Daily Market View

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بنك أبوظبي التجاري
ADCB

Canada to hit back Dollar-for-Dollar as Trump draws a line on Bombardier

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Macro headlines

President Trump's conditional warning to Bombardier – manufacture in the US or lose access to the US market – crystallises a broader theme running through macro landscape: policy choices increasingly carry commercial consequences. Geopolitics intensified again. Tehran threatened "economic warfare" and said it fired an advanced missile at US warships. Iran also signaled that a deal with Oman to manage shipping through the Strait is imminent – a move that could tighten Tehran's control over the waterway and complicate US responses. In macroeconomic data, China's export engine accelerated: August exports rose 25% y/y, matching forecasts and improving from July's 23.9%. Imports rose 28.2% y/y. The boom in cars, semiconductors, and high-tech goods underscores Beijing's reliance on external demand to offset weak domestic consumption, investment, and property markets. Europe data delivered mixed signals. German industrial output fell 1.1% m/m in July, dragged by a 9.2% drop in car production after multi-week shutdowns. Eurozone Q2'26 GDP rose 0.7% q/q, with employment up 0.1%, marking a firmer expansion than earlier quarters. Japan's economy grew 1.4% annualised in Q2'26, revised up from 1.1%, supported by stronger business spending. Without annualisation, GDP rose 0.4% q/q, matching expectations.

Market performances

Markets opened the week on edge as rising oil prices, Middle East conflict and European political uncertainty collided ahead of critical US inflation data. Brent crude rose to USD 97.5/bbl – a seven-week high – extending last week's 8% surge and placing prices 35% above late-February levels. Rate markets reflect this shift. Futures price a near-60% probability of a Fed hike on September 16 and 70% for October, following a strong August payrolls print. The ECB is widely expected to raise rates to 2.5% this Thursday, with markets pricing 2.75% by December. The Bank of Japan faces similar pressure: markets assign a 75% chance of a quarter point hike on September 18 and 60% odds of another move by year-end. FX markets mirror these dynamics. The dollar fell 1.2% against the JPY to 154.32 as expectations of BOJ tightening and the threat of further official intervention triggered a short squeeze. Equities were subdued. European stocks struggled for traction, while US markets were closed due to a holiday. S&P 500 futures slipped 0.2%, Nasdaq futures edged up 0.2%. With food and fuel inflation rising globally, central banks "on the move," and geopolitical risks intensifying, investors remain cautious ahead of this week's US CPI release – the next decisive input into the rate-trade-inflation nexus.

What's Next

Today's calendar delivers a broad cross-section of global indicators that will shape near-term rate expectations and regional macro narratives. In the US, the NFIB small business optimism index, the New York Fed Survey of Consumer Expectations, and July consumer credit will offer fresh insight into household sentiment and credit dynamics ahead of Thursday's CPI release. Latin America brings a dense inflation slate. Colombia's CPI prints and core inflation will test disinflation momentum. Chile's CPI and overnight rate decision anchor regional monetary expectations, while Brazil's IGP-DI and vehicle sales add further colour on domestic demand. Europe's early releases include Germany's trade balance, exports and imports, alongside France's current account and trade balance. Policy focus turns to Westminster, where Bank of England governor Bailey, deputy governor Ramsden and MPC members Greene and Taylor testify before the Treasury Committee – a key forum for assessing the Bank's reaction function amid rising energy-driven inflation risks. Finally, Canada's retaliatory "dollar-for-dollar" tariffs on imported US products come into effect today – a direct extension of the trade-conditionality theme shaping the macro narrative.

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.66	0.00	0.00	3.00
UAE Eibor 3m	3.90	-6.57	-5.57	10.55
UAE Eibor 12m	4.34	-0.39	13.16	27.63
US 3m Bills	3.84	0.00	5.24	13.89
US 10yr Treasury	4.78	0.00	16.95	25.18
German 10yr Bund	3.39	4.70	27.90	34.80
UK 10yr Gilt	5.18	4.30	27.90	27.30
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	501	0.08	0.14	0.35
Global Treasuries	208	0.13	0.30	0.62
Global Corporate	302	0.02	-0.23	-0.27
EM USD Sovereign	465	0.00	-0.10	0.09
EM LCY Sovereign	170	0.08	1.44	3.00
Global High Yield	1,915	0.03	0.33	1.24
Currencies				
Dollar Index	99.18	0.00	-0.68	-0.89
EUR USD	1.1629	0.13	0.95	0.93
GBP USD	1.3547	0.21	0.75	1.54
USD JPY	154.30	-1.25	-2.08	-3.74
Equities				
S&P 500	7,719	0.00	-0.23	4.54
Dow Jones	53,414	0.00	-1.24	5.01
NASDAQ	26,507	0.00	-0.29	3.10
STOXX 600	650	0.00	-1.06	4.37
DAX	26,007	-0.15	-0.75	5.04
Nikkei 225	66,400	2.12	3.82	-0.28
FTSE 100	10,822	-0.08	-0.53	4.38
SENSEX	76,133	-0.50	-2.93	2.54
Hang Seng	25,413	-0.93	-1.70	1.81
MSCI World	4,995	0.16	0.36	5.03
MSCI EM	1,757	1.77	6.40	2.30
Regional Equities				
ADX	9,976	-0.02	-1.25	3.76
DFM	5,931	0.79	-0.92	2.84
Tadawul*	11,025	-0.40	1.86	1.83
DSM*	9,786	0.53	-2.35	-4.17
MSM30*	7,606	-0.34	1.29	0.41
BHSE*	1,935	-0.12	-0.98	-4.95
KWSE*	8,935	1.07	1.08	2.74
Commodities				
BBG Commodity Index	142.9	0.00	10.88	7.72
Brent USD/bbl	97.00	0.75	22.23	4.20
WTI USD/bbl	91.48	0.00	20.73	1.04
Gold USD/t oz	4,414.5	-0.35	7.84	1.99
Silver USD/t oz	66.2	-0.07	11.09	-2.47

Platinum USD/t oz	1,831.6	0.51	5.46	2.88
Aluminum	3,317.1	0.57	2.83	-8.56
Copper USD/MT	14,540.0	1.18	2.43	5.89
Digital Assets				
Bitcoin	79,222.6	-0.65	23.21	28.56
Ether	2,494.5	1.73	33.01	55.59
Solana	104.1	2.25	40.20	61.03
XRP	1.4	-0.15	29.79	25.38
Volatility				
VIX	15.30	5.30	-7.27	-28.87
MOVE	73.10	0.00	-5.75	-2.79

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – September 08, 2025. Performance in local currency terms.

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