

Who's the house? Markets are the house

Macro headlines

US government bond yields surged to their highest levels in nearly three years after Treasury Secretary Bessent's USD6bn buyback plan disappointed investors. Markets had hoped for a larger operation to counter rising borrowing costs; instead, the buyback undershot expectations and reinforced the upward pressure on yields across the curve. President Trump injected political volatility into the macro landscape, proposing a USD5,000 "Trump dividend" for every American adult if Republicans retain control of Congress. With roughly 270m adults, the proposal carries a USD1.35trn price tag and raises questions about legality, funding, and inflation implications at a moment when bond markets are already strained. Elsewhere, the central bank commentary turned more hawkish. BOJ board member Masu warned Japan may be forced to raise rates rapidly if inflation accelerates, citing still accommodative financial conditions. The Bank of Korea called for stronger oversight of overseas derivatives tied to Korean chipmakers, highlighting leveraged hedge fund activity as a source of domestic volatility. Geopolitics escalated sharply. Iran said it attacked 10 ships near the Strait of Hormuz after the US sank five Iranian tankers, marking the largest wave of shipping attacks since the war began six months ago. Brent crude breached USD100/bbl for the first time since July, with casualties reported aboard at least one tanker. The US pushed through a resolution censuring Iran and referring its nuclear file to the UN Security Council, deepening diplomatic divides and raising the possibility of further strikes. France's industrial production fell 0.8% m/m, with broad declines across refining, transport equipment, and manufacturing. In corporate news, Apple announced its folding iPhone Duo at USD1,999, marking the biggest redesign in two decades and higher price points across the range.

Market performances

Markets ended lower Wednesday as oil surged past USD100/bbl, yields climbed, and geopolitical tensions intensified. The Dow fell 0.77%, the S&P 500 dropped 0.48%, and the Nasdaq declined 0.64%. MSCI's global index slipped c0.5%. Oil dominated the session. Brent settled at USD101.21/bbl, up 3.4%, while WTI rose 3.25% to USD96.05/bbl – both the highest closes since May. The tanker attacks and escalating conflict in the Strait of Hormuz reinforced supply route risk and elevated inflation expectations. Bond yields rose further. The US 10-year climbed to 4.841%, its highest since November 2023, after the Treasury's buyback announcement failed to reassure markets. While the buyback exceeded earlier guidance, it fell short of expectations for a more aggressive duration support operation. Central bank expectations tightened. The euro edged higher ahead of Thursday's ECB meeting, where a 25bps hike is widely expected. The yen strengthened toward a seven-month high as traders exited short positions, driven by expectations of faster BOJ tightening and potential repatriation flows. The dollar index rose to 98.83. Copper hit a record high at USD14,728/ton, reflecting tightening global supply and increased flows into the US ahead of possible tariffs.

What's Next

Thursday's US calendar includes initial and continuing jobless claims, August PPI (headline, core, and ex-food-energy-trade), existing home sales, and final wholesale inventory data. Brazil releases July services volume; Argentina publishes August CPI; the UK releases RICS house-price balance; Sweden publishes July GDP indicator; Germany releases final CPI and HICP; Norway publishes CPI and CPI-ATE. The ECB announces its September policy decision, with markets expecting a 25bps hike to 2.50% on the deposit facility. The Czech Republic releases final CPI; Türkiye publishes industrial production and its one-week repo-rate decision, where a cut is possible given recent dovish signals and improving reserve dynamics. South Africa releases current account, mining, and manufacturing data. Japan's BOJ board member Masu speaks in Fukui; OPEC releases its monthly oil market report. Earnings include Adobe, Associated British Foods, Copart, Currys, Fevertree Drinks, Genus, John Lewis Partnership, Macy's, Oracle, and Playtech. Markets will remain highly sensitive to oil price dynamics, bond market stress, and central bank decisions – all converging in a week where energy, rates, and geopolitics are moving in the same direction, tightening the macro vise around global risk assets.

Mohammed Al Hemeiri

Senior Specialist

+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

Daily Market View

Investment Strategy ♦ September 10, 2026

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.64	0.00	-1.00	4.00
UAE Eibor 3m	4.13	16.39	26.06	34.08
UAE Eibor 12m	4.50	8.85	29.41	48.66
US 3m Bills	3.89	2.84	6.94	20.18
US 10yr Treasury	4.84	5.24	16.28	32.41
German 10yr Bund	3.44	7.80	30.40	40.10
UK 10yr Gilt	5.26	8.80	32.30	35.80
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	501	-0.15	0.08	0.21
Global Treasuries	208	-0.10	0.27	0.58
Global Corporate	302	-0.18	-0.28	-0.52
EM USD Sovereign	463	-0.24	-0.40	-0.14
EM LCY Sovereign	170	0.05	1.16	3.04
Global High Yield	1,912	-0.14	0.15	1.03
Currencies				
Dollar Index	98.82	0.03	-1.11	-1.09
EUR USD	1.1636	0.10	1.00	0.82
GBP USD	1.3552	0.12	0.71	1.35
USD JPY	153.58	-0.45	-3.11	-4.25
Equities				
S&P 500	7,636	-0.48	-0.95	3.38
Dow Jones	52,381	-0.77	-2.79	2.97
NASDAQ	26,253	-0.64	-0.36	2.24
STOXX 600	640	-1.41	-2.70	3.52
DAX	25,576	-1.66	-2.16	4.68
Nikkei 225	65,143	-0.19	-0.82	-0.42
FTSE 100	10,670	-1.31	-1.82	4.33
SENSEX	74,764	-1.08	-5.31	1.14
Hang Seng	25,275	-0.17	-1.00	2.89
MSCI World	4,938	-0.56	-0.72	4.05
MSCI EM	1,755	0.19	5.84	2.55
Regional Equities				
ADX	10,107	0.85	-0.14	5.70
DFM	5,927	-0.32	0.16	2.46
Tadawul*	11,016	-0.19	0.88	2.01
DSM*	9,851	-0.06	-1.93	-3.85
MSM30*	7,626	0.16	1.21	0.81
BHSE*	1,929	-0.27	-1.19	-4.70
KWSE*	8,928	0.04	0.98	2.65
Commodities				
BBG Commodity Index	145.0	0.80	11.29	10.69
Brent USD/bbl	101.21	3.36	22.69	10.67
WTI USD/bbl	96.05	3.25	24.27	8.90
Gold USD/t oz	4,409.6	0.36	3.96	3.70
Silver USD/t oz	67.3	2.35	9.35	2.96

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Platinum USD/t oz	1,900.6	4.43	10.09	9.95
Aluminum	3,375.2	0.77	3.66	-5.24
Copper USD/MT	14,672.0	-0.44	1.50	6.97
Digital Assets				
Bitcoin	78,302.7	-0.23	21.60	26.06
Ether	2,471.2	-0.47	29.66	48.89
Solana	102.6	-0.52	40.86	56.36
XRP	1.4	-0.78	35.91	22.76
Volatility				
VIX	16.46	4.71	8.65	-17.16
MOVE	76.74	0.79	0.81	-0.38

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – September 10, 2025. Performance in local currency terms.

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