibor 3m	4.24	-15.94	-20.08	29.70
UAE Eibor 12m	4.85	5.41	-14.26	55.58
US 3m Bills	4.23	0.34	7.66	44.56
US 10yr Treasury	5.13	-0.41	-7.73	43.89
German 10yr Bund	3.39	1.20	-8.00	18.50
UK 10yr Gilt	5.37	3.00	-8.20	32.80
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	489	-0.01	0.15	-2.19
Global Treasuries	203	-0.01	0.16	-2.01
Global Corporate	295	-0.01	0.10	-2.65
EM USD Sovereign	453	-0.23	0.11	-2.83
EM LCY Sovereign	169	-0.12	-0.11	0.42
Global High Yield	1,867	-0.22	-0.36	-3.37
Currencies				
Dollar Index	103.55	0.13	1.34	3.89
EUR USD	1.0997	-0.24	-1.80	-4.95
GBP USD	1.3186	-0.21	-0.52	-2.60
USD JPY	159.47	-0.15	0.72	0.09
Equities				
S&P 500	7,417	-1.92	-4.98	-4.74
Dow Jones	51,608	-1.41	-0.12	-3.95
NASDAQ	24,510	-2.49	-9.91	-8.30
STOXX 600	662	-0.28	4.30	0.68
DAX	26,599	-0.57	5.30	0.60
Nikkei 225	59,662	-2.42	-11.97	-13.17
FTSE 100	10,829	-0.19	2.17	1.22
SENSEX	82,105	0.63	12.42	5.25
Hang Seng	23,754	0.49	-2.43	-5.43
MSCI World	4,773	-1.62	-3.86	-5.09
MSCI EM	1,508	-2.75	-9.21	-11.38
Regional Equities				
ADX	9,683	0.16	-1.13	-3.63
DFM	6,212	0.23	6.03	5.55
Tadawul*	10,264	0.06	5.86	-6.75
DSM*	10,107	2.63	17.37	2.88
MSM30*	7,368	0.28	-0.15	-3.66
BHSE*	1,815	-0.30	-1.96	-5.92
KWSE*	8,576	0.21	3.44	-4.10
Commodities				
BBG Commodity Index	131.15	-1.75	-9.48	-3.13
Brent USD/bbl	92.44	-3.55	-12.54	4.43
WTI USD/bbl	85.72	-3.21	-8.94	4.03
Gold USD/t oz	3,856.5	-0.72	-7.31	-11.88

Silver USD/t oz	47.0	-3.55	-20.52	-27.31
Platinum USD/t oz	1,450.0	-2.90	-12.99	-17.11
Aluminum	3,263.0	2.57	7.24	0.52
Copper USD/MT	13,375.0	-1.73	-9.27	-8.04
Digital Assets				
Bitcoin	65,259.4	-4.48	-21.70	3.84
Ether	1,828.1	-5.13	-27.13	-2.70
Solana	71.9	-8.50	-32.83	-4.23
XRP	1.0	-5.43	-29.97	-3.98
Volatility				
VIX	22.91	18.70	50.03	60.77
MOVE	101.28	2.52	0.19	45.56

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – November 17, 2026. Performance in local currency terms.

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