

The Weekly Market View

Investment Strategy | May 04, 2026

Strong earnings offset Hormuz risks and policy uncertainty

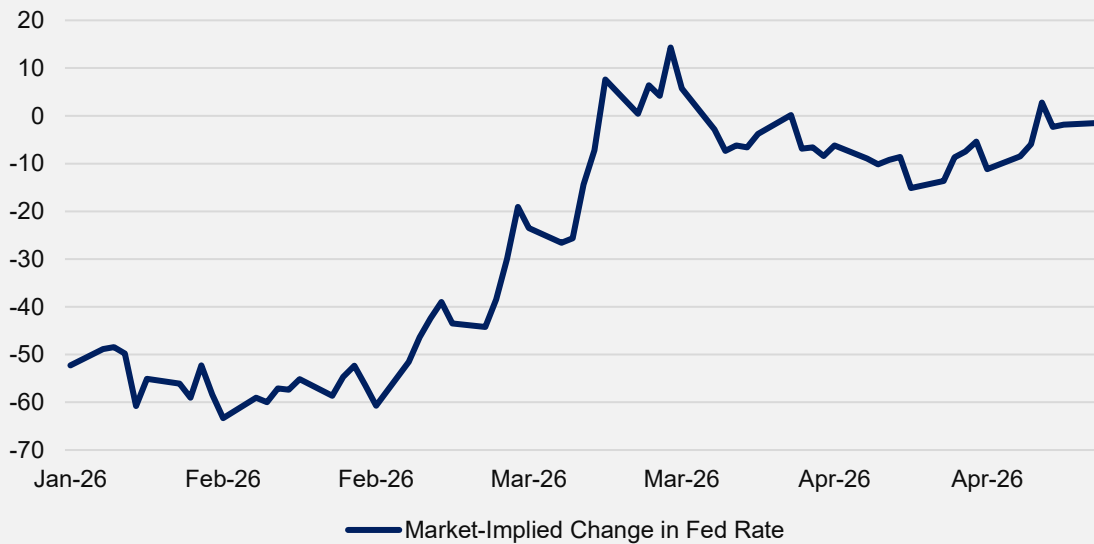
Macro headlines

Global macro conditions remained shaped by the Iran conflict, energy market disruption, and shifting policy signals. Hopes for a breakthrough weakened early in the week after President Trump rejected Tehran's latest proposal, while Washington prepared for a potentially prolonged blockade of Iranian ports and continued efforts to reopen the Strait of Hormuz. Energy market risks remained elevated as the UAE announced its exit from OPEC+, Saudi Aramco suspended some LPG shipments, and OPEC+ later agreed to a modest June supply increase. Central banks stayed cautious: The Fed held rates at 3.5%-3.75% despite the most divided vote since 1992, while the ECB, BoE, BoC, and BoJ also maintained careful policy stances amid inflation risks. US data were mixed but broadly resilient, with Q1 GDP accelerating to 2.0% annualized, durable goods orders rising, and business investment strengthening, while PCE inflation remained firm. Europe faced weaker sentiment and higher energy driven inflation, while China's PMLs were mixed. Taiwan stood out, with Q1 GDP surging on AI demand. Corporate earnings were the key support for sentiment, led by strong AI and cloud results from Alphabet, Microsoft, Amazon, Samsung, and other mega caps.

Market performances

Markets were broadly resilient despite geopolitical and policy uncertainty. Global equities advanced modestly, with the S&P 500 up 0.9%, Nasdaq up 1.1%, and Dow Jones up 0.6%, while Europe was mixed as the STOXX 600 rose 0.2% and the DAX gained 0.7%. Asian markets were mixed, with Sensex up 0.33%, while Nikkei fell 0.34% and Hang Seng declined 0.8%. Regional markets were mixed, with Tadawul up 0.7% and MSM30 up 2.6%, while DFM fell 1.5% and DSM declined 1.6%. Fixed income was mixed, with Global Aggregate up 0.1%, Global Treasuries up 0.2%, but corporate and EM debt slightly weaker. Yields rose across major markets, including the US 10-year Treasury (+6.9bp), German Bund (+4.3bp), and UK Gilt (+5.2bp). The Dollar Index slipped 0.4%, while sterling gained and USD/JPY rose. Commodities rallied, led by energy, with Brent up 2.7% and WTI up 7.9%, while precious and industrial metals weakened. Digital assets were mixed, with Bitcoin slightly higher, but Ether, Solana, and XRP lower. Volatility eased in equities, with the VIX down 9.2%, even as rate volatility rose.

Chart of the Week: Markets expect Fed on hold for 2026



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ASSET MANAGEMENT LIMITED

Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.66	0.00	-2.00	-21.00
UAE Eibor 3m	3.79	8.19	18.89	31.99
UAE Eibor 12m	4.01	1.36	39.62	39.94
US 3m Bills	3.65	-2.06	-0.09	2.64
US 10yr Treasury	4.37	6.91	13.43	20.28
German 10yr Bund	3.04	4.30	19.40	18.20
UK 10yr Gilt	4.96	5.20	44.20	48.50
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	503	0.07	-0.57	0.36
Global Treasuries	208	0.16	-0.87	0.00
Global Corporate	304	-0.12	-0.66	0.20
EM USD Sovereign	463	-0.14	0.58	0.83
EM LCY Sovereign	165	-0.32	0.17	1.24
Global High Yield	1,889	0.11	0.46	1.45
Currencies				
Dollar Index	98.13	-0.38	1.20	-0.17
EUR USD	1.1729	-0.01	-1.10	-0.13
GBP USD	1.3587	0.38	-0.75	0.97
USD JPY	156.78	-1.49	1.44	0.11
Equities				
S&P 500	7,230	0.91	4.19	5.62
Dow Jones	49,499	0.55	1.24	2.99
NASDAQ	25,114	1.12	7.04	8.06
STOXX 600	612	0.15	0.09	3.27
DAX	24,292	0.68	-1.00	-0.81
Nikkei 225	59,513	-0.34	11.61	18.22
FTSE 100	10,364	-0.15	1.37	4.36
SENSEX	77,672	0.33	-6.51	-9.75
Hang Seng	26,216	-0.78	-5.88	0.57
MSCI World	4,674	0.89	3.24	5.50
MSCI EM	1,601	-0.53	4.80	14.03
Regional Equities				
ADX	9,789	0.01	-4.79	-2.03
DFM	5,767	-1.49	-10.39	-4.63
Tadawul*	11,188	0.70	-1.71	6.64
DSM*	10,488	-1.64	-7.27	-2.55
MSM30*	8,369	2.58	32.21	42.66
BHSE*	1,972	2.02	-3.52	-4.57
KWSE*	8,860	-0.21	3.44	-0.53
Commodities				
BBG Commodity Index	140.1	3.02	16.18	27.84
Brent USD/bbl	108.2	2.70	53.02	77.76
WTI USD/bbl	101.7	7.99	56.33	77.53
Gold USD/t oz	4,606.1	-2.02	-5.72	6.76
Silver USD/t oz	75.4	-0.49	-11.55	5.16
Platinum USD/t oz	2,005.9	-1.33	-9.34	-3.41
Aluminum	3,590.9	-1.90	14.76	20.55
Copper USD/MT	12,895.0	-2.53	-3.55	3.13
Digital Assets				
Bitcoin	80,230.9	0.16	-7.48	-11.15
Ether	2,390.3	-1.83	-15.44	-23.28
Solana	85.7	-3.95	-28.83	-32.84
XRP	1.4	-3.93	-19.86	-24.73
Volatility				
VIX	16.99	-9.19	-2.58	13.65
MOVE	70.41	5.14	18.94	10.08

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of May 01 2026 unless stated otherwise; **Data as of April 30 2026.

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Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
5/04/2026 18:00	Factory Orders	Mar	0.40%	0.00%
5/04/2026 18:00	Durable Goods Orders	Mar F	--	0.80%
5/05/2026 17:45	S&P Global US Services PMI	Apr F	--	51.3
5/05/2026 18:00	ISM Services Index	Apr	53.7	54
5/05/2026 18:00	New Home Sales	Mar	668k	--
5/05/2026 18:00	JOLTS Job Openings	Mar	6803k	6882k
5/05/2026	Building Permits	Mar F	--	1372k
5/06/2026 15:00	MBA Mortgage Applications	1-May	--	-1.60%
5/06/2026 16:15	ADP Employment Change	Apr	70k	62k
5/07/2026 16:30	Initial Jobless Claims	2-May	--	189k
5/07/2026 19:00	NY Fed 1-Yr Inflation Expectations	Apr	--	3.42%
5/07/2026 23:00	Consumer Credit	Mar	\$12.500b	\$9.484b
5/08/2026 16:30	Change in Nonfarm Payrolls	Apr	60k	178k
5/08/2026 18:00	U. of Mich. Sentiment	May P	49.3	49.8
5/08/2026 18:00	U. of Mich. 1 Yr Inflation	May P	--	4.70%
5/08/2026 18:00	Wholesale Inventories MoM	Mar F	--	1.40%
5/08/2026 18:00	U. of Mich. 5-10 Yr Inflation	May P	--	3.50%

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
5/07/2026 3:50	Monetary Base YoY	Apr	--	-11.60%
5/08/2026 3:30	Labor Cash Earnings YoY	Mar	3.20%	3.30%
5/08/2026 4:30	S&P Global Japan PMI Services	Apr F	--	51.2

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
5/04/2026 11:50	France S&P Global Manufacturing PMI	Apr F	52.8	52.8
5/04/2026 11:55	Germany S&P Global/BME Manufacturing PMI	Apr F	51.2	51.2
5/04/2026 12:00	Eurozone S&P Global Manufacturing PMI	Apr F	52.2	52.2
5/04/2026 12:30	Eurozone Sentix Investor Confidence	May	-21	-19.2
5/06/2026 10:45	France Industrial Production MoM	Mar	0.50%	-0.70%
5/06/2026 10:45	France Manufacturing Production MoM	Mar	--	0.00%
5/06/2026 11:50	France S&P Global Services PMI	Apr F	46.7	46.5
5/06/2026 12:00	Eurozone S&P Global Services PMI	Apr F	47.4	47.4
5/06/2026 13:00	Eurozone PPI YoY	Mar	1.50%	-3.00%
5/07/2026 13:00	Eurozone Retail Sales YoY	Mar	--	1.70%
5/07/2026 10:00	Germany Factory Orders WDA YoY	Mar	1.60%	3.50%
5/08/2026 10:00	Germany Industrial Production WDA YoY	Mar	-1.80%	0.00%

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
5/05/2026 12:00	New Car Registrations YoY	Apr	--	6.60%
5/06/2026 12:30	S&P Global UK Services PMI	Apr F	52	52

China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
5/06/2026 5:45	China RatingDog China PMI Services	Apr	52	52.1
5/07/2026	China Foreign Reserves	Apr	--	\$3342.12b
5/09/2026	China Exports YoY	Apr	8.40%	2.50%
5/09/2026	China Imports YoY	Apr	13.30%	27.80%
5/09/2026	China Trade Balance	Apr	\$82.35b	\$51.13b
5/04/2026 9:00	India HSBC India PMI Mfg	Apr F	--	55.9
5/06/2026 9:00	India HSBC India PMI Services	Apr F	--	57.9

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GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
5/05/2026 8:15	UAE S&P Global United Arab Emirates PMI	Apr	--	52.9
5/05/2026 8:15	UAE S&P Global Dubai PMI	Apr	--	53.2
5/05/2026 8:15	Saudi Arabia S&P Global Saudi Arabia PMI	Apr	--	48.8
5/05/2026-5/07/2026	Saudi Arabia Saudi Official Reserve Assets SAR	Apr	--	1862.4b
5/05/2026 13:00	Qatar S&P Global Qatar Whole Economy PMI	Apr	--	38.7
5/09/2026-5/23/2026	Qatar CPI YoY	Apr	--	4.17%

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