

The Weekly Market View

Investment Strategy | October 27 2025

Global markets rallied on easing inflation and policy optimism

Macro headlines

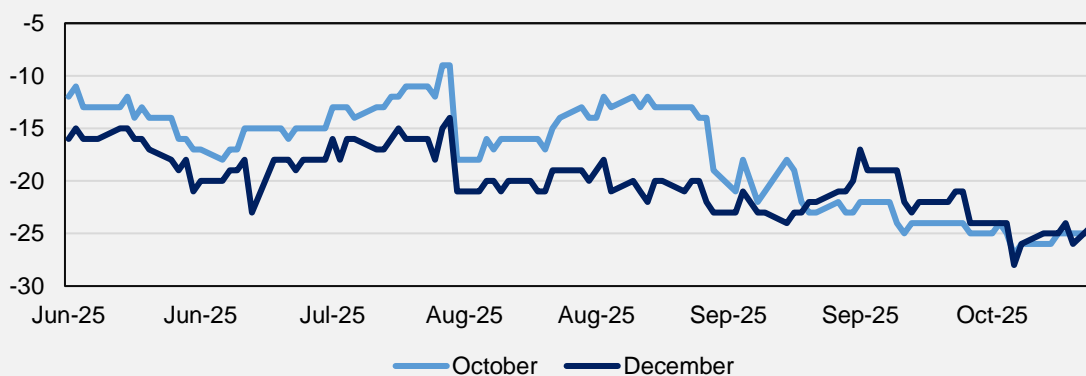
Global macroeconomic developments during the week reflected a delicate balance between progress in trade diplomacy and persistent geopolitical risks. In Washington, the ongoing US government shutdown entered its third week, though signs of a possible resolution emerged as bipartisan talks gained momentum. President Trump sharpened his China agenda, prioritizing rare earths, fentanyl, soybeans, and Taiwan in upcoming negotiations, while also signing a critical minerals pact with Australia to diversify supply chains away from Beijing. Tensions with Russia escalated after the US imposed sweeping sanctions on Rosneft and Lukoil in response to Moscow's renewed military exercises and refusal to engage in ceasefire talks. Meanwhile, the EU complemented US sanctions by adopting measures targeting Russia's energy infrastructure and formally committing to phase out Russian oil and gas imports by 2028 — a milestone in reshaping Europe's energy landscape. In Asia, China's Q3 GDP grew 4.8% YoY, slightly above expectations, though investment contracted 7% YoY, highlighting an uneven recovery despite policy support. Japan elected its first female prime minister, Sanae Takaichi, who is expected to pursue pro-growth reforms and a firmer defense posture. The Eurozone's activity strengthened, with composite PMIs posting their fastest expansion in 2.5 years, and France's business and consumer confidence improving. In the UK, manufacturing activity expanded for the first time in a year, while moderating inflation at 3.8% fueled speculation of an impending BoE rate cut. In emerging markets, Türkiye cut rates by 100 bps to 39.5%, extending its easing cycle, while India's and South Korea's growth indicators moderated. Global focus also turned to the US CPI, which rose 0.3% in September, slightly below expectations, reinforcing hopes that inflationary pressures are easing even as tariffs continued to lift consumer prices.

Market performances

Global markets ended the week broadly higher, with investors encouraged by resilient corporate earnings, easing inflation, and a partial improvement in risk sentiment. In equities, the S&P 500 rose 1.9%, the Dow Jones gained 2.2%, and the Nasdaq advanced 2.3%, supported by strong technology and industrial shares. In Europe, the STOXX 600 added 1.7%, the DAX rose 1.7%, and the FTSE 100 climbed 3.1%, driven by energy and financials. Asian markets outperformed, led by Japan's Nikkei 225 +3.6% and Hong Kong's Hang Seng +3.6%, while China's CSI 300 was little changed. Regional markets were also positive, with the DFM up 1.2%, ADX gaining 0.8%, and MSM 30 rising 1.5%, while Tadawul lagged by falling 0.7% on profit-taking. In fixed income, sovereign yields moved mixed: the 10-year UST yields eased 1bp to 4.03%, while the German Bund yield rose 5bp and the UK Gilt fell 10bp. Global credit indices were mostly higher, with the EM USD Sovereign Bond Index up 0.6% and Global High Yield gaining 0.4%. In currencies, the USD Index strengthened 0.5%, as the JPY weakened 1.5% and the EUR and GBP fell 0.2% and 0.9%, respectively. Commodities were mixed — Brent crude surged 7.6% to USD66/bbl and WTI rose 6.9% to USD61.5/bbl, supported by supply concerns and policy coordination within OPEC+. Gold fell 3.3% to USD4,056/oz and silver declined 6.3% on stronger yields, while copper and aluminum gained 2–3% on improved industrial demand. In digital assets, Bitcoin rose 3.6% to USD115,000, and Ether advanced 2.1%, while Solana and XRP rallied 5.4% and 8.8%, respectively, buoyed by renewed institutional inflows and broader risk appetite.

Chart of the Week: Fed cut bets

Traders pricing in half-point by year-end



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	4.24	6.00	-12.00	-13.00
UAE Eibor 3m	3.76	-10.28	-45.85	-64.04
UAE Eibor 12m	3.68	-3.80	-51.60	-83.43
US 3m Bills	3.83	-6.97	-50.14	-43.36
US 10yr Treasury	4.04	-0.81	-38.71	-53.20
German 10yr Bund	2.64	4.60	-9.20	25.90
UK 10yr Gilt	4.43	-9.90	-20.30	-17.90
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	501	-0.19	1.58	8.05
Global Treasuries	209	-0.37	0.82	7.12
Global Corporate	304	0.10	2.70	9.99
EM USD Sovereign	450	0.59	4.75	10.96
EM LCY Sovereign	160	-0.13	0.78	7.75
Global High Yield	1,827	0.36	2.24	9.88
Currencies				
Dollar Index	98.95	0.53	1.34	-8.49
EUR USD	1.1623	-0.24	-0.98	11.86
GBP USD	1.3312	-0.86	-0.95	6.11
USD JPY	152.95	1.49	3.50	-2.73
Equities				
S&P 500	6,792	1.92	6.31	14.98
Dow Jones	47,207	2.20	5.13	10.88
NASDAQ	23,205	2.31	9.93	19.08
STOXX 600	576	1.68	4.69	14.05
DAX	24,240	1.72	0.09	21.75
Nikkei 225	50,512	3.61	18.92	23.57
FTSE 100	9,646	3.11	5.76	18.77
SENSEX	84,819	0.31	3.37	7.62
Hang Seng	26,447	3.62	3.04	30.53
MSCI World	4,371	1.74	5.91	17.54
MSCI EM	1,389	2.04	10.46	28.84
Regional Equities				
ADX	10,230	0.76	-1.34	8.34
DFM	6,041	1.24	-1.37	17.72
Tadawul*	11,612	-0.73	6.08	-3.24
DSM*	10,877	0.24	-3.06	3.71
MSM30*	5,370	1.53	13.82	18.16
BHSE*	1,993	0.97	2.03	0.39
KWSE*	8,923	0.68	3.85	20.96
Commodities				
BBG Commodity Index	107.4	1.67	3.78	8.61
Brent USD/bbl	66.0	7.59	-3.65	-11.36
WTI USD/bbl	61.6	6.88	-5.62	-13.37
Gold USD/t oz	4,069.2	-3.26	23.24	57.88
Silver USD/t oz	48.2	-6.34	27.43	67.97
Platinum USD/t oz	1,619.5	-0.61	14.47	78.01
Aluminum	2,857.5	2.86	8.35	12.69
Copper USD/MT	10,807.0	2.65	10.41	22.35
Digital Assets				
Bitcoin	115,928.3	3.61	-5.28	20.67
Ether	4,223.3	2.10	6.87	18.88
Solana	204.3	5.39	5.31	2.35
XRP	2.6	8.76	-19.47	22.73
Volatility				
VIX	16.37	-21.22	9.65	-5.92
MOVE	68.94	-12.31	-16.02	-30.42

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of October 24 2025 unless stated otherwise; **Data as of October 23 2025.

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Forthcoming important economic data/events

United States



Date & Time (GST)	Indicator	Period	Expected	Prior
10/27/2025 16:30	Durable Goods Orders	Sep P	0.30%	--
10/27/2025 18:30	Dallas Fed Manf. Activity	Oct	--	-8.7
10/28/2025 17:00	FHFA House Price Index MoM	Aug	--	-0.10%
10/28/2025 18:00	Richmond Fed Manufact. Index	Oct	--	-17
10/28/2025 18:00	Conf. Board Consumer Confidence	Oct	93.8	94.2
10/28/2025 18:30	Dallas Fed Services Activity	Oct	--	-5.6
10/29/2025 15:00	MBA Mortgage Applications	24-Oct	--	-0.30%
10/29/2025 16:30	Wholesale Inventories MoM	Sep P	-0.20%	--
10/29/2025 16:30	Advance Goods Trade Balance	Sep	-\$90.0b	-\$85.5b
10/29/2025 18:00	Pending Home Sales NSA YoY	Sep	--	0.50%
10/29/2025 22:00	FOMC Rate Decision (Upper Bound)	29-Oct	4.00%	48.26%
10/29/2025 22:00	FOMC Rate Decision (Lower Bound)	29-Oct	3.75%	2.90%
10/29/2025 22:00	Fed Interest on Reserve Balances Rate	30-Oct	--	4.15%
10/29/2025 22:00	Fed Reverse Repo Rate	30-Oct	--	4.00%
10/30/2025 16:30	Initial Jobless Claims	25-Oct	--	--
10/30/2025 16:30	GDP Annualized QoQ	3Q A	3.00%	3.80%
10/30/2025 16:30	Personal Consumption	3Q A	--	2.50%
10/30/2025 16:30	Continuing Claims	18-Oct	--	--
10/30/2025 16:30	GDP Price Index	3Q A	--	2.10%
10/31/2025 16:30	Personal Income	Sep	0.40%	0.40%
10/31/2025 16:30	Personal Spending	Sep	0.40%	0.60%
10/31/2025 16:30	PCE Price Index YoY	Sep	--	2.70%
10/31/2025 16:30	Employment Cost Index	3Q	0.90%	0.90%
10/31/2025 17:45	MNI Chicago PMI	Oct	42	40.6

Japan



Date & Time (GST)	Indicator	Period	Expected	Prior
10/29/2025 9:00	Consumer Confidence Index	Oct	35.6	35.3
10/31/2025 3:30	Jobless Rate	Sep	2.50%	2.60%
10/31/2025 3:30	Tokyo CPI YoY	Oct	2.40%	2.50%
10/31/2025 3:30	Tokyo CPI Ex-Fresh Food, Energy YoY	Oct	2.60%	2.50%
10/31/2025 3:50	Retail Sales YoY	Sep	0.90%	-1.10%
10/31/2025 3:50	Industrial Production MoM	Sep P	1.40%	-1.50%
10/31/2025 9:00	Housing Starts YoY	Sep	-7.90%	-9.80%
10/31/2025 9:00	Annualized Housing Starts	Sep	0.740m	0.711m

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Eurozone



Date & Time (GST)	Indicator	Period	Expected	Prior
10/27/2025 13:00	Germany IFO Business Climate	Oct	88	87.7
10/27/2025 13:00	Germany IFO Current Assessment	Oct	--	85.7
10/27/2025 13:00	Germany IFO Expectations	Oct	--	89.7
10/27/2025-11/02/2025	Germany Retail Sales NSA YoY	Sep	--	-1.10%
10/27/2025 13:00	Eurozone ECB 1 Year CPI Expectations	Sep	--	2.80%
10/27/2025 13:00	Eurozone ECB 3 Year CPI Expectations	Sep	--	2.50%
10/28/2025 11:00	Germany GfK Consumer Confidence	Nov	-21.8	-22.3
10/30/2025 10:30	France GDP QoQ	3Q P	--	0.30%
10/30/2025 14:00	Eurozone Consumer Confidence	Oct F	--	-14.2
10/30/2025 14:00	Eurozone Economic Confidence	Oct	95.7	95.5
10/30/2025 14:00	Eurozone GDP SA QoQ	3Q A	0.10%	0.10%
10/30/2025 14:00	Eurozone Unemployment Rate	Sep	6.30%	6.30%
10/30/2025 12:55	Germany Unemployment Change (000's)	Oct	--	14.0k
10/30/2025 12:55	Germany Unemployment Claims Rate SA	Oct	6.30%	6.30%
10/30/2025 13:00	Germany GDP SA QoQ	3Q P	0.00%	-0.30%
10/30/2025 17:00	Germany CPI YoY	Oct P	2.20%	2.40%
10/30/2025 17:00	Germany CPI EU Harmonized YoY	Oct P	2.20%	2.40%
10/30/2025 17:15	Eurozone ECB Deposit Facility Rate	30-Oct	2.00%	2.00%
10/30/2025 17:15	Eurozone ECB Main Refinancing Rate	30-Oct	2.15%	2.15%
10/30/2025 17:15	Eurozone ECB Marginal Lending Facility	30-Oct	2.40%	2.40%
10/31/2025 11:45	France CPI EU Harmonized YoY	Oct P	--	1.10%
10/31/2025 11:45	France CPI YoY	Oct P	--	1.20%
10/31/2025 11:45	France PPI YoY	Sep	--	0.10%
10/31/2025 14:00	Eurozone CPI Estimate YoY	Oct P	2.20%	2.20%
10/31/2025 14:00	Eurozone CPI Core YoY	Oct P	2.40%	2.40%

United Kingdom



Date & Time (GST)	Indicator	Period	Expected	Prior
10/28/2025 4:01	BRC Shop Price Index YoY	Oct	--	1.40%
10/29/2025 13:30	Net Consumer Credit	Sep	--	1.7b
10/29/2025 13:30	Consumer Credit YoY	Sep	--	7.10%
10/29/2025 13:30	Mortgage Approvals	Sep	--	64.7k
10/30/2025-11/05/2025	Nationwide House Px NSA YoY	Oct	--	2.20%

China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
10/28/2025 14:30	India Industrial Production YoY	Sep	2.10%	4.00%
10/31/2025 5:30	China Manufacturing PMI	Oct	49.6	49.8
10/31/2025 5:30	China Non-manufacturing PMI	Oct	50.2	50
10/31/2025 5:30	China Composite PMI	Oct	--	50.6
10/31/2025 14:30	India Fiscal Deficit YTD INR	Sep	--	5982b
10/31/2025	India Bank Credit YoY	Sep	--	10.00%

GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
10/24/2025-10/28/2025	Bahrain CPI YoY	Sep	--	-0.80%
10/30/2025 10:00	Saudi Arabia GDP Constant Prices YoY	3Q P	--	3.90%
10/30/2025	Saudi Arabia M3 Money Supply YoY	Sep	--	8.40%

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