Weekly Market View

Investment Strategy ♦ November 02 2026

AI spending concerns weigh on markets as Fed holds rates

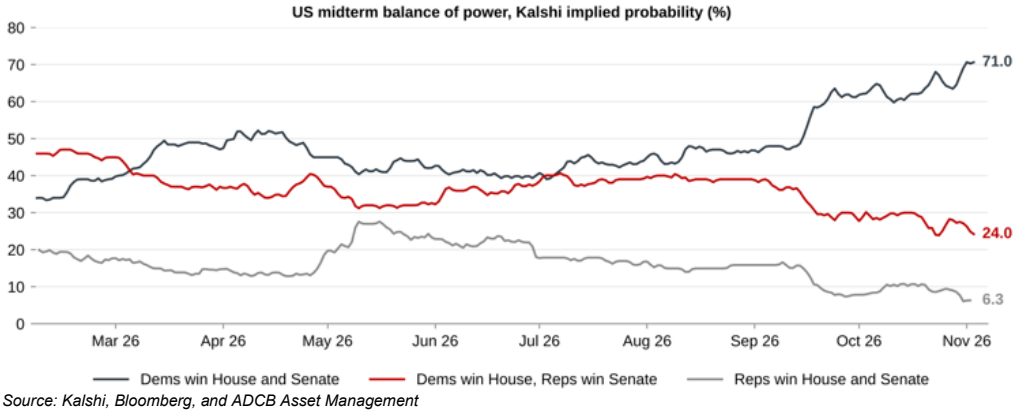
Macro headlines

Global markets faced renewed pressure as concerns over AI investment returns, persistent inflation and geopolitical uncertainty weighed on investor sentiment. The Federal Reserve held rates at 3.75%–4.00%, with two officials favouring a 25bps hike, while US Q3 GDP accelerated to 3.4% annualised, exceeding expectations. Headline PCE inflation rose to 3.6% y/y and core PCE reached 3.1%, reinforcing expectations of tighter monetary policy. Elsewhere, the Bank of Canada raised rates by 25bps to 2.50%, while the ECB and Bank of Japan held rates unchanged. Middle East tensions continued to support elevated oil prices despite renewed diplomatic efforts, while OPEC+ maintained December production levels. Corporate earnings highlighted growing concerns over the profitability of AI infrastructure spending. Alphabet and Amazon reported substantial negative free cash flow amid elevated capital expenditure, while Microsoft's stronger cloud performance provided some support. Meanwhile, US consumer confidence improved to 91.7, China's industrial profits rose 14.4% y/y, and Taiwan's Q3 GDP expanded 14.4% y/y, highlighting pockets of economic resilience despite the technology-sector selloff.

Market performances

Global equities were mixed as technology stocks underperformed. The S&P 500 declined 0.57%, Nasdaq fell 2.00% and MSCI World lost 0.25%, while European equities advanced, led by the DAX (+2.53%) and STOXX 600 (+1.73%). GCC markets were mixed, with Qatar surging 6.27%, Saudi Arabia gaining 2.33% and Dubai rising 0.64%, while Abu Dhabi declined 1.27%. Fixed-income markets strengthened as the US 10-year Treasury yield fell 6.56bps to 4.93%, while the Global Aggregate Index gained 0.30%. The Dollar Index edged 0.07% higher. Commodities weakened overall, although Brent gained 0.79% to USD110.1/bbl and WTI rose 0.82%. Precious metals declined sharply, with gold falling 3.04%, silver losing 8.89% and platinum declining 7.60%. Digital assets also weakened, with Bitcoin down 5.59%, Ether falling 6.83% and Solana declining 8.42%. Volatility eased modestly, with the VIX slipping 0.15% and the MOVE index falling 3.01%.

Chart of the Week: Prediction markets now price in Democratic sweep of Congress at 71%



Source: Kalshi, Bloomberg, and ADCB Asset Management

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Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.94	2.00	28.00	7.00
UAE Eibor 3m	4.34	11.40	40.03	86.57
UAE Eibor 12m	4.87	14.46	61.08	125.37
US 3m Bills	4.07	-4.74	32.42	45.07
US 10yr Treasury	4.93	-6.56	19.42	76.19
German 10yr Bund	3.32	-2.30	11.60	46.70
UK 10yr Gilt	5.28	-7.20	23.40	80.50
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	495	0.30	-0.56	-1.30
Global Treasuries	205	0.24	-0.41	-1.61
Global Corporate	298	0.35	-1.07	-1.95
EM USD Sovereign	456	0.53	-1.14	-0.54
EM LCY Sovereign	169	-0.30	1.21	3.99
Global High Yield	1,856	0.33	-2.17	-0.36
Currencies				
Dollar Index	101.84	0.07	1.97	3.62
EUR USD	1.1180	-0.37	-3.18	-4.99
GBP USD	1.3395	0.13	-0.68	-0.62
USD JPY	157.88	0.44	0.10	0.54
Equities				
S&P 500	7,580	-0.57	1.21	10.73
Dow Jones	51,770	-0.85	-1.36	7.71
NASDAQ	25,437	-2.00	0.25	9.44
STOXX 600	647	1.73	-0.38	9.21
DAX	25,818	2.53	0.74	5.42
Nikkei 225	63,064	0.95	-1.67	25.73
FTSE 100	10,730	0.37	-1.27	8.04
SENSEX	75,332	1.83	-4.65	-12.63
Hang Seng	23,411	0.87	-10.01	-9.11
MSCI World	4,862	-0.25	0.30	9.75
MSCI EM	1,567	-0.72	-5.96	11.55
Regional Equities				
ADX	9,490	-1.27	-4.52	-5.27
DFM	5,762	0.64	-0.43	-4.57
Tadawul*	9,922	2.33	-6.31	-5.43
DSM*	9,151	6.27	-7.76	-14.97
MSM30*	7,346	-0.45	0.95	25.22
BHSE*	1,830	-1.17	-6.46	-11.45
KWSE*	8,454	1.97	-3.46	-5.09
Commodities				
BBG Commodity Index	140.1	-1.73	6.93	28.73
Brent USD/bbl	110.1	0.79	30.54	93.33
WTI USD/bbl	100.7	0.82	22.97	81.33
Gold USD/t oz	3,908.5	-3.04	-4.24	-10.30
Silver USD/t oz	50.1	-8.89	-14.75	-31.49
Platinum USD/t oz	1,436.9	-7.60	-12.93	-30.35
Aluminum	3,116.6	1.20	-2.41	4.63
Copper USD/MT	14,449.0	0.24	4.45	15.56

Digital Assets				
Bitcoin	78,099.6	-5.59	22.07	-12.40
Ether	2,282.9	-6.83	20.17	-24.91
Solana	94.3	-8.42	30.40	-23.52
XRP	1.2	-4.45	17.70	-32.09
Volatility				
VIX	19.42	-0.15	21.45	29.90
MOVE	100.20	-3.01	20.69	56.66

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of November 02, 2026.

Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
11/02/2026 18:45	S&P Global US Manufacturing PMI	Oct F	--	56
11/02/2026 19:00	ISM Manufacturing	Oct	54.7	54.5
11/02/2026 19:00	ISM New Orders	Oct	54.5	55.3
11/02/2026 19:00	ISM Employment	Oct	52	52.7
11/03/2026 19:00	JOLTS Job Openings	Sep	7134k	7079k
11/03/2026 19:00	Factory Orders	Sep	1.20%	0.10%
11/03/2026 19:00	Durable Goods Orders	Sep F	--	1.80%
11/04/2026 16:00	MBA Mortgage Applications	30-Oct	--	3.40%
11/04/2026 17:15	ADP Employment Change	Oct	75k	90k
11/04/2026 18:45	S&P Global US Services PMI	Oct F	--	57.9
11/04/2026 19:00	ISM Services Index	Oct	54.8	54.9
11/04/2026 19:00	ISM Services New Orders	Oct	59	59.8
11/05/2026 17:30	Initial Jobless Claims	31-Oct	--	--
11/05/2026 17:30	Continuing Claims	24-Oct	--	--
11/06/2026 17:30	Average Hourly Earnings YoY	Oct	2.90%	3.00%
11/06/2026 17:30	Unemployment Rate	Oct	4.20%	4.20%
11/06/2026 17:30	Labor Force Participation Rate	Oct	--	61.80%
11/06/2026 17:30	Underemployment Rate	Oct	--	7.60%
11/06/2026 19:00	U. of Mich. Sentiment	Nov P	47	48
11/06/2026 19:00	U. of Mich. 1 Yr Inflation	Nov P	--	4.70%
11/06/2026 19:00	U. of Mich. 5-10 Yr Inflation	Nov P	--	3.50%
11/07/2026 0:00	Consumer Credit	Sep	$11.750b	$8.281b

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
11/02/2026 4:30	S&P Global Japan PMI Mfg	Oct F	--	53.3
11/04/2026 3:50	Monetary Base YoY	Oct	--	-15.20%
11/05/2026 4:30	S&P Global Japan PMI Services	Oct F	--	52

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
11/02/2026 11:00	Germany Retail Sales SA YoY	Sep	0.20%	-0.40%
11/02/2026 12:50	France S&P Global Manufacturing PMI	Oct F	--	49.3
11/02/2026 12:55	Germany S&P Manufacturing PMI	Oct F	--	54.2
11/02/2026 13:00	Eurozone S&P Global Manufacturing PMI	Oct F	--	52.4
11/04/2026 12:50	France S&P Global France Services PMI	Oct F	--	48.4
11/04/2026 13:00	Eurozone S&P Global Services PMI	Oct F	--	51.7
11/04/2026 14:00	Eurozone CPI Estimate YoY	Oct P	3.90%	3.80%
11/04/2026 14:00	Eurozone CPI YoY	Oct P	3.90%	3.80%
11/05/2026 11:45	France Manufacturing Production YoY	Sep	--	-0.10%
11/05/2026 14:00	Eurozone PPI YoY	Sep	--	8.20%
11/05/2026 11:00	Germany Factory Orders WDA YoY	Sep	--	2.70%
11/06/2026 11:00	Germany Industrial Production WDA YoY	Sep	--	2.30%
11/06/2026 14:00	Eurozone Retail Sales YoY	Sep	--	0.80%
11/06/2026-11/13/2026	Germany Wholesale Price Index YoY	Oct	--	8.70%

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
11/02/2026 13:30	S&P Global UK Manufacturing PMI	Oct F	--	52.8
11/04/2026 13:30	S&P Global UK Services PMI	Oct F	--	53.1
11/04/2026 13:30	Official Reserves Changes	Oct	--	-$6010m
11/05/2026 13:00	New Car Registrations YoY	Oct	--	12.00%
11/05/2026 13:30	S&P Global UK Construction PMI	Oct	--	46.1
11/05/2026 16:00	Bank of England Bank Rate	5-Nov	4.00%	3.75%

China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
11/02/2026 5:45	China RatingDog PMI Mfg	Oct	52	52.1
11/02/2026 9:00	India HSBC PMI Mfg	Oct F	--	54.9
11/04/2026 5:45	China RatingDog PMI Services	Oct	51.7	51.6
11/04/2026 9:00	India HSBC PMI Services	Oct F	--	56.2

GCC

Date & Time (GST)	Indicator	Period	Expected	Prior
11/02/2026-11/06/2026	Qatar CPI YoY	Sep	--	--
11/03/2026 8:15	Saudi Arabia S&P Global PMI	Oct	--	55.3
11/03/2026 13:00	Qatar S&P Global PMI	Oct	--	47.3
11/05/2026-11/10/2026	Kuwait CPI YoY	Sep	--	--

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