Daily Market View

Investment Strategy ♦ October 22, 2026

AI gets its spark back and gilts stay cool; oil adds fuel overnight as earnings decide flame or flicker

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Macro headlines

Wednesday's market found its thrust in orbit, as SpaceX's results and talk of a Tesla tie up rekindled the appetite for AI, while UK inflation was a reminder that the oil shock is still working its way into prices. On the energy front, oil remains the swing factor, as fresh regional tensions overnight revived supply concerns and pushed inflation risks back up the agenda. Closer to home, Kuwait's oil exports have rebounded to pre conflict levels, according to Bloomberg. Turning to macroeconomic data, UK CPI accelerated to 3.5% y/y in September from 3.1%, above the 3.4% expected, reinforcing expectations for tighter monetary policy from the Bank of England. On monetary policy, the markets price near certainty for Fed to hold at next week's meeting. Elsewhere, ECB Governing Council member Kazaks said further tightening may be needed if inflation remains elevated, while BOJ Deputy Governor Himino said underlying inflation is very close to the 2% target and that delays in policy adjustment could hurt the economy. Overnight, the Bank of Korea held its benchmark rate at 3.0% after back to back hikes and signalled more tightening to come. In corporate news, results kept AI demand in focus, with SpaceX reporting third quarter revenue growth of 161%. After the close, the megacaps sent opposite signals on spending: Meta beat on revenue and raised the floor of its 2026 capex range to USD135bn, while Tesla cut its capex target to about USD20bn from over USD25bn. Beyond the megacaps, the tone was firmer, with IBM raising its software growth guidance and Texas Instruments guiding above consensus. Wednesday's spark came from AI results, and the afterhours reaction showed investors now weigh every spending plan against the revenue it is expected to bring.

Market performances

Wall Street closed higher across the board on Wednesday, with technology doing the heavy lifting. The tech heavy Nasdaq 100 rose 1.1%, the Dow 0.7% and the S&P 500 0.6%, while the VIX eased to 16.68. Information technology led the S&P 500 sectors with a 1.6% gain, reversing Tuesday's 0.3% decline, followed by industrials at 0.9% and financials at 0.6%, while communication services fell 1.3% as Netflix lost more than 5%. Nvidia gained 2.5% as renewed optimism around AI demand supported semiconductor stocks, Tesla rose 3.4% and SpaceX rallied 7.0%. Treasuries edged lower, with the 10-year yield up c1bp to 5.12% and the 2-year c2bps to 4.80%, while Bund yields rose c2bps and gilt yields fell c3bps. Brent traded at USD108.82/bbl, while gold added 0.4% to USD4,141/oz, recovering from a near one week low earlier in the session. The dollar index edged up 0.1%, with sterling 0.1% firmer and the euro and the yen little changed, while the rupee strengthened 0.5%. Europe strengthened, with the STOXX 600 up 0.9%, Germany's DAX 1.4% and France's CAC 40 1.1%, while the UK's FTSE 100 edged up only 0.2% after the inflation data. In Asia, the Nikkei rose 0.9%, while the Hang Seng fell 0.9% and the Sensex 0.2%; MSCI's emerging markets index gained 1.0% and developed markets 0.6%. GCC markets were mixed, with Qatar up 0.5% and the DFM 0.4%, while Oman fell 1.5%, Kuwait 0.8%, the ADX 0.6%, Tadawul 0.3% and Bahrain 0.1%; UAE 3 month Eibor rose c12bps to 4.43%.

What's Next

Today's calendar brings US weekly jobless claims, expected at 200K from 199K, alongside the leading index and the Kansas City Fed manufacturing survey, while the UK CBI's total orders balance is seen falling to negative 20 from negative 9. Earnings broaden beyond technology, with Procter & Gamble, Lockheed Martin, American Airlines and Blackstone among today's reporters, the airline a fresh read on how fuel costs are squeezing margins. Friday's flash PMIs see US manufacturing at 55.5 from 55.9 and services at 58.0 from 58.8, with the euro area composite expected at 52.7 from 53.1 and the UK at 51.7 from 52.0, a first look at whether energy costs are weighing on activity as well as prices, alongside France's sovereign rating review. Next week, the Fed meets on 27 to 28 October, the ECB on 28 to 29 October and the BOJ on 30 October, with all economists in a Bloomberg survey expecting the BOJ to hold. Asia has since turned lower after the results, with MSCI's Asia Pacific index down 0.8% and Korea's benchmark index 1.8%, while Brent climbed 1.4% to above USD110/bbl.

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.88	0.00	25.00	30.00
UAE Eibor 3m	4.43	12.40	29.85	63.32
UAE Eibor 12m	4.94	10.20	13.33	82.11
US 3m Bills	4.16	-0.90	9.75	37.16
US 10yr Treasury	5.12	1.10	9.70	52.78
German 10yr Bund	3.42	2.10	-8.60	27.10
UK 10yr Gilt	5.38	-3.30	8.10	34.50
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	491	-0.10	-0.78	-1.14
Global Treasuries	204	-0.12	-0.78	-0.76
Global Corporate	296	-0.08	-0.97	-1.94
EM USD Sovereign	453	0.14	-1.23	-2.72
EM LCY Sovereign	170	-0.03	0.87	2.49
Global High Yield	1,853	0.09	-2.18	-2.53
Currencies				
Dollar Index	101.78	0.08	1.53	0.82
EUR USD	1.1232	-0.04	-2.03	-1.59
GBP USD	1.3394	0.10	0.09	-0.28
USD JPY	158.14	-0.02	1.20	-2.68
Equities				
S&P 500	7,757	0.58	2.72	4.22
Dow Jones	52,856	0.69	2.71	1.97
NASDAQ	26,703	1.05	2.79	4.68
STOXX 600	644	0.92	1.16	0.77
DAX	25,645	1.35	0.43	3.21
Nikkei 225	64,621	0.85	1.09	0.75
FTSE 100	10,753	0.19	0.61	2.17
SENSEX	73,710	-0.19	-0.84	-5.14
Hang Seng	23,652	-0.90	-4.29	-5.92
MSCI World	4,953	0.62	1.57	3.33
MSCI EM	1,615	0.98	-4.22	-0.09
Regional Equities				
ADX	9,771	-0.59	-3.38	0.22
DFM	5,860	0.43	-1.79	1.09
Tadawul*	9,927	-0.26	-6.34	-8.29
DSM*	8,643	0.52	-8.81	-13.74
MSM30*	7,440	-1.51	-1.51	-0.91
BHSE*	1,858	-0.14	-2.42	-4.94
KWSE*	8,330	-0.82	-5.73	-5.75
Commodities				
BBG Commodity Index	142.7	-0.43	-2.49	8.14
Brent USD/bbl	108.82	0.03	2.83	21.97
WTI USD/bbl	97.15	-4.56	-5.15	16.72
Gold USD/t oz	4,140.7	0.38	-2.88	3.31

Silver USD/t oz	58.0	0.06	-7.95	2.74
Platinum USD/t oz	1,632.1	-1.54	-7.06	2.31
Aluminum	3,069.5	1.59	-6.25	-2.25
Copper USD/MT	14,441.0	-0.68	1.51	5.95
Digital Assets				
Bitcoin	84,611.0	2.26	11.19	29.52
Ether	2,491.0	1.83	3.41	30.81
Solana	108.0	1.32	9.53	38.74
XRP	1.4	3.82	6.38	24.26
Volatility				
VIX	16.68	-3.64	-5.82	-10.56
MOVE	95.94	-5.66	18.85	32.05

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – October 22, 2026. Performance in local currency terms.

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