

Banks cash mixed cheques; today CPI tells us if they bounce

Macro headlines

Banks cashed mixed cheques on Tuesday, but the bigger story was the inflation bill, with policymakers on both sides of the Atlantic keeping further hikes on the table. Third quarter earnings season opened with mixed results from the major US banks, as JPMorgan missed estimates while Goldman Sachs delivered a beat; with S&P 500 earnings projected to grow 30.6% y/y, the opening prints are a reminder that clearing a high bar will not be uniform. On monetary policy, New York Fed President Williams said he still sees one more rate hike as appropriate this year, while Boston Fed President Collins said rates will likely need to rise further before year end. Across the Atlantic, ECB Governing Council member Wunsch said the ECB will probably have to hike again, as President Lagarde noted bond yields are rising globally, while the BOJ is reportedly leaning against another rate hike this month. The IMF kept its 2026 US inflation forecast at 3.6% and raised its 2027 view to 2.8% from 2.4%. On energy, OPEC cut its 2026 oil demand growth forecast to 180,000 b/d from 380,000 b/d and the prospect of more Russian diesel reaching global markets eased supply concerns, while renewed regional tensions and disruption to Gulf shipping kept the Gulf risk premium firmly in place, leaving Brent just below USD106/bbl. The dollar retreated from near its highest since April 2025 and the US 10 year yield slipped to 5.21%. Overnight, China's September PPI accelerated to 5.0% y/y from 3.8%, well above the 4.4% consensus and the fastest since 2022, while exports surged 36.3% y/y against 25.7% expected, a sign the oil shock is now reaching factory gates. The macro backdrop is defined by central banks still leaning hawkish, an earnings season that opened on mixed notes and an oil shock now visible in China's producer prices, just as today's CPI print arrives.

Market performances

Wall Street ended slightly lower on Tuesday as mixed bank results and renewed pressure on memory chipmakers offset relief from softer yields and a weaker dollar. The Dow fell 0.3%, the S&P 500 was effectively flat and the Nasdaq 100 slipped 0.3%. Energy led with a 1.7% gain, followed by communication services (+0.9%), while health care was the weakest sector (-1.3%) and financials fell 0.4% as the banks reported: Citigroup dropped more than 5.5% and Wells Fargo 3.1%, JPMorgan slipped 0.9% and Goldman Sachs added almost 1%. Micron fell more than 3% as memory stocks remained under pressure. Treasuries firmed, with the 10 year yield down c3bps to 5.21% and the 2 year unchanged at 4.79%, while the dollar index fell 0.4%. Brent fell 0.9% to USD105.69/bbl, while WTI rose 0.4% to USD94.14/bbl; gold eased 0.3% to USD4,161/oz and silver 1.8%. Europe edged lower, with the STOXX 600, the DAX and the FTSE 100 each down 0.1%, as technology fell 1.6% after China's CXMT said it plans a more powerful memory chip by year end, with ASM International down 6.3%, and luxury lost 0.6% after weaker than expected third quarter sales from LVMH. MSCI's global index slipped 0.2% and emerging markets fell 2.2% as memory chipmakers in Asia came under pressure; the Nikkei fell 1.8% in its first session after Monday's holiday, while the Hang Seng rose 0.3% and the Sensex 1.5%. In the GCC, the DFM rose 0.4%, the ADX and Tadawul each gained 0.3% and Qatar 0.2%, while Oman fell 1.0%. Markets enter Wednesday with chip stocks under pressure on three continents, bonds and most GCC markets in the green, and the dollar on the back foot.

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What's Next

Today belongs to the September CPI print, and the oil story runs straight into the data. Headline CPI is expected to rise 0.6% m/m, taking the annual rate to 3.6% y/y from 3.4%, while core is seen at 0.2% m/m from 0.3% and 2.5% y/y from 2.4%. If oil does the heavy lifting while core cools, the Fed would have room to look through the headline; a firmer core would revive the case for further tightening. The Fed's Beige Book follows later in the day, while earnings season broadens with Bank of America and ASML, the latter a fresh test of chip demand after this week's selloff. India's WPI is expected to rise to 10.60% from 9.92%, and the IEA publishes its monthly oil market report. Thursday brings US retail sales (0.3% m/m from 1.2%) and PPI (5.3% y/y from 5.4%), alongside UK August GDP and TSMC's results. Markets head into the print with yields near their highest since 2002 and Brent above USD100/bbl, waiting for the CPI print to show how much of the oil shock is reaching consumers.

Daily Market View

Investment Strategy ♦ October 14, 2026

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.87	0.00	23.00	27.00
UAE Eibor 3m	4.44	27.63	31.71	59.30
UAE Eibor 12m	5.00	8.79	49.77	94.51
US 3m Bills	4.15	0.51	25.62	34.17
US 10yr Treasury	5.21	-2.94	36.78	58.47
German 10yr Bund	3.47	-0.80	2.50	36.00
UK 10yr Gilt	5.45	0.70	18.60	47.70
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	488	0.22	-2.40	-1.59
Global Treasuries	202	0.22	-2.50	-1.26
Global Corporate	295	0.18	-2.44	-2.34
EM USD Sovereign	452	0.29	-2.45	-3.01
EM LCY Sovereign	169	0.04	-0.38	2.05
Global High Yield	1,857	0.06	-2.85	-2.28
Currencies				
Dollar Index	102.18	-0.40	3.40	0.93
EUR USD	1.1199	0.39	-3.73	-1.60
GBP USD	1.3255	0.36	-2.16	-0.70
USD JPY	158.33	-0.18	3.11	-2.52
Equities				
S&P 500	7,805	-0.02	2.21	3.86
Dow Jones	51,670	-0.35	-1.36	-1.58
NASDAQ	27,204	-0.15	3.62	5.15
STOXX 600	635	-0.10	-0.84	-0.94
DAX	25,260	-0.07	-1.24	0.58
Nikkei 225	67,778	-1.82	4.04	0.80
FTSE 100	10,650	-0.06	-0.18	1.45
SENSEX	73,034	1.54	-2.31	-5.90
Hang Seng	24,345	0.30	-3.68	0.54
MSCI World	4,965	0.03	0.53	2.65
MSCI EM	1,660	-2.15	-5.41	0.67
Regional Equities				
ADX	9,794	0.32	-3.10	-1.11
DFM	5,859	0.36	-1.16	-1.82
Tadawul*	10,318	0.33	-4.27	-4.56
DSM*	8,992	0.17	-6.90	-11.07
MSM30*	7,728	-0.97	1.64	4.89
BHSE*	1,883	0.02	-2.16	-4.11
KWSE*	8,655	0.06	-2.90	-2.38
Commodities				
BBG Commodity Index	144.9	0.23	-0.07	12.36
Brent USD/bbl	105.69	-0.90	4.43	26.88
WTI USD/bbl	94.14	0.43	-1.99	20.48
Gold USD/t oz	4,160.7	-0.28	-5.41	3.96

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Silver USD/t oz	59.2	-1.83	-12.09	2.60
Platinum USD/t oz	1,666.5	-1.51	-12.32	3.88
Aluminum	3,042.6	-0.52	-9.85	-3.96
Copper USD/MT	14,741.0	-0.55	0.47	9.51
Digital Assets				
Bitcoin	83,343.7	0.43	6.44	34.10
Ether	2,508.6	-0.32	1.52	42.07
Solana	107.0	-1.22	4.38	43.26
XRP	1.4	0.18	-2.49	28.92
Volatility				
VIX	15.27	0.39	-7.23	-11.01
MOVE	101.09	2.66	31.73	29.99

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – October 14, 2026. Performance in local currency terms.

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