

# The Weekly Market View

Investment Strategy | October 20 2025

## Global Markets rose as trade tensions eased and earnings strengthened

### Macro headlines

Global markets navigated a cautiously optimistic week as trade rhetoric softened, earnings strengthened, and political tensions remained a central theme. In the US, sentiment improved after President Trump moderated his tariff stance toward China, confirming that talks with President Xi would proceed later this month despite earlier escalations. The prolonged government shutdown continued to disrupt data reporting, but markets found reassurance in strong corporate earnings, particularly from major banks and financial firms, which offset softer economic indicators. Regional manufacturing gauges diverged, with the Empire State Index rebounding while the Philadelphia Fed Index weakened, suggesting uneven momentum. Consumer sentiment remained subdued, and labor market data pointed to slower hiring, yet the resilience in earnings helped underpin broader market confidence. In Europe, the macro narrative was mixed: inflation in the euro area rose to 2.2% — above the ECB's target — while industrial production contracted and exports weakened, particularly in Germany. France faced heightened political instability following narrow no-confidence votes against Prime Minister Lecornu, and fiscal concerns resurfaced across Southern Europe. The UK economy grew modestly in the three months to August, supported by services activity and steady employment, though the Bank of England maintained a cautious tone, warning against premature policy easing. In Asia, China's latest trade data showed improvement in exports and imports, even as deflation risks persisted. Japan's industrial output remained soft amid political transition following Sanae Takaichi's coalition deal, while India's inflation dropped to an eight-year low of 1.54%, providing room for the RBI to maintain its accommodative stance. Across emerging markets, macro stability and limited policy shifts helped sustain investor confidence despite uneven growth and lingering geopolitical uncertainty.

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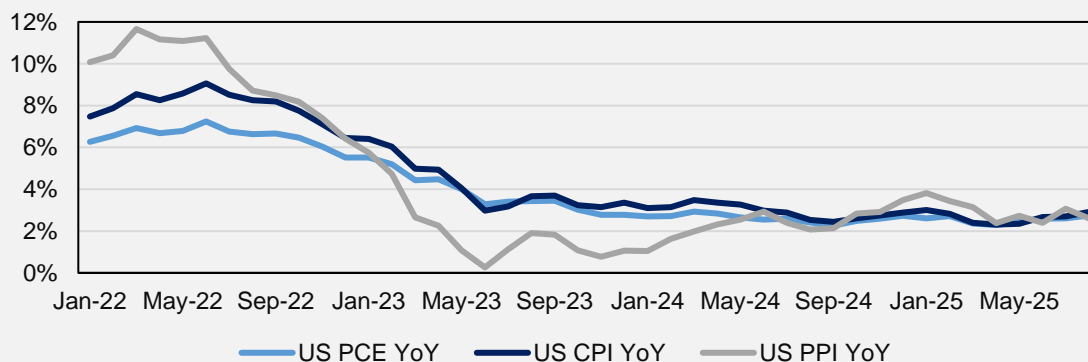
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### Market performances

Financial markets ended the week broadly higher, supported by robust earnings, moderating yields, and a softer US dollar. In equities, US benchmarks rallied — the S&P 500 (+1.7%), Dow Jones (+1.6%), and Nasdaq (+2.1%) — reflecting strong corporate results and improved risk appetite. European indices were mixed, with the STOXX 600 (+0.4%) edging higher and the DAX (-1.7%) and FTSE 100 (-0.8%) lagging on weaker industrial and growth data. In Asia, performance diverged as India's Sensex (+1.8%) gained on easing inflation, while Hong Kong's Hang Seng (-4.0%) slumped amid technology sector weakness. GCC markets were steady, led by Tadawul (+1.0%), Kuwait (+0.9%), and ADX (+0.1%), while Qatar (-0.8%) softened modestly. In fixed income, global yields drifted lower as demand for duration strengthened: the US 10-year Treasury yield eased to 4.02%, the 10-year German Bund yield fell to 2.58%, and the UK Gilt yield declined to 4.53%. The US Dollar Index (-0.55%) weakened, lifting EUR/USD (+0.31%) and GBP/USD (+0.50%), while the JPY firmed to 150.6 per dollar. Commodities saw diverging trends — gold (+5.8%) surged to a record USD 4,265/oz, supported by safe-haven demand amid the US shutdown, while Brent (-2.3%) and WTI (-2.3%) retreated as OPEC+ maintained output discipline. Silver (+3.5%), Platinum (+1.4%), and Aluminum (+0.6%) rose modestly, while Copper (-1.9%) weakened on soft industrial activity. Digital assets came under pressure, with Bitcoin (-6.4%), Solana (-6.7%), and XRP (-7.4%) declining on profit-taking, though Ether (-0.3%) held steady around USD 4,030. Overall, markets ended the week encouraged by improving earnings momentum, easing trade frictions, and steadier yields, though the global outlook remained clouded by political volatility and uneven growth signals.

### Chart of the Week: US inflation trends

CPI, PPI, and PCE YoY changes



Source: Bloomberg, and ADCB Asset Management

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ASSET MANAGEMENT LIMITED

## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	4.30	15.00	0.00	-7.00
UAE Eibor 3m	3.87	-7.63	-23.23	-29.16
UAE Eibor 12m	3.71	-18.87	-53.33	-71.08
US 3m Bills	3.90	-2.80	-41.36	-39.96
US 10yr Treasury	4.02	-2.34	-40.67	-54.15
German 10yr Bund	2.58	-6.40	-11.50	8.70
UK 10yr Gilt	4.53	-14.40	-14.30	-2.70
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	502	0.77	2.16	7.16
Global Treasuries	210	0.89	1.55	6.34
Global Corporate	303	0.66	3.19	8.74
EM USD Sovereign	448	0.47	4.85	8.53
EM LCY Sovereign	160	0.45	0.98	5.90
Global High Yield	1,820	0.49	2.51	7.47
Currencies				
Dollar Index	98.45	-0.55	-0.05	-8.05
EUR USD	1.1669	0.31	0.25	11.57
GBP USD	1.3438	0.50	0.08	6.56
USD JPY	150.63	-0.38	1.21	-0.87
Equities				
S&P 500	6,664	1.70	5.83	8.72
Dow Jones	46,191	1.56	4.17	3.67
NASDAQ	22,680	2.14	8.54	13.17
STOXX 600	566	0.37	3.52	1.63
DAX	23,831	-1.69	-1.89	4.32
Nikkei 225	48,992	-1.05	19.50	21.17
FTSE 100	9,355	-0.77	4.03	6.71
SENSEX	84,403	1.76	2.68	10.51
Hang Seng	25,855	-3.97	1.70	9.88
MSCI World	4,296	1.38	5.68	9.86
MSCI EM	1,362	-0.30	8.98	19.55
Regional Equities				
ADX	10,124	0.10	-1.34	5.25
DFM	5,992	0.17	-1.67	11.49
Tadawul*	11,697	0.98	6.27	-5.17
DSM*	10,851	-0.75	-0.59	2.00
MSM30*	5,290	0.76	13.65	18.38
BHSE*	1,974	0.15	1.45	3.79
KWSE*	8,863	0.94	3.08	9.92
Commodities				
BBG Commodity Index	106.4	1.47	0.47	-1.56
Brent USD/bbl	61.0	-2.30	-11.53	-19.19
WTI USD/bbl	57.3	-2.31	-14.55	-19.92
Gold USD/t oz	4,264.6	5.82	26.92	45.05
Silver USD/t oz	52.1	3.53	36.01	57.91
Platinum USD/t oz	1,599.8	1.41	13.31	64.22
Aluminum	2,778.1	0.64	5.64	3.72
Copper USD/MT	10,527.5	-1.93	8.90	13.26
Digital Assets				
Bitcoin	110,096.1	-6.38	-8.89	12.67
Ether	4,032.9	-0.29	9.62	45.56
Solana	191.0	-6.66	4.73	9.64
XRP	2.4	-7.36	-32.29	-8.73
Volatility				
VIX	20.78	-4.06	26.63	35.37
MOVE	78.62	-3.71	-5.61	-6.97

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as of October 17 2025 unless stated otherwise; \*\*Data as of October 16 25 2025.

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## Forthcoming important economic data/events

### United States



Date & Time (GST)	Indicator	Period	Expected	Prior
10/21/2025 16:30	Philadelphia Fed Non-Manufacturing Activity	Oct	--	-12.3
10/22/2025 15:00	<b>MBA Mortgage Applications</b>	17-Oct	--	-1.80%
10/23/2025 16:30	<b>Initial Jobless Claims</b>	18-Oct	230k	218k
10/23/2025 16:30	<b>Continuing Claims</b>	11-Oct	--	--
10/23/2025 18:00	<b>Existing Home Sales</b>	Sep	4.06m	4.00m
10/23/2025 19:00	Kansas City Fed Manf. Activity	Oct	--	4
10/24/2025 16:30	<b>CPI YoY</b>	Sep	3.10%	2.90%
10/24/2025 16:30	<b>Core CPI YoY</b>	Sep	3.10%	3.10%
10/24/2025 16:30	CPI Index NSA	Sep	325.007	323.976
10/24/2025 17:45	<b>S&amp;P Global US Manufacturing PMI</b>	Oct P	51.8	52
10/24/2025 17:45	<b>S&amp;P Global US Services PMI</b>	Oct P	53.5	54.2
10/24/2025 18:00	<b>New Home Sales</b>	Sep	710k	800k
10/24/2025 18:00	<b>U. of Mich. Sentiment</b>	Oct F	55	55
10/24/2025 18:00	U. of Mich. Current Conditions	Oct F	--	61
10/24/2025 18:00	U. of Mich. Expectations	Oct F	--	51.2
10/24/2025 18:00	<b>U. of Mich. 1 Yr Inflation</b>	Oct F	--	4.60%
10/24/2025 18:00	<b>U. of Mich. 5-10 Yr Inflation</b>	Oct F	--	3.70%
10/24/2025 19:00	Kansas City Fed Services Activity	Oct	--	-9
10/24/2025	<b>Building Permits</b>	Sep F	--	--

### Japan



Date & Time (GST)	Indicator	Period	Expected	Prior
10/21/2025 10:00	<b>Machine Tool Orders YoY</b>	Sep F	--	9.90%
10/22/2025 3:50	Trade Balance	Sep	¥30.5b	-¥242.5b
10/24/2025 3:30	<b>Natl CPI YoY</b>	Sep	2.90%	2.70%
10/24/2025 3:30	<b>Natl CPI Ex Fresh Food YoY</b>	Sep	3.00%	2.70%
10/24/2025 4:30	<b>S&amp;P Global Japan PMI Mfg</b>	Oct P	--	48.5
10/24/2025 4:30	<b>S&amp;P Global Japan PMI Services</b>	Oct P	--	53.3
10/24/2025 9:00	Leading Index CI	Aug F	--	107.4
10/24/2025 9:00	Coincident Index	Aug F	--	113.4
10/24/2025 9:30	Nationwide Dept Sales YoY	Sep	--	2.60%

### Eurozone



Date & Time (GST)	Indicator	Period	Expected	Prior
10/20/2025 10:00	<b>Germany PPI YoY</b>	Sep	-1.40%	-2.20%
10/23/2025 10:45	<b>France Manufacturing Confidence</b>	Oct	--	96
10/23/2025 18:00	Eurozone Consumer Confidence	Oct P	-14.5	-14.9
10/24/2025 10:45	France Consumer Confidence	Oct	--	87
10/24/2025 11:15	<b>France HCOB Manufacturing PMI</b>	Oct P	--	48.2
10/24/2025 11:15	<b>France HCOB Services PMI</b>	Oct P	--	48.5
10/24/2025 11:30	<b>Germany HCOB Manufacturing PMI</b>	Oct P	49	49.5
10/24/2025 11:30	<b>Germany HCOB Services PMI</b>	Oct P	51	51.5
10/24/2025 12:00	<b>Eurozone HCOB Manufacturing PMI</b>	Oct P	50	49.8
10/24/2025 12:00	<b>Eurozone HCOB Services PMI</b>	Oct P	51.5	51.3

### United Kingdom



Date & Time (GST)	Indicator	Period	Expected	Prior
10/20/2025 3:01	Rightmove House Prices MoM	Oct	--	0.40%
10/22/2025 10:00	<b>CPI YoY</b>	Sep	--	3.80%
10/22/2025 10:00	<b>CPI Core YoY</b>	Sep	--	3.60%
10/22/2025 10:00	<b>Retail Price Index</b>	Sep	--	407.7
10/22/2025 10:00	<b>RPI YoY</b>	Sep	--	4.60%
10/24/2025 10:00	Retail Sales Inc Auto Fuel MoM	Sep	--	0.50%
10/24/2025 10:00	Retail Sales Ex Auto Fuel MoM	Sep	--	0.80%
10/24/2025 12:30	<b>S&amp;P Global UK Services PMI</b>	Oct P	--	50.8
10/24/2025 12:30	<b>S&amp;P Global UK Manufacturing PMI</b>	Oct P	--	46.2

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## China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
10/24/2025 9:00	India HSBC PMI Mfg	Oct P	--	57.7
10/24/2025 9:00	India HSBC PMI Services	Oct P	--	60.9

## GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
10/15/2025-10/20/2025	Qatar CPI YoY	Sep	--	0.73%
10/17/2025-10/22/2025	Oman CPI YoY	Sep	--	0.50%
10/22/2025-10/30/2025	Kuwait CPI YoY	Sep	--	--
10/24/2025-10/28/2025	Bahrain CPI YoY	Sep	--	-0.80%
10/26/2025 10:00	Saudi Arabia Trade Balance	Aug	--	26851.0m

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