Daily Market View

Investment Strategy ♦ November 18, 2026

Retail therapy for shoppers, none for stocks; the Fed's minutes land with a December hike fully priced

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Macro headlines

The American consumer kept spending on Tuesday; investors did not, as Fed officials made the case for more tightening and Washington kept up the pressure on chipmakers. On technology policy, renewed US restrictions on China's access to advanced AI computing weighed on the wider technology complex, and China's Commerce Ministry warned it would respond if Washington proceeds with curbs on remote access to advanced chips. Turning to macroeconomic data, October retail sales rose 0.2% m/m, in line with expectations, while underlying sales, which strip out volatile categories such as autos and petrol, rose a stronger than expected 0.6%, with upward revisions to the prior two months, pointing to a firm start to the fourth quarter. Factories told a softer story, with industrial production down 0.4% m/m against expectations for a 0.1% gain as utilities dragged on the headline. Import prices also rose in October, while homebuilder sentiment fell to its lowest level since April 2012. Overnight, Japan's exports rose 20.5% y/y in October, in line with expectations, while its trade deficit narrowed to JPY476.5bn, much smaller than the JPY1,078.4bn expected. On monetary policy, St. Louis Fed President Musalem signalled support for multiple hikes, while New York Fed President Williams said the economy is "strong, strengthening" and inflation "stubbornly high", though he dismissed the need for an outsized increase; traders are fully pricing a quarter point hike at the December 8 to 9 meeting and more than 80bps of tightening by September 2027. In energy, oil markets weighed renewed regional tensions against recovering supplies and higher US inventories. In corporate news, Nvidia guided fourth quarter sales to about USD130bn, well ahead of the USD125.3bn consensus, lifted its revenue growth outlook for next fiscal year to 75% from 70% and added USD150bn to its buyback; China is now out of the numbers, with Hopper data centre chip shipments halted and the market excluded from guidance. The shares rose 4.8% in extended trading. Elsewhere, Nike said it needs more time to return to growth, expecting growth to return to the market's pace in the fiscal year ending May 2029. Firm household spending, rising import prices and a Fed chorus for higher rates keep the tightening case intact, just as the AI trade gets its answer from the industry's bellwether.

Market performances

The selloff broadened beyond technology on Tuesday, with every S&P 500 sector finishing lower ahead of Nvidia's results. The Dow fell 1.6%, the S&P 500 1.0% and the Nasdaq 0.7%, with the S&P 500 slipping below its 200 day moving average and the VIX rising to 25.46. Financials were the weakest sector, down 1.9%, followed by utilities, healthcare and communication services, while energy and industrials held up best, each down about 0.5%. Nvidia went into its results under heavy pressure, sliding to levels last seen in July and taking its losses this month to 24%. Treasuries edged higher, with the 2-year yield down 1bp to 4.79% and the 10-year yield c2bps lower at 5.11%. Brent rose 0.8% to USD93.14/bbl, while gold slipped 0.2% to USD3,850/oz, holding near a 14 month low as Fed officials argued for more hikes. Europe bore the brunt of the risk off move, with the STOXX 600 down 1.8%, the DAX 2.1% and the FTSE 100 1.8%; technology, banks, autos and resources were among the weakest groups, as ASML fell 5.3%, while AI related equipment makers Siemens Energy and Legrand lost 3.1% and 1.4%, respectively. In Asia, the Nikkei fell 1.3%, the Hang Seng 1.0%, while the Sensex rose 0.5%; MSCI's emerging markets index lost 1.4% and developed markets 1.2%. The UAE bucked the global selloff, with the ADX up 0.9% and the DFM 0.6%, and Bahrain edged up 0.1%, while Qatar fell 0.3%, Oman 0.2%, and Tadawul and Kuwait 0.1% each. Markets enter Wednesday with the selloff now global, Treasuries steady and the AI bellwether's numbers finally in hand.

What's Next

Today brings UK CPI, expected to rise to 3.6% y/y from 3.5%, and final euro area inflation, seen confirmed at 4.0%, while US housing starts are expected at 1.25mn from 1.22mn. The day's main event comes late tonight UAE time, when the minutes of the Fed's October meeting will show how much support there is on the committee for further rate increases. On policy, the APEC summit opens in Shenzhen, where President Trump is set to meet Presidents Xi and Putin over the next two days, with trade on the agenda. Anthropic prices its IPO today and, according to Bloomberg, is guiding investors to the top of its range or above, ahead of its Nasdaq debut on Thursday. Thursday also brings Walmart's results and US jobless claims, expected at 198,000, while Friday closes with Japan's national CPI, seen at 2.45% y/y from 2.1%. Asia is softer this morning, with MSCI's Asia Pacific index down 0.4% after reversing an early gain, while spot gold is down 1.1% at about USD3,806/oz. Markets head into Wednesday with spending firm, factories soft and import prices rising, leaving the Fed's minutes to show how the committee weighs the three.

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.93	0.00	5.00	27.00
UAE Eibor 3m	4.40	15.47	12.48	44.01
UAE Eibor 12m	4.75	-10.21	-19.01	60.29
US 3m Bills	4.23	0.43	4.11	44.82
US 10yr Treasury	5.11	-2.43	-7.86	38.49
German 10yr Bund	3.38	-1.40	-9.10	15.40
UK 10yr Gilt	5.37	0.50	-5.40	31.00
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	490	0.07	0.41	-2.01
Global Treasuries	203	0.09	0.48	-1.80
Global Corporate	295	-0.01	0.20	-2.50
EM USD Sovereign	451	-0.24	-0.07	-2.87
EM LCY Sovereign	169	0.12	0.07	0.47
Global High Yield	1,867	-0.27	-0.29	-3.57
Currencies				
Dollar Index	103.49	-0.06	0.91	3.86
EUR USD	1.0998	0.01	-1.43	-5.03
GBP USD	1.3209	0.17	0.12	-2.47
USD JPY	159.38	-0.06	0.66	-0.05
Equities				
S&P 500	7,341	-1.03	-4.90	-5.22
Dow Jones	50,759	-1.64	-1.67	-5.05
NASDAQ	24,328	-0.74	-8.86	-8.69
STOXX 600	651	-1.75	2.03	-0.87
DAX	26,045	-2.08	2.95	-1.11
Nikkei 225	58,860	-1.34	-13.11	-14.97
FTSE 100	10,829	-1.76	-0.33	-0.28
SENSEX	82,532	0.52	13.40	6.18
Hang Seng	23,508	-1.03	-3.31	-7.64
MSCI World	4,717	-1.19	-4.06	-5.82
MSCI EM	1,487	-1.37	-10.38	-13.03
Regional Equities				
ADX	9,771	0.91	-0.63	-3.03
DFM	6,248	0.58	6.03	6.69
Tadawul*	10,253	-0.11	5.75	-6.85
DSM*	10,079	-0.27	17.05	2.59
MSM30*	7,356	-0.16	-0.31	-3.81
BHSE*	1,817	0.09	-1.87	-5.83
KWSE*	8,570	-0.07	3.37	-4.16
Commodities				
BBG Commodity Index	131.40	0.20	-8.79	-4.20
Brent USD/bbl	93.14	0.76	-12.18	2.50
WTI USD/bbl	86.01	0.34	-9.55	1.79
Gold USD/t oz	3,849.6	-0.18	-6.23	-12.83

Silver USD/t oz	47.4	0.83	-14.68	-27.94
Platinum USD/t oz	1,431.3	-1.29	-10.80	-19.29
Aluminum	3,014.1	-7.63	0.76	-7.57
Copper USD/MT	13,225.5	-1.12	-10.34	-10.94
Digital Assets				
Bitcoin	64,288.5	-1.49	-21.31	-0.10
Ether	1,804.4	-1.30	-25.26	-5.29
Solana	73.4	2.11	-29.41	-3.31
XRP	1.0	1.15	-26.74	-3.36
Volatility				
VIX	25.46	11.13	50.92	67.61
MOVE	101.88	0.59	2.85	34.71

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – November 18, 2026. Performance in local currency terms.

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