

Oil roars, chips wobble, and bonds find buyers

Macro headlines

Markets can price geopolitical tension, a hurricane or a disappointing revenue number on their own; Thursday asked them to price all three at once. Energy geopolitics returned to centre stage after President Trump signalled a firmer stance on Iran, while adding that the US will not escalate matters ahead of next month's midterm elections. Reports that Washington was weighing its options on the conflict before the midterms added a fresh risk premium to crude. Renewed disruption to shipping in the Strait of Hormuz added to supply anxiety, while Hurricane Isaias forced producers in the US Gulf of Mexico to shut in wells and evacuate personnel, cutting domestic output. On monetary policy, Fed Governor Waller said further rate hikes will likely be needed to bring inflation back to 2%, but that officials have flexibility on timing and need not tighten at consecutive meetings. Bank of France Governor Moulin highlighted the strong link between oil prices, US long term rates and global yields, a reminder that the energy shock is now a global rates story. In Japan, the BOJ upgraded its regional economic assessment for the first time since early last year, supporting the case for another hike, while a strong 30-year JGB auction pulled 10-year yields down 6bps to 3.03% in early Friday trade. On a brighter note, Taiwan's exports surged 60.87% y/y to a record USD87.22bn in September, well above the 46.7% consensus, with shipments to the US up 106.2%; AI hardware demand remains the one engine running at full speed. The macro backdrop is defined by an oil shock with a political timetable, central banks leaning hawkish, and an AI cycle that is still delivering in the data even as markets question its economics

Market performances

Wall Street split along sector lines on Thursday as an oil spike and doubts over AI monetisation pulled in opposite directions. The Dow edged up 0.1%, while the S&P 500 fell 0.5% and the Nasdaq dropped 1.3%, two days after the tech heavy index set a record close. Technology was the weakest sector, down 1.8%, as the semiconductor index slid 3.4% following a report that OpenAI's annualised revenue fell short of previously signalled levels; Oracle lost more than 5%, while Nvidia and AMD fell nearly 3% and almost 4%, respectively. Energy led with a 2.9% gain, followed by consumer staples (+2.1%) and financials (+0.9%). Treasuries rallied despite the oil surge, helped by solid demand at the 30-year auction: the 2-year yield fell 4bps to 4.76% and the 10-year declined almost 6bps to 5.23%. Brent jumped 4.1% to USD104.28/bbl and WTI rose 3.1% to USD90.30/bbl, while gold added 0.5% to USD4,133/oz. Outside the US, the selloff was broader, with MSCI's global index down 0.7%. The STOXX 600 fell 0.8% and the DAX 1.2%, while European banks dropped 2% for a second day as euro zone yields climbed towards recent peaks, extending Wednesday's 3.3% fall. Société Générale has fallen 25% from its August peak and Deutsche Bank 18% from its highs. Asian equities posted their steepest decline in seven weeks, with the Nikkei and Hang Seng each down c1.4%. Singapore fell 3.5%, its worst session since April 2025, as DBS and OCBC slid more than 4% and UOB 5.2% on concerns that surging long bond yields will dent Q3 lender earnings. GCC markets followed, with Qatar down 2.2%, the DFM 1.7%, ADX 1.6% and Tadawul 1.6%, while Oman edged higher. Markets enter Friday with oil above USD100/bbl, tech leadership under scrutiny, and bonds acting as the shock absorber.

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What's Next

Today's calendar is light, with the University of Michigan sentiment index for October expected at 48.0 from 48.1, a read on whether energy prices are eroding household confidence. Next week starts quietly but builds quickly. On Monday, the US bond market is closed for Columbus Day and Japan is on holiday, a recipe for thin liquidity on any geopolitical headline, while India's September CPI is expected to rise to 5.51% from 4.82%. Tuesday brings the IMF's updated world growth forecasts. On Wednesday, China's PPI is expected to accelerate to 4.4% y/y from 3.8%, a gauge of how far the energy shock is reaching factory gates, alongside trade data and Singapore's MAS policy statement. The US September CPI print is the week's centrepiece and the next real test of the Fed's tightening bias: an upside surprise would strengthen the case for another hike before year end, while a softer reading would ease pressure on the timing. Thursday is the busiest US session, with retail sales (0.3% m/m expected from 1.2%), PPI (5.3% y/y from 5.4%), jobless claims and the Empire State and Philadelphia Fed surveys, while the UK publishes August GDP. Friday closes with final euro area inflation (core 2.5% y/y) and US industrial production (0.4% m/m). The third quarter earnings season also gets under way. Markets head into the weekend balancing an energy shock with a political clock, a Fed that wants to go higher but not yet, and an AI trade that must now prove its revenue.

Daily Market View

Investment Strategy ♦ October 09, 2026

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.88	0.00	23.00	30.00
UAE Eibor 3m	4.39	2.36	43.09	53.45
UAE Eibor 12m	4.92	-1.20	57.78	69.45
US 3m Bills	4.14	0.80	29.65	33.04
US 10yr Treasury	5.23	-5.69	44.47	64.76
German 10yr Bund	3.50	2.00	15.60	40.30
UK 10yr Gilt	5.48	3.80	34.80	50.70
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	487	0.17	-2.67	-1.82
Global Treasuries	202	0.13	-2.66	-1.41
Global Corporate	294	0.19	-2.69	-2.66
EM USD Sovereign	449	0.12	-3.27	-3.58
EM LCY Sovereign	168	0.10	-0.68	1.98
Global High Yield	1,855	-0.05	-3.08	-2.39
Currencies				
Dollar Index	102.14	-0.10	2.99	1.14
EUR USD	1.1211	0.13	-3.47	-1.80
GBP USD	1.3228	0.11	-2.15	-1.20
USD JPY	157.88	-0.13	1.04	-2.90
Equities				
S&P 500	7,765	-0.47	0.61	3.78
Dow Jones	51,232	0.10	-4.09	-2.13
NASDAQ	27,193	-1.25	2.59	5.11
STOXX 600	626	-0.75	-3.75	-1.64
DAX	24,807	-1.18	-4.76	-0.36
Nikkei 225	69,042	-1.42	6.18	3.33
FTSE 100	10,442	-0.16	-3.60	-0.45
SENSEX	71,593	-1.44	-6.43	-6.42
Hang Seng	23,786	-1.43	-7.27	-1.71
MSCI World	4,931	-0.54	-1.12	2.48
MSCI EM	1,699	-1.57	-1.61	1.25
Regional Equities				
ADX	9,801	-1.60	-1.77	-0.85
DFM	5,799	-1.67	-1.45	-3.38
Tadawul*	10,376	-1.57	-4.62	-4.13
DSM*	9,006	-2.21	-8.33	-11.13
MSM30*	7,832	0.05	2.65	6.57
BHSE*	1,896	-0.18	-1.79	-3.13
KWSE*	8,633	-0.40	-3.68	-3.15
Commodities				
BBG Commodity Index	143.6	0.76	0.54	12.57
Brent USD/bbl	104.28	4.07	8.31	33.66
WTI USD/bbl	91.49	3.64	0.01	24.44
Gold USD/t oz	4,132.5	0.52	-6.72	1.35

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Silver USD/t oz	59.2	-1.02	-10.63	1.49
Platinum USD/t oz	1,646.4	0.69	-9.66	3.84
Aluminum	3,043.7	-2.23	-7.72	-2.80
Copper USD/MT	14,526.0	0.11	1.08	10.97
Digital Assets				
Bitcoin	81,747.8	-1.97	2.52	31.72
Ether	2,473.3	-3.89	0.87	42.55
Solana	109.8	-5.46	7.87	42.36
XRP	1.4	-3.12	-1.66	26.58
Volatility				
VIX	15.41	2.19	6.06	-8.82
MOVE	100.70	-1.81	37.76	39.07

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – October 09, 2026. Performance in local currency terms.

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