Daily Market View

Investment Strategy ♦ September 03, 2026

بنك أبوظبي التجاري ADCB

Greenspan's paradox returns – the clearer the data looks, the less clear its implications become

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Macro headlines

Alan Greenspan once joked: "If I seem unduly clear to you, you must have misunderstood what I said." Warsh's Fed is discovering the modern version of that line. For the Fed, which is focused on inflation, when the labour market sends mixed signals, clarity is not just difficult – it becomes impossible. Yesterday's ADP release underscored this: private sector job creation slowed to 38,000, the weakest since January and well below expectations. Large firms added 34,000 jobs, but small businesses barely grew, and manufacturing shed 17,000 positions. Central bank decisions reflected this uncertainty. The Bank of Canada held rates at 2.25%, citing high energy prices and fluid US-Canada tariff dynamics. The Reserve Bank of New Zealand raised its OCR to 2.75%, delivering one of its most closely watched decisions of the year. Turning to data, the Fed's Beige Book described modest growth, mixed consumer spending, subdued autos, stronger tourism, and a manufacturing pickup driven by defense and data center demand. Wage growth remained modest to moderate, while firms noted limits to passing through cost increases due to rising price sensitivity. US factory orders rose 0.9% m/m, beating expectations and reversing June's decline. President Trump signed a funding bill to avert a government shutdown ahead of midterms. In Europe, the Dutch central bank shifted 78 tonnes of gold from New York, citing geopolitical unrest and concerns about US reliability. In corporate news, Broadcom forecast strong AI chip demand for the next two years, reinforcing the scale of AI infrastructure investment.

Market performances

Markets stabilized Wednesday after three days of declines, with equities rebounding modestly as investors monitored developments in the US-Iran conflict. The Dow rose 0.56% to 53,061.95, the S&P 500 gained 0.46% to 7,666.60, and the Nasdaq added 0.45% to 26,217.83. MSCI's global index edged up slightly, while the STOXX 600 slipped 0.24%. Equity sentiment remains fragile. Investors are balancing strong earnings against rising yields, geopolitical risk, and seasonal weakness – September is historically the only month with a negative average return since 1926. Treasury yields eased marginally from multi-year highs. The 10-year fell marginally to 4.794%, after touching 4.818%, its highest since November 2023. The Japanese 10-year held above 3% for a second session, reflecting BOJ hawkishness. Markets now price a roughly two-in-three chance of a September Fed hike, up sharply from last week. Oil prices rose about 1% amid fears of further disruption to Middle Eastern supply. Brent settled at USD95.63/bbl, and WTI at USD91.01/bbl. The yen strengthened to JPY158.92 per USD, reversing part of its recent slide. Gold prices rose to USD4,386/oz, supported by geopolitical tension and a softer dollar.

What's Next

Thursday's US calendar includes July goods-and-services trade balance, Q2 nonfarm productivity and unit-labor-cost revisions, initial and continuing jobless claims, final August S&P Global services PMI, and the ISM services index. Canada releases Q2 labor productivity and July merchandise trade. Switzerland publishes CPI, HICP, and core CPI; France and Germany release final composite and services PMIs; the eurozone publishes final composite PMI, services PMI, and July PPI. The UK releases final composite and services PMIs. Türkiye publishes August CPI and core CPI; South Africa releases electricity production; Hong Kong publishes composite PMI; Singapore releases PMI; Vietnam publishes CPI, trade balance, exports, and imports; Australia releases July trade balance; India publishes final composite and services PMIs. Earnings include Ambarella, Asana, Brady, BRP, Campbell's, Ciena, DocuSign, Ermenegildo Zegna, Guidewire, John Wiley, Lululemon, National Beverage, Planet Labs, RH, Samsara, Toro, UiPath, Victoria's Secret, VinFast, Vivendi, and Zscaler. Markets will remain highly sensitive to labour market data, inflation prints, and geopolitical developments – all sending mixed signals for Central bankers.

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.66	0.00	1.00	3.00
UAE Eibor 3m	4.05	6.61	11.07	35.79
UAE Eibor 12m	4.35	-4.55	7.58	15.95
US 3m Bills	3.86	0.62	9.42	16.26
US 10yr Treasury	4.78	-2.01	10.47	33.47
German 10yr Bund	3.38	3.20	22.10	40.10
UK 10yr Gilt	5.23	1.00	24.60	37.10
Fixed Income		1D (%)	1M (%)	3M (%)
Global Agg. Index	498	-0.01	0.05	-0.91
Global Treasuries	206	0.00	0.01	-0.91
Global Corporate	302	-0.03	0.06	-1.16
EM USD Sovereign	463	-0.06	0.44	-0.66
EM LCY Sovereign	169	-0.01	1.24	1.70
Global High Yield	1,912	-0.01	0.84	0.63
Currencies				
Dollar Index	99.60	-0.08	-0.27	0.38
EUR USD	1.1587	0.01	0.50	-0.35
GBP USD	1.3494	-0.16	0.22	0.21
USD JPY	158.85	-0.82	-0.45	-0.66
Equities				
S&P 500	7,667	0.46	3.08	0.75
Dow Jones	53,062	0.56	1.64	3.42
NASDAQ	26,218	0.45	4.36	-3.23
STOXX 600	646	-0.24	-0.62	3.29
DAX	25,839	-0.50	0.89	2.85
Nikkei 225	64,326	-2.85	3.97	-3.61
FTSE 100	10,756	-0.30	-1.29	3.69
SENSEX	76,570	-0.49	-1.74	2.57
Hang Seng	25,311	-0.07	-2.12	-2.79
MSCI World	4,944	0.23	2.54	1.34
MSCI EM	1,701	-1.55	8.80	-4.95
Regional Equities				
ADX	9,906	-0.68	0.28	2.96
DFM	5,815	-0.33	0.39	1.44
Tadawul*	11,012	-0.80	1.80	0.96
DSM*	9,751	-1.03	-3.45	-5.27
MSM30*	7,607	-0.05	2.86	2.76
BHSE*	1,939	-0.10	-0.87	-5.04
KWSE*	8,867	-0.42	-0.07	1.99
Commodities				
BBG Commodity Index	143.2	-0.07	8.35	4.33
Brent USD/bbl	95.63	1.04	7.41	-0.39
WTI USD/bbl	91.01	0.88	8.88	-2.93
Gold USD/t oz	4,368.4	0.39	6.27	-2.75
Silver USD/t oz	65.3	1.93	10.72	-13.03

Platinum USD/t oz	1,762.6	1.01	6.12	-8.93
Aluminum	3,290.7	0.08	2.61	-13.61
Copper USD/MT	14,355.0	-0.28	4.06	2.79
Digital Assets				
Bitcoin	77,393.7	-0.03	19.59	14.67
Ether	2,393.2	-1.12	24.64	25.68
Solana	99.7	-0.39	33.91	32.30
XRP	1.4	-0.21	24.57	10.59
Volatility				
VIX	15.20	-6.98	-11.06	-3.61
MOVE	79.71	2.35	3.40	8.55

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – September 03, 2025. Performance in local currency terms.

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