Daily Market View

Investment Strategy ♦ October 28, 2026

Chips find a second wind, oil takes a breather; tonight the spotlight turns to the Fed

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Macro headlines

Tuesday stacked another day of gains on the AI trade and handed the Fed a more confident consumer as its two day meeting got under way. Oil eased as Middle East diplomacy helped calm supply concerns, with Brent down 1.7% to USD113.88/bbl, though prices remain near six month highs. Turning to macroeconomic data, the US household stole the show. The Conference Board's consumer confidence index rose to 91.7 in October, its first gain in four months and above every forecast in a Bloomberg survey, on brighter views of jobs and business conditions. September durable goods orders rose 1.8% m/m, while core capital goods orders rose 0.5%. New home sales slipped 0.6% m/m to 676k, still above the 651k expected, while the Richmond Fed survey showed manufacturing softening as new orders contracted faster. On monetary policy, markets price only about a 10% chance of a Fed hike at today's decision, a month after policymakers voted unanimously to raise rates, while September's projections showed 16 of 18 officials projecting at least one more increase this year. In corporate news, the earnings season keeps delivering. Capital kept flowing to the AI buildout. Banks announced USD63bn of funding for Anthropic's purchases of Broadcom technology, and according to Bloomberg, Meta's upsized USD25bn stock offering drew demand for five times the shares on offer, while OpenAI plans to buy AI chips from Alphabet's Google. Overnight, SK Hynix reported a sevenfold y/y rise in third quarter operating profit and said its HBM memory is sold out through 2029. Results elsewhere were uneven. Visa beat estimates as payments volume rose 9% and Coca-Cola raised its full year guidance, while Boeing posted a wider than expected adjusted loss despite a revenue beat and HSBC's revenue and profit missed expectations. Tuesday paired a confident consumer with investors still writing large cheques for AI, leaving the Fed to weigh firmer demand against an oil bill that has eased but not disappeared.

Market performances

Wall Street extended its rebound on Tuesday, with chipmakers again doing the heavy lifting and oil producers the only clear drag. The S&P 500 rose 0.6% and the Nasdaq was up 1.3%, while the Dow finished flat and the VIX eased to 17.52. Technology led for a third straight session with a 1.5% gain, followed by consumer discretionary at 1.4% and materials at 0.8%, while energy fell 2.2% as crude retreated. Advanced Micro Devices rose 5%, Broadcom 4% and Micron almost 3%, while Boeing slid 10.7% after its results. Treasury yields edged higher within narrow ranges, with the 2-year up c2bps to 4.74% and the 10-year up c1bp to 5.00%. Gold rose 1.1% to USD4,060/oz, while the dollar index firmed 0.4%. Europe erased early losses, with the STOXX 600 up 0.5%, the DAX 0.7% and the CAC 40 0.5%, while the FTSE 100 fell 0.8% as HSBC dropped 5.4%. In Asia, the Nikkei rose 1.7%, while the Hang Seng fell 0.7% and the Sensex finished flat; MSCI's emerging markets index gained 1.0% and developed markets 0.5%. In the GCC, Qatar led with a 3.4% gain, followed by Tadawul at 2.3%, the DFM at 2.0% and the ADX at 1.1%, while Kuwait rose 0.7%, Bahrain eased 0.3% and Oman 0.1%. The Fed's decision day opens with chips still in charge, Gulf equities in demand and the 10-year yield back at 5%.

What's Next

Today belongs to the Fed, with a hold at 3.75% to 4.00% expected at 22:00 GST and Chair Warsh's press conference watched for any signal on December. Before that, the US advance goods trade deficit is seen narrowing to USD130.2bn from USD132.6bn, the Bank of Canada is expected to raise its policy rate by 25bps to 2.50% and the UK presents its budget, while Alphabet and Microsoft report after the US close. Thursday brings the ECB, Amazon's results and the first estimate of US third quarter GDP, seen at 3.2% annualised from 2.2%; core PCE inflation is expected at 3.1% y/y from 3.0%. The BOJ follows on Friday, alongside Tokyo CPI and Qatar's sovereign rating review. Asia has extended the chip rally, with MSCI's Asia Pacific index up 1.5% and Korea's benchmark index 6.2% after SK Hynix's results, while Brent has risen 1.5% as regional tensions escalated again. Markets head into the decision with the bar set, a confident consumer and oil back on the rise would give the Fed little room to sound relaxed about December, and the megacaps would need to show the chip rally has earned its run.

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.92	0.00	5.00	28.00
UAE Eibor 3m	4.15	-7.30	-12.30	31.10
UAE Eibor 12m	4.67	-5.60	-38.30	42.00
US 3m Bills	4.11	-1.20	-1.20	22.50
US 10yr Treasury	4.99	-0.60	-12.60	29.50
German 10yr Bund	3.37	2.20	-18.80	16.40
UK 10yr Gilt	5.34	-1.20	-0.30	24.20
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	493	-0.01	0.39	-0.10
Global Treasuries	204	-0.02	0.49	0.34
Global Corporate	297	-0.01	0.00	-0.99
EM USD Sovereign	453	-0.12	-1.07	-1.80
EM LCY Sovereign	169	-0.42	0.24	2.22
Global High Yield	1,850	0.00	-1.90	-2.16
Currencies				
Dollar Index	101.96	0.15	0.85	0.51
EUR USD	1.1174	-0.23	-1.81	-1.81
GBP USD	1.3342	-0.21	0.77	0.17
USD JPY	157.50	0.40	-0.52	-3.88
Equities				
S&P 500	7,624	-0.52	-1.07	2.91
Dow Jones	52,215	-1.23	1.37	0.97
NASDAQ	25,955	-0.21	-3.64	3.25
STOXX 600	636	-0.31	-0.65	-0.55
DAX	25,182	-0.75	-0.90	1.69
Nikkei 225	62,693	-0.34	-3.58	-5.61
FTSE 100	10,690	-0.32	-0.14	0.48
SENSEX	73,124	-0.17	-2.28	-4.28
Hang Seng	23,093	0.69	-7.01	-8.40
MSCI World	4,875	-0.42	-1.31	1.92
MSCI EM	1,578	0.15	-9.75	-5.61
Regional Equities				
ADX	9,702	-0.71	-4.07	-0.50
DFM	5,818	-0.72	-2.50	0.36
Tadawul*	9,696	-2.32	-8.52	-10.42
DSM*	8,611	-0.37	-9.15	-14.06
MSM30*	7,379	-0.81	-2.31	-1.71
BHSE*	1,852	-0.32	-2.73	-5.25
KWSE*	8,291	-0.47	-6.17	-6.19
Commodities				
BBG Commodity Index	143.7	0.71	-0.77	5.45
Brent USD/bbl	116.72	3.14	13.23	15.92
WTI USD/bbl	103.27	3.82	12.06	12.02
Gold USD/t oz	3,996.1	-0.71	-6.80	-1.32
Silver USD/t oz	53.9	-1.25	-16.36	-6.43

Platinum USD/t oz	1,553.3	-0.97	-11.52	-2.75
Aluminum	3,079.8	1.27	-5.44	-3.49
Copper USD/MT	14,415.0	1.41	-2.17	4.87
Digital Assets				
Bitcoin	81,328.7	0.20	-3.44	24.93
Ether	2,399.8	0.83	-10.15	27.32
Solana	103.8	0.54	-8.97	36.43
XRP	1.3	0.59	-11.87	17.54
Volatility				
VIX	19.45	2.21	28.13	4.01
MOVE	103.31	-3.30	8.23	29.01

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8:00AM UAE time – October 28, 2026. Performance in local currency terms.

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