

Oil surges as inflation and geopolitical risks intensify

Macro headlines

Global markets faced a more challenging backdrop as the Middle East conflict intensified, oil prices surged and inflation pressures strengthened. Attacks around the Strait of Hormuz and Red Sea disrupted key shipping routes, while diplomatic efforts weakened and Iran-US tensions escalated further. The energy shock increasingly fed into the policy outlook: US headline CPI held at 3.4% y/y, core CPI accelerated to 0.3% m/m, and markets raised the probability of a September Fed hike. The ECB raised its deposit rate by 25bps to 2.5%, citing persistent inflation pressures, while Japan's elevated producer inflation reinforced expectations for further BoJ tightening. Economic signals remained mixed. US small-business optimism weakened and consumer sentiment fell sharply, while higher mortgage rates pushed existing-home sales to their lowest since June 2025. China's exports remained strong, rising 25% y/y, although domestic demand stayed subdued. Eurozone Q2 GDP expanded 0.7% q/q, while UK July GDP surprised positively at 0.4% m/m. Against this backdrop, persistent geopolitical and inflation risks drove global bond yields higher and weighed on risk appetite.

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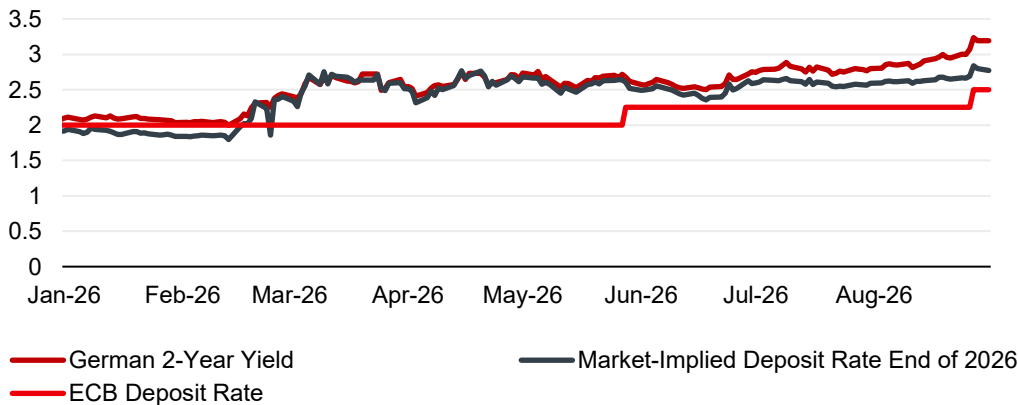
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Market performances

Risk assets weakened as yields and oil prices climbed. The S&P 500 fell 0.80%, Nasdaq declined 0.66% and MSCI World lost 0.99%, while the STOXX 600 fell 1.66% and the Hang Seng dropped 3.30%. GCC markets were more resilient, with ADX +1.36%, DFM +0.96% and Kuwait +1.07%, while Tadawul fell 0.23%. Bond yields rose sharply, with the US 10-year Treasury up 18.5bps to 4.97%, the German Bund up 16.5bps and the UK Gilt up 21bps. Energy was the clear outperformer, with Brent rising 8.65% to USD107.6/bbl and WTI gaining 9.37% to USD103.0/bbl, taking YTD gains above 70%. Gold fell 1.83%, while Bitcoin declined 3.04%. Volatility increased materially, with the VIX up 9.02% and the MOVE index rising 12.46%, reflecting heightened geopolitical and rates uncertainty.

Chart of the Week: ECB's hawkish hike

Markets increase outlook of further tightening



Weekly Market View

Investment Strategy ♦ September 14 2026

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.62	-3.00	-3.00	-25.00
UAE Eibor 3m	4.17	21.14	42.54	70.01
UAE Eibor 12m	4.68	33.60	72.03	106.56
US 3m Bills	3.98	15.57	30.25	37.38
US 10yr Treasury	4.97	18.48	48.80	79.99
German 10yr Bund	3.50	16.50	50.90	64.90
UK 10yr Gilt	5.34	21.00	50.70	86.40
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	497	-0.77	-0.91	-0.90
Global Treasuries	206	-0.62	-0.53	-1.13
Global Corporate	300	-0.90	-1.64	-1.39
EM USD Sovereign	460	-0.95	-1.54	0.33
EM LCY Sovereign	169	-0.33	2.12	3.92
Global High Yield	1,903	-0.57	0.12	2.19
Currencies				
Dollar Index	99.33	-0.05	-0.63	0.81
EUR USD	1.1568	-0.13	0.27	-1.17
GBP USD	1.3505	0.04	0.88	0.54
USD JPY	154.04	-1.70	-4.14	-2.05
Equities				
S&P 500	7,657	-0.80	3.03	11.85
Dow Jones	52,573	-1.57	2.68	9.38
NASDAQ	26,333	-0.66	1.72	13.30
STOXX 600	639	-1.66	0.93	7.92
DAX	25,569	-1.83	3.79	4.40
Nikkei 225	63,375	-1.55	-3.04	27.16
FTSE 100	10,650	-1.67	1.71	7.24
SENSEX	74,782	-2.27	-0.99	-12.25
Hang Seng	24,893	-3.30	0.35	-3.22
MSCI World	4,937	-0.99	3.11	11.44
MSCI EM	1,722	-0.28	0.32	22.58
Regional Equities				
ADX	10,113	1.36	3.14	1.20
DFM	5,941	0.96	-0.22	-1.75
Tadawul*	11,007	-0.23	-0.31	4.92
DSM*	9,824	0.62	-4.28	-8.72
MSM30*	7,648	0.25	0.17	30.36
BHSE*	1,930	-0.46	-2.61	-6.63
KWSE*	8,943	1.07	2.52	0.39
Commodities				
BBG Commodity Index	146.1	1.65	12.20	32.39
Brent USD/bbl	107.6	8.65	19.79	71.91
WTI USD/bbl	103.0	9.37	17.87	74.24
Gold USD/t oz	4,329.5	-1.83	3.08	0.63
Silver USD/t oz	63.9	-2.60	-5.19	-10.01
Platinum USD/t oz	1,800.9	-1.31	4.51	-12.72
Aluminum	3,276.8	-0.65	-7.25	10.01
Copper USD/MT	14,238.5	-0.92	4.67	13.87

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Digital Assets				
Bitcoin	77,530.0	-3.04	21.91	-11.79
Ether	2,511.3	3.18	52.05	-15.03
Solana	100.9	0.64	53.69	-17.58
XRP	1.4	-2.76	20.26	-25.95
Volatility				
VIX	15.84	9.02	-10.41	5.95
MOVE	82.21	12.46	18.53	28.53

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of September 11 2026 unless stated otherwise; **Data as of September 10 2026.

Forthcoming important economic data/events

United States



Date & Time (GST)	Indicator	Period	Expected	Prior
9/15/2026 16:15	ADP Weekly Employment Change	29-Aug	--	12.000k
9/15/2026 16:30	Empire Manufacturing	Sep	14.1	20.6
9/16/2026 15:00	MBA Mortgage Applications	11-Sep	--	-2.70%
9/16/2026 16:30	New York Fed Services Business Activity	Sep	--	0.5
9/16/2026 16:30	Retail Sales Advance MoM	Aug	0.90%	-0.60%
9/16/2026 18:00	NAHB Housing Market Index	Sep	34	35
9/16/2026 22:00	FOMC Rate Decision	16-Sep	3.75%	3.75%
9/17/2026 16:30	Philadelphia Fed Business Outlook	Sep	28.6	47.4
9/17/2026 16:30	Initial Jobless Claims	12-Sep	--	206k
9/17/2026 16:30	Continuing Claims	5-Sep	--	1774k
9/17/2026 16:30	Housing Starts	Aug	1315k	1239k
9/17/2026 16:30	Building Permits	Aug P	1410k	1433k
9/17/2026 18:00	Pending Home Sales MoM	Aug	--	-2.30%
9/18/2026 17:15	Industrial Production MoM	Aug	0.30%	0.20%
9/18/2026 17:15	Manufacturing Production MoM	Aug	0.30%	0.20%
9/18/2026 17:15	Capacity Utilization	Aug	76.40%	76.30%
9/18/2026 18:00	Leading Index	Aug	0.20%	0.20%

Japan



Date & Time (GST)	Indicator	Period	Expected	Prior
9/14/2026 8:30	Capacity Utilization MoM	Jul	--	4.10%
9/14/2026 8:30	Industrial Production MoM	Jul F	--	0.10%
9/15/2026 8:30	Tertiary Industry Index MoM	Jul	0.40%	-0.20%
9/16/2026 3:50	Core Machine Orders YoY	Jul	9.20%	16.90%
9/18/2026 3:30	Natl CPI YoY	Aug	2.00%	1.90%
9/18/2026 3:30	Natl CPI Ex Fresh Food, Energy YoY	Aug	2.00%	1.90%
9/18/2026	BOJ Target Rate	18-Sep	1.25%	1.00%

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Eurozone



Date & Time (GST)	Indicator	Period	Expected	Prior
9/15/2026 10:45	France CPI YoY	Aug F	--	2.40%
9/15/2026 10:45	France CPI EU Harmonized YoY	Aug F	--	2.70%
9/15/2026 13:00	Germany ZEW Survey Expectations	Sep	40.2	34.2
9/15/2026 13:00	Eurozone ZEW Survey Expectations	Sep	--	31.4
9/16/2026 13:00	Eurozone Industrial Production WDA YoY	Jul	-0.80%	0.10%
9/17/2026 13:00	Eurozone CPI YoY	Aug F	--	3.30%
9/17/2026 13:00	Eurozone CPI Core YoY	Aug F	--	2.40%
9/18/2026 10:00	Germany PPI YoY	Aug	3.80%	3.00%
9/18/2026 12:00	Eurozone ECB 1 Year CPI Expectations	Aug	--	2.90%
9/18/2026 12:00	Eurozone ECB 3 Year CPI Expectations	Aug	--	2.70%

United Kingdom



Date & Time (GST)	Indicator	Period	Expected	Prior
9/15/2026 10:00	Average Weekly Earnings 3M/YoY	Jul	--	4.10%
9/15/2026 10:00	ILO Unemployment Rate 3Mths	Jul	5.00%	4.90%
9/15/2026 10:00	Claimant Count Rate	Aug	--	4.30%
9/15/2026 10:00	Jobless Claims Change	Aug	--	-11.0k
9/16/2026 10:00	CPI YoY	Aug	3.00%	2.90%
9/16/2026 10:00	CPI Core YoY	Aug	--	2.60%
9/16/2026 10:00	RPI YoY	Aug	--	3.20%
9/16/2026 12:30	House Price Index YoY	Jul	--	2.00%
9/17/2026 15:00	Bank of England Bank Rate	17-Sep	3.75%	3.75%
9/18/2026 3:01	GfK Consumer Confidence	Sep	--	-14
9/18/2026 10:00	Retail Sales Inc Auto Fuel MoM	Aug	--	-0.50%
9/18/2026 10:00	Retail Sales Ex Auto Fuel MoM	Aug	--	-0.90%

China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
9/14/2026 10:30	India Wholesale Prices YoY	Aug	9.90%	9.78%
9/14/2026 14:30	India CPI YoY	Aug	4.86%	4.45%
9/11/2026-9/15/2026	China New Yuan Loans CNY YTD	Aug	10783.5b	10380.0b
9/11/2026-9/15/2026	China Aggregate Financing CNY YTD	Aug	24372.0b	22250.0b
9/11/2026-9/15/2026	China Money Supply M2 YoY	Aug	7.60%	7.70%
9/15/2026 14:30	India Unemployment Rate	Aug	--	5.10%
9/15/2026 5:30	China New Home Prices MoM	Aug	--	-0.18%
9/15/2026 6:00	China Retail Sales YoY	Aug	0.80%	0.60%
9/15/2026 6:00	China Industrial Production YoY	Aug	4.80%	4.50%

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GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
9/09/2026-9/23/2026	Qatar CPI YoY	Aug	--	--
9/09/2026-9/20/2026	Oman CPI YoY	Aug	--	3.20%
9/15/2026	Saudi Arabia CPI YoY	Aug	--	1.80%
9/20/2026-9/25/2026	Dubai CPI YoY	Aug	--	5.33%

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