Daily Market View

Investment Strategy ♦ November 25, 2026

Households feel wealthier, while chipmakers feel poorer. The AI-led rebound lasted just one day as defensive sectors retook the lead. All eyes are now on today's PCE inflation report.

Macro headlines

Monday's AI rebound did not survive a second session, but American households gave investors a different reason to cheer. On trade, the US is preparing to announce plans to raise tariffs on goods from China, the EU and more than a dozen other economies, replacing levies struck down by the Supreme Court. Beijing, for its part, extended its suspension of export restrictions on gallium, germanium, antimony and superhard materials to the US through 27 January, preserving a key element of the trade truce. Turning to macroeconomic data, the Conference Board's consumer confidence index surged to 103.3 in November from 91.9, its highest in nearly two years and far above the 92.1 expected, as households grew more upbeat on business conditions and jobs. In Germany, the Ifo survey of business sentiment slipped to 90.1 in November from 90.2, short of the 90.5 expected. Overnight, Japan's services producer prices rose 4.2% y/y in October, well above the 3.6% expected. On monetary policy, Fed officials kept a hawkish tone, and the jump in confidence added to bets on a rate increase at the December meeting. Elsewhere, ECB Governing Council member Simkus said it is prudent to lift rates into restrictive territory as inflation broadens, while Bank of Canada Governor Macklem warned that cost pressures have been building since the spring, prompting traders to add to bets on another increase. Crude found a footing near three month lows, with Brent rising 2.3% to USD91.40/bbl as renewed disruption to regional shipping put supply risk back in focus. In corporate news, the consumer story carried into results, with Dick's Sporting Goods, Abercrombie & Fitch and Kohl's delivering stronger quarterly numbers and raising their earnings guidance. AI hardware sounded a steadier note after the close, with Dell raising its annual revenue forecast for the third time to about USD202bn from USD192bn, including USD78bn in AI server sales, while TSMC is weighing a USD21.7bn plant in Texas to produce its most advanced 2 nanometre chips. Healthcare dealmaking stepped up, with Sanofi announcing the acquisition of Insmed for USD175 a share, or USD41bn in equity value, a 46% premium to the undisturbed share price. A more confident consumer and a Fed still leaning towards tighter policy left investors favouring steady earners over the AI names that carried Monday's bounce.

Market performances

Leadership changed hands on Wall Street on Tuesday, as investors took profits in technology and rotated into defensive sectors. The Dow gained 0.9%, while the S&P 500 slipped 0.5% and the Nasdaq fell 2.0%. Healthcare led with a 2.9% gain, followed by consumer staples (+1.7%), while energy and financials each rose 0.9%; technology was the weakest sector, down 2.8%. The Philadelphia semiconductor index tumbled 7.9%, taking its decline from the June peak to about 40%, as Nvidia fell 5.9%, handing back part of Monday's 31.5% surge, and Anthropic slipped below its IPO price; Eli Lilly rose 3.2% and the retailers that reported rallied. Treasuries were little changed, with the 2-year yield at 4.69% and the 10-year at 4.93%, while Bund and gilt yields each eased c2bps on haven flows. Gold fell 2.1% to USD3,557/oz, giving back most of Monday's rebound, with silver down 5.1%, while the dollar index eased 0.5%. Europe lost Monday's momentum, with the STOXX 600 down 0.7%, the DAX 1.3% and the FTSE 100 0.1%. In Asia, the Nikkei jumped 3.9% as Japan reopened after its holiday, while the Hang Seng fell 0.7% and Indian markets were closed; MSCI's emerging markets index gained 3.5%, while developed markets slipped 0.2%. GCC markets were mostly higher, with the ADX up 1.0%, the DFM 0.8%, Qatar 0.7%, Kuwait 0.6% and Tadawul 0.4%, while Bahrain was flat and Oman slipped 0.3%. Markets enter Wednesday with defensives in front, chipmakers on the back foot and gold struggling to hold its gains.

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What's Next

Today packs the last major US releases before Thanksgiving into a single session. Core PCE is expected at 3.2% y/y from 3.1%. The second estimate of third quarter GDP is seen at 3.5% annualised from 3.4%. Durable goods orders are expected to rise 0.6% m/m after 1.9%, and personal spending 0.4%, with jobless claims and the Fed's Beige Book also due; after Tuesday's jump in confidence, firm numbers would strengthen the case for a December increase, while softer readings would ease pressure on the pace beyond it. With Wall Street shut for Thanksgiving on Thursday, attention turns to Seoul, where the Bank of Korea is expected to raise its policy rate by 25bps to 3.25%, and to Frankfurt, where the ECB publishes the account of its October meeting. Friday brings an early US close, inflation data from France and Spain and Tokyo CPI, seen at 3.1% y/y from 2.8%. The chip selloff has spread to Asia this morning, with MSCI's Asia Pacific index down as much as 2.7%, Taiwan's benchmark as much as 8.6% and Korea's more than 5%, while the Nikkei has lost about 3.2%. Markets head into the holiday with households in better spirits and the onus now on spending and orders to show that the mood is translating into activity.

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.92	0.00	4.00	27.00
UAE Eibor 3m	4.51	11.80	8.56	67.28
UAE Eibor 12m	4.72	-5.80	-22.38	47.87
US 3m Bills	4.25	1.50	9.85	46.73
US 10yr Treasury	4.93	-1.40	-18.93	23.36
German 10yr Bund	3.26	-2.50	-15.90	0.90
UK 10yr Gilt	5.19	-2.30	-19.20	12.90
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	492	0.25	0.27	-1.79
Global Treasuries	204	0.30	0.27	-1.57
Global Corporate	296	0.14	0.10	-2.35
EM USD Sovereign	451	-0.13	-0.50	-3.02
EM LCY Sovereign	168	0.00	-0.74	-0.36
Global High Yield	1,867	-0.09	-1.04	-4.27
Currencies				
Dollar Index	103.81	-0.48	2.00	4.86
EUR USD	1.0966	0.58	-2.37	-5.98
GBP USD	1.3115	0.64	-2.08	-3.79
USD JPY	159.26	0.15	0.71	0.09
Equities				
S&P 500	7,201	-0.50	-7.17	-5.90
Dow Jones	50,019	0.85	-5.37	-6.36
NASDAQ	23,734	-1.48	-11.12	-8.65
STOXX 600	633	-0.66	-1.82	-3.28
DAX	25,018	-1.26	-2.45	-4.17
Nikkei 225	58,645	3.91	-9.25	-10.50
FTSE 100	10,829	-0.13	-2.66	-3.57
SENSEX	82,436	0.00	11.84	6.55
Hang Seng	22,220	-0.73	-6.06	-12.92
MSCI World	4,613	-0.18	-6.86	-6.96
MSCI EM	1,466	3.45	-9.28	-13.52
Regional Equities				
ADX	9,872	1.02	1.03	-1.76
DFM	6,360	0.84	8.53	8.42
Tadawul*	9,977	0.40	0.56	-7.43
DSM*	10,052	0.74	9.84	4.06
MSM30*	7,189	-0.29	-2.14	-5.45
BHSE*	1,811	0.04	-1.03	-5.87
KWSE*	8,497	0.62	0.51	-4.67
Commodities				
BBG Commodity Index	126.45	-0.18	-11.39	-9.27
Brent USD/bbl	91.40	2.27	-16.01	-0.84
WTI USD/bbl	82.05	2.35	-15.54	-3.48
Gold USD/t oz	3,556.9	-2.14	-14.10	-23.55

Silver USD/t oz	40.9	-5.14	-29.50	-40.71
Platinum USD/t oz	1,278.6	-3.84	-21.66	-32.04
Aluminum	2,794.3	-7.84	-8.96	-13.38
Copper USD/MT	12,035.0	-1.07	-16.66	-16.10
Digital Assets				
Bitcoin	59,821.3	-2.36	-29.30	-24.21
Ether	1,678.9	-2.51	-32.60	-32.16
Solana	69.4	-4.12	-35.79	-28.16
XRP	0.9	-2.08	-33.41	-37.67
Volatility				
VIX	26.36	-0.98	58.03	66.31
MOVE	98.84	-2.05	3.02	33.60

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – November 25, 2026. Performance in local currency terms.

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