Weekly Market View

Investment Strategy ♦ October 26 2026

Oil surges as AI concerns weigh on global equities

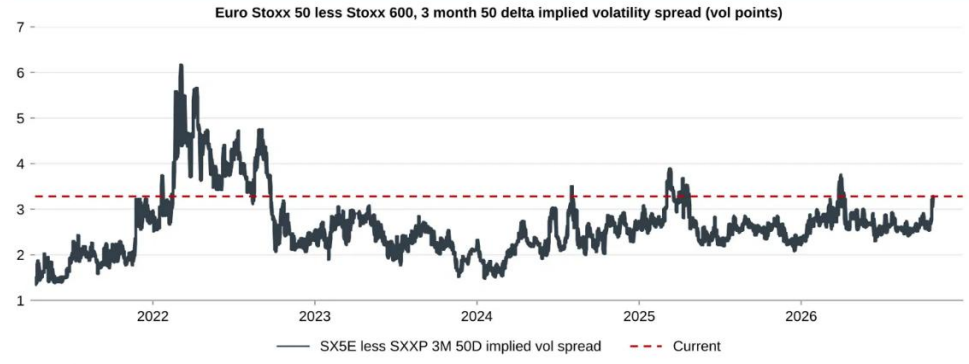
Macro headlines

Global markets faced renewed pressure as escalating Middle East tensions, rising oil prices and concerns over AI investment weighed on investor sentiment. Brent crude climbed to its highest level since April, sustaining inflation risks and reinforcing expectations of further monetary tightening. US economic data remained mixed, with housing starts falling 5.2% and pending home sales declining 7.3%, while initial jobless claims eased to 194k. Consumer inflation expectations rose, with one-year expectations reaching 4.7%, complicating the Federal Reserve's policy outlook ahead of its October meeting. Elsewhere, UK inflation accelerated to 3.5% y/y, Japan's core CPI rose to 2.1%, and the Bank of Korea held rates at 3.0% while signalling further tightening. Corporate earnings remained central to market direction as concerns over the financing and profitability of AI infrastructure intensified. Meta raised its capital expenditure plans, while Tesla reduced its spending outlook, highlighting divergent investment strategies. Strong results from SpaceX and other technology companies provided selective support, although investors increasingly questioned whether substantial AI spending would translate into sustainable returns. Meanwhile, renewed geopolitical uncertainty and elevated energy costs continued to weigh on corporate margins and broader risk appetite.

Market performances

Global equities weakened as technology stocks and Asian markets came under pressure. The S&P 500 declined 0.47%, Nasdaq fell 0.71% and MSCI World lost 0.67%, while Japan's Nikkei dropped 4.03% and the Hang Seng declined 4.52%. GCC equities also underperformed, led by Tadawul (-7.37%), Oman (-4.94%), DFM (-2.27%) and ADX (-2.24%). Fixed-income markets benefited from lower yields, with the US 10-year Treasury yield falling 7.85bps to 4.99%, while global government bonds gained 0.36%. The Dollar Index was broadly unchanged, declining 0.03%. Commodities were mixed, with Brent rising 6.24% to USD116.7/bbl and WTI gaining 1.83%, while precious metals weakened sharply as gold fell 4.07% and silver declined 5.44%. Digital assets were broadly lower, with Bitcoin declining 0.37% and Ether falling 0.53%. Market volatility was mixed, with the VIX easing 2.70% while the MOVE index increased 2.19%.

Chart of the Week: Euro Stoxx 50 vol premium over Stoxx 600 back above 3 points, top of its post 2022 range



Source: Bloomberg, ADCB Asset Management

Wishwesh Pandya
Investment Strategist
+971 (0)2 812 7463
Wishwesh.pandya@adcb.com

Mohammed AlHemeiri
Investment Strategist
+971 (0)2 812 6450
mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati
Head - Investment Strategy
+971 (0)2 812 6457
kishore.muktinutalapati@adcb.com

www.adcb.com/marketinsights

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Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.90	2.00	26.00	3.00
UAE Eibor 3m	4.23	2.12	38.42	75.22
UAE Eibor 12m	4.72	-25.68	47.62	110.92
US 3m Bills	4.12	-3.15	23.65	49.85
US 10yr Treasury	4.99	-7.85	30.15	82.75
German 10yr Bund	3.35	-8.05	14.25	49.05
UK 10yr Gilt	5.36	-1.70	25.40	87.70
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	493	0.29	-0.08	-1.59
Global Treasuries	205	0.36	0.37	-1.85
Global Corporate	297	0.05	-0.98	-2.30
EM USD Sovereign	454	-0.08	-1.68	-1.06
EM LCY Sovereign	170	0.12	2.65	4.31
Global High Yield	1,850	-0.39	-2.16	-0.69
Currencies				
Dollar Index	101.81	-0.03	0.36	3.55
EUR USD	1.1202	-0.33	-1.56	-4.63
GBP USD	1.3374	0.35	0.41	-0.75
USD JPY	156.87	-0.73	-4.27	0.10
Equities				
S&P 500	7,624	-0.47	2.91	11.37
Dow Jones	52,215	0.41	0.97	8.64
NASDAQ	25,955	-0.71	3.25	11.67
STOXX 600	636	-1.39	-0.55	7.36
DAX	25,182	-1.72	1.69	2.82
Nikkei 225	62,693	-4.03	-5.61	24.54
FTSE 100	10,690	-1.76	0.48	7.64
SENSEX	73,124	-2.15	-4.28	-14.19
Hang Seng	23,093	-4.52	-8.40	-9.90
MSCI World	4,875	-0.67	1.92	10.03
MSCI EM	1,578	-2.63	-5.61	12.37
Regional Equities				
ADX	9,588	-2.24	-2.56	-4.05
DFM	5,734	-2.27	-1.12	-5.17
Tadawul*	9,438	-7.37	-12.64	-10.03
DSM*	8,615	-0.21	-14.12	-19.95
MSM30*	7,278	-4.94	2.26	24.06
BHSE*	1,849	-0.96	-6.02	-10.55
KWSE*	8,329	-1.33	-3.83	-6.49
Commodities				
BBG Commodity Index	143.7	-0.51	5.45	31.00
Brent USD/bbl	116.7	6.24	15.92	91.82
WTI USD/bbl	103.3	1.83	12.02	79.85
Gold USD/t oz	3,996.1	-4.07	-1.32	-7.48
Silver USD/t oz	53.9	-5.44	-6.43	-24.80
Platinum USD/t oz	1,553.3	-5.00	-2.75	-24.62
Aluminum	3,079.8	2.46	-3.49	3.39
Copper USD/MT	14,415.0	-1.23	4.87	15.28

Digital Assets				
Bitcoin	81,328.6	-0.37	24.93	-7.21
Ether	2,399.8	-0.53	27.32	-19.41
Solana	103.8	-0.14	36.43	-16.48
XRP	1.3	0.24	17.54	-28.92
Volatility				
VIX	19.45	-2.70	4.01	30.10
MOVE	103.31	2.19	29.01	61.52

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of October 26, 2026.

Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
10/26/2026 16:30	Chicago Fed Nat Activity Index	Sep	--	-0.04
10/26/2026 18:30	Dallas Fed Manf. Activity	Oct	--	9.8
10/27/2026 16:15	ADP Weekly Employment Change	10-Oct	--	18.500k
10/27/2026 16:30	Durable Goods Orders	Sep P	1.40%	-0.10%
10/27/2026 17:00	FHFA House Price Index MoM	Aug	--	0.30%
10/27/2026 18:00	Conf. Board Consumer Confidence	Oct	80.3	81.9
10/27/2026 18:00	Richmond Fed Manufact. Index	Oct	--	-2
10/27/2026 18:00	New Home Sales	Sep	652k	684k
10/27/2026 18:30	Dallas Fed Services Activity	Oct	--	-1.8
10/27/2026	Building Permits	Sep F	--	1400k
10/28/2026 15:00	MBA Mortgage Applications	23-Oct	--	-5.30%
10/28/2026 16:30	Wholesale Inventories MoM	Sep P	--	0.50%
10/28/2026 22:00	FOMC Rate Decision	28-Oct	3.75%	3.75%
10/28/2026 22:00	Fed Interest on Reserve Balances Rate	29-Oct	3.90%	3.90%
10/28/2026 22:00	Fed Reverse Repo Rate	29-Oct	3.75%	3.75%
10/29/2026 16:30	Personal Income	Sep	0.30%	0.20%
10/29/2026 16:30	Personal Spending	Sep	0.50%	0.90%
10/29/2026 16:30	PCE Price Index YoY	Sep	3.60%	3.40%
10/29/2026 16:30	Initial Jobless Claims	24-Oct	--	--
10/29/2026 16:30	Continuing Claims	17-Oct	--	--
10/29/2026 16:30	GDP Annualized QoQ	3Q A	3.00%	2.20%
10/29/2026 16:30	Personal Consumption	3Q A	3.50%	3.80%
10/29/2026 16:30	GDP Price Index	3Q A	3.50%	6.10%

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
10/26/2026 9:00	Leading Index CI	Aug F	--	118
10/26/2026 9:00	Coincident Index	Aug F	--	118.7
10/27/2026 3:50	PPI Services YoY	Sep	--	3.70%
10/30/2026 3:30	Tokyo CPI YoY	Oct	2.70%	2.70%
10/30/2026 3:30	Tokyo CPI Ex-Fresh Food, Energy YoY	Oct	2.60%	3.00%
10/30/2026 3:30	Jobless Rate	Sep	2.50%	2.50%
10/30/2026 3:50	Retail Sales YoY	Sep	3.20%	2.70%
10/30/2026 3:50	Industrial Production MoM	Sep P	1.30%	-2.40%
10/30/2026 9:00	Housing Starts YoY	Sep	2.10%	6.10%
10/30/2026 9:00	Annualized Housing Starts	Sep	0.760m	0.753m
10/30/2026	BOJ Target Rate	30-Oct	1.25%	1.25%

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
10/26/2026 13:00	Germany IFO Business Climate	Oct	--	89.9
10/26/2026 13:00	Germany IFO Current Assessment	Oct	--	89.5
10/26/2026 13:00	Germany IFO Expectations	Oct	--	90.4
10/26/2026-11/02/2026	Germany Retail Sales SA YoY	Sep	--	-0.40%
10/28/2026 11:00	Germany GfK Consumer Confidence	Nov	--	-30.6
10/29/2026 14:00	Eurozone Industrial Confidence	Oct	--	-3.8
10/29/2026 14:00	Eurozone Services Confidence	Oct	--	6.1
10/29/2026 14:00	Eurozone Consumer Confidence	Oct F	--	--
10/29/2026 17:15	Eurozone ECB Deposit Facility Rate	29-Oct	--	2.50%
10/29/2026 17:15	Eurozone ECB Main Refinancing Rate	29-Oct	--	2.65%
10/29/2026 17:15	Eurozone ECB Marginal Lending Facility	29-Oct	--	2.90%
10/30/2026 11:45	France CPI YoY	Oct P	--	3.10%
10/30/2026 11:45	France PPI YoY	Sep	--	4.80%
10/30/2026 12:55	Germany Unemployment Change (000's)	Oct	--	12.0k
10/30/2026 12:55	Germany Unemployment Claims Rate SA	Oct	--	6.40%
10/30/2026 14:00	Eurozone GDP SA YoY	3Q A	--	1.20%
10/30/2026 14:00	Eurozone Unemployment Rate	Sep	--	6.40%
10/30/2026 17:00	Germany CPI YoY	Oct P	--	3.30%

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
10/27/2026 4:01	BRC Shop Price Index YoY	Oct	--	1.40%
10/29/2026 13:30	Net Consumer Credit	Sep	--	2.5b
10/29/2026 13:30	Consumer Credit YoY	Sep	--	9.60%
10/29/2026 13:30	Mortgage Approvals	Sep	--	54.9k
10/30/2026-11/05/2026	Nationwide House Px NSA YoY	Oct	--	0.80%

China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
10/27/2026 5:30	China Industrial Profits YoY	Sep	--	4.20%
10/28/2026 14:30	India Industrial Production YoY	Sep	--	8.00%
10/31/2026 5:30	China Manufacturing PMI	Oct	--	50.1
10/31/2026 5:30	China Non-manufacturing PMI	Oct	--	50.2

GCC

Date & Time (GST)	Indicator	Period	Expected	Prior
9/30/2026-10/26/2026	Qatar CPI YoY	Aug	--	3.98%
10/29/2026-11/06/2026	Saudi Arabia Budget Balance	3Q	--	-34.29b
10/21/2026-11/04/2026	Kuwait CPI YoY	Aug	--	2.19%
11/01/2026	Saudi Arabia GDP Constant Prices YoY	3Q P	--	-4.70%

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