

Oil surges as inflation and AI concerns weigh on markets

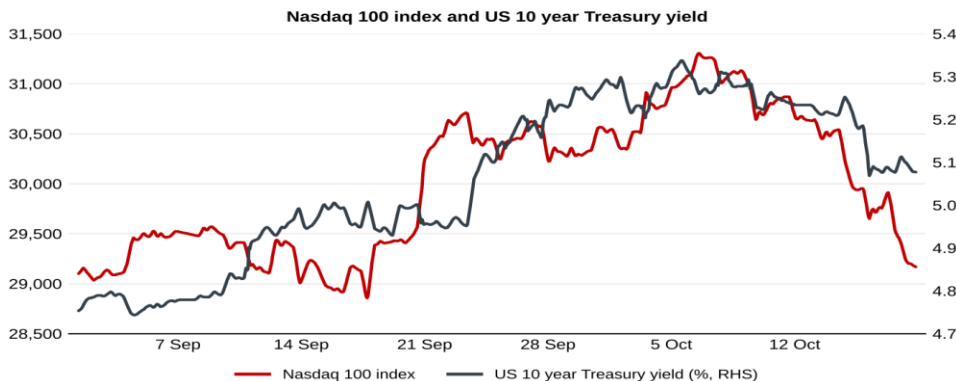
Macro headlines

Global markets faced renewed volatility as rising energy prices, persistent inflation and concerns over AI investment weighed on risk sentiment. US September CPI accelerated to 3.7% y/y, while core inflation rose to 2.6%, reinforcing expectations of further Fed tightening. Producer prices surged 1.3% m/m, the largest increase since March 2022, while retail sales rose 0.8%, largely driven by higher fuel spending. Fed officials maintained a hawkish bias, although Chair Warsh offered no fresh policy signals. Meanwhile, US Treasury yields declined despite stronger inflation, supported by safe-haven demand as equities weakened. Geopolitical tensions continued to sustain elevated oil prices, while uncertainty surrounding the Russia-Ukraine energy ceasefire limited hopes of supply relief. In Asia, China's Q3 GDP growth accelerated to 4.5% y/y, although property investment remained weak. Corporate developments highlighted growing concerns over the financing of AI infrastructure, with semiconductor shares under pressure despite positive results from TSMC and ASML. Mixed US bank earnings further contributed to market uncertainty as the third-quarter reporting season gathered momentum.

Market performances

Global equities weakened, led by technology stocks, with the S&P 500 falling 1.95%, Nasdaq declining 4.48% and MSCI World losing 1.10%. Japan's Nikkei dropped 5.37%, while MSCI EM declined 5.16%. European equities outperformed, with the STOXX 600 gaining 2.09% and FTSE 100 advancing 3.13%. GCC markets were mixed, with DFM rising 0.84% and ADX gaining 0.13%, while Tadawul fell 2.60% and Qatar declined 2.17%. Fixed income benefited from safe-haven demand, with the US 10-year Treasury yield falling 16.5bps to 5.07%, while global government bonds gained 0.93%. The Dollar Index weakened 0.37%. Energy commodities outperformed as Brent rose 4.91% to USD107.8/bbl and WTI surged 10.41% to USD99.8/bbl, while gold declined 0.68% and silver fell 6.30%. Digital assets weakened, with Bitcoin down 0.98% and Ether falling 2.76%. Volatility surged, with the VIX rising 34.70% to 19.99 and the MOVE index gaining 2.67%.

Chart of the Week: For 10 days, bonds have gained as tech stocks lose



Source: Bloomberg, ADCB Asset Management

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Weekly Market View

Investment Strategy ♦ October 19 2026

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.89	2.00	30.00	2.00
UAE Eibor 3m	4.21	1.32	37.07	73.06
UAE Eibor 12m	4.98	14.06	84.62	136.56
US 3m Bills	4.15	1.20	36.34	52.96
US 10yr Treasury	5.07	-16.50	52.54	90.58
German 10yr Bund	3.43	-5.50	30.00	57.10
UK 10yr Gilt	5.37	-7.00	42.20	89.40
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	492	0.89	-1.23	-1.88
Global Treasuries	204	0.93	-0.86	-2.20
Global Corporate	297	0.89	-1.97	-2.34
EM USD Sovereign	454	0.77	-2.54	-0.99
EM LCY Sovereign	169	0.50	2.33	4.18
Global High Yield	1,857	0.01	-2.39	-0.29
Currencies				
Dollar Index	101.82	-0.37	1.06	3.57
EUR USD	1.1227	0.35	-1.75	-4.32
GBP USD	1.3330	0.70	-0.93	-1.10
USD JPY	158.10	-0.18	-2.70	0.84
Equities				
S&P 500	7,659	-1.95	2.71	11.89
Dow Jones	52,002	0.67	-0.28	8.20
NASDAQ	26,140	-4.48	2.43	12.47
STOXX 600	645	2.09	0.50	8.87
DAX	25,623	2.13	3.19	4.62
Nikkei 225	64,833	-5.37	1.84	29.77
FTSE 100	10,882	3.13	2.66	9.57
SENSEX	74,455	3.11	-4.38	-12.31
Hang Seng	24,187	-0.10	-1.53	-5.63
MSCI World	4,908	-1.10	2.08	10.78
MSCI EM	1,621	-5.16	0.00	15.40
Regional Equities				
ADX	9,808	0.13	0.27	-1.84
DFM	5,867	0.84	0.92	-2.97
Tadawul*	10,107	-2.60	-5.73	-3.66
DSM*	8,810	-2.17	-12.80	-18.14
MSM30*	7,678	-1.97	2.64	30.87
BHSE*	1,876	-1.03	-5.48	-9.22
KWSE*	8,476	-1.82	-2.18	-4.85
Commodities				
BBG Commodity Index	144.0	0.34	9.93	31.67
Brent USD/bbl	107.8	4.91	24.70	80.54
WTI USD/bbl	99.8	10.41	22.94	76.61
Gold USD/t oz	4,183.5	-0.68	3.69	-3.56
Silver USD/t oz	57.8	-6.30	1.93	-20.48
Platinum USD/t oz	1,657.8	-3.39	2.42	-20.64
Aluminum	3,005.9	-1.11	-4.62	0.91
Copper USD/MT	14,595.0	-0.64	9.13	16.72

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Digital Assets				
Bitcoin	82,618.7	-0.98	27.40	-6.86
Ether	2,427.9	-2.76	30.98	-18.98
Solana	105.6	-4.58	38.51	-16.36
XRP	1.3	-6.11	19.81	-29.12
Volatility				
VIX	19.99	34.70	6.50	33.71
MOVE	101.10	2.67	42.64	58.07

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of October 19, 2026.

Forthcoming important economic data/events

United States



Date & Time (GST)	Indicator	Period	Expected	Prior
10/19/2026 18:00	NAHB Housing Market Index	Oct	31	32
10/20/2026 16:15	ADP Weekly Employment Change	3-Oct	--	24.750k
10/20/2026 16:30	Philadelphia Fed Non-Manufacturing Activity	Oct	--	-22
10/20/2026 16:30	Housing Starts	Sep	1305k	1275k
10/20/2026 16:30	Building Permits	Sep P	1385k	1403k
10/20/2026 18:00	Pending Home Sales NSA YoY	Sep	--	-4.90%
10/21/2026 15:00	MBA Mortgage Applications	16-Oct	--	-2.70%
10/22/2026 16:30	Initial Jobless Claims	17-Oct	200k	199k
10/22/2026 16:30	Continuing Claims	10-Oct	--	1710k
10/22/2026 18:00	Leading Index	Sep	-0.20%	-0.10%
10/22/2026 19:00	Kansas City Fed Manf. Activity	Oct	--	14
10/23/2026 17:45	S&P Global US Manufacturing PMI	Oct P	55.5	55.9
10/23/2026 17:45	S&P Global US Services PMI	Oct P	57.9	58.8
10/23/2026 18:00	U. of Mich. Sentiment	Oct F	46.3	46.3
10/23/2026 18:00	U. of Mich. Expectations	Oct F	--	47.3
10/23/2026 18:00	U. of Mich. 1 Yr Inflation	Oct F	--	4.70%
10/23/2026 18:00	U. of Mich. 5-10 Yr Inflation	Oct F	--	3.50%

Japan



Date & Time (GST)	Indicator	Period	Expected	Prior
10/19/2026 8:30	Tertiary Industry Index MoM	Aug	-0.20%	0.40%
10/21/2026 3:50	Trade Balance	Sep	-¥182.9b	-¥1105.6b
10/21/2026 3:50	Exports YoY	Sep	21.30%	19.30%
10/21/2026 3:50	Imports YoY	Sep	20.40%	28.00%
10/21/2026 3:50	Trade Balance Adjusted	Sep	-¥250.1b	-¥840.6b
10/22/2026 10:00	Machine Tool Orders YoY	Sep F	--	60.40%
10/23/2026 3:30	Natl CPI YoY	Sep	2.10%	1.90%
10/23/2026 3:30	Natl CPI Ex Fresh Food, Energy YoY	Sep	2.30%	1.90%
10/23/2026 4:30	S&P Global Japan PMI Mfg	Oct P	--	54.1
10/23/2026 4:30	S&P Global Japan PMI Services	Oct P	--	51.3
10/23/2026 9:30	Nationwide Dept Sales YoY	Sep	--	2.60%
10/23/2026 9:30	Tokyo Dept Store Sales YoY	Sep	--	5.70%

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Eurozone



Date & Time (GST)	Indicator	Period	Expected	Prior
10/20/2026 10:00	Germany PPI YoY	Sep	5.60%	4.60%
10/20/2026 12:00	Eurozone ECB Current Account SA	Aug	--	27.6b
10/20/2026 13:00	Germany ZEW Survey Expectations	Oct	31.5	34.7
10/20/2026 13:00	Germany ZEW Survey Current Situation	Oct	--	-47.1
10/20/2026 13:00	Eurozone ZEW Survey Expectations	Oct	--	25.8
10/22/2026 10:45	France Business Confidence	Oct	--	96
10/22/2026 10:45	France Manufacturing Confidence	Oct	--	101
10/22/2026 18:00	Eurozone Consumer Confidence	Oct P	--	-16.5
10/23/2026 11:30	Germany S&P Global Manufacturing PMI	Oct P	54	53.9
10/23/2026 11:30	Germany S&P Global Services PMI	Oct P	53	52.9
10/23/2026 12:00	Eurozone S&P Global Manufacturing PMI	Oct P	53	52.9
10/23/2026 12:00	Eurozone S&P Global Services PMI	Oct P	53	53
10/23/2026 12:00	Eurozone ECB 1 Year CPI Expectations	Sep	--	3.00%
10/23/2026 12:00	Eurozone ECB 3 Year CPI Expectations	Sep	--	2.90%
10/23/2026 11:15	France S&P Global Manufacturing PMI	Oct P	--	50.6
10/23/2026 11:15	France S&P Global Services PMI	Oct P	--	51.2

United Kingdom



Date & Time (GST)	Indicator	Period	Expected	Prior
10/19/2026 3:01	Rightmove House Prices YoY	Oct	--	-0.80%
10/20/2026 10:00	ILO Unemployment Rate 3Mths	Aug	5.00%	4.90%
10/20/2026 10:00	Claimant Count Rate	Sep	--	4.40%
10/20/2026 10:00	Jobless Claims Change	Sep	--	27.8k
10/21/2026 10:00	CPI YoY	Sep	3.40%	3.10%
10/21/2026 10:00	CPI Core YoY	Sep	2.70%	2.60%
10/21/2026 10:00	Retail Price Index	Sep	--	421.6
10/21/2026 10:00	RPI YoY	Sep	--	3.40%
10/21/2026 12:30	House Price Index YoY	Aug	--	1.40%
10/23/2026 3:01	GfK Consumer Confidence	Oct	--	-13
10/23/2026 10:00	Retail Sales Inc Auto Fuel YoY	Sep	--	2.40%
10/23/2026 10:00	Retail Sales Ex Auto Fuel MoM	Sep	--	0.60%
10/23/2026 12:30	S&P Global UK Services PMI	Oct P	--	52.1
10/23/2026 12:30	S&P Global UK Manufacturing PMI	Oct P	--	51.9

China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
10/19/2026 6:00	China GDP YoY	3Q	4.40%	4.30%
10/19/2026 6:00	China Retail Sales YoY	Sep	0.50%	0.40%
10/19/2026 6:00	China Industrial Production YoY	Sep	5.40%	5.20%
10/20/2026 5:00	China 1-Year Loan Prime Rate	20-Oct	3.00%	3.00%
10/20/2026 5:00	China 5-Year Loan Prime Rate	20-Oct	3.50%	3.50%
10/23/2026 9:00	India HSBC PMI Mfg	Oct P	--	55.1
10/23/2026 9:00	India HSBC PMI Services	Oct P	--	55.2

GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
10/18/2026-10/21/2026	Qatar CPI YoY	Sep	--	--
10/21/2026-11/04/2026	Kuwait CPI YoY	Aug	--	2.19%

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