

Daily Market View

Investment Strategy | April 01, 2026

Markets rebound sharply on US-Iran de-escalation hopes

Macro headlines

President Trump said the US could end its military attacks on Iran within two to three weeks and that Tehran does not need to agree to a deal for the conflict to wind down. The comments came as the administration continued to send mixed signals – balancing talk of de-escalation with warnings that Iran must open the Strait of Hormuz or face further strikes. In US domestic policy, Trump also signed an executive order tightening nationwide rules on mail-in voting, directing the administration to compile lists of confirmed US citizens eligible to vote in each state, prompting immediate legal challenges. A US judge blocked Trump's plan to construct a USD400m ballroom on the White House grounds without congressional approval. Meanwhile, US banks have begun charging higher rates on loans to private credit funds amid growing doubts about asset valuations, a shift that could pressure returns across the sector. US labor market data showed continued cooling. February JOLTS reported 6.9m openings, with hiring falling to its lowest level since April 2020. Home price growth also softened, with the Case Shiller national index rising just 0.9% y/y in January. In the UK, Q4 GDP was confirmed at 0.1% q/q, with annual growth revised up to 1.4% for 2025. Eurozone inflation accelerated sharply to 2.5% in March, driven by a 4.9% surge in energy prices – the first annual increase in nearly a year. Core inflation, however, eased slightly to 2.3%. China's manufacturing PMI returned to expansion at 50.4 in March after two months below 50, signaling resilience despite rising commodity costs. SpaceX advanced its blockbuster IPO plans, working with at least 21 banks on a June listing that could value the company at USD1.75trn.

Market performances

Global markets rallied on Tuesday on speculation of a potential de-escalation in the Iran conflict, even as March closed with the steepest monthly losses in years. The Dow rose 2.49% to 46,341.51, the S&P 500 gained 2.91% to 6,528.52, and the Nasdaq surged 3.83% to 21,590.63. Despite the rebound on Tuesday, all three indices posted their deepest quarterly declines since 2022. European equities also recovered, with the STOXX 600 up 0.41% after an 8% monthly drop – its worst since 2022. Asian markets were mixed. MSCI Asia ex Japan fell 1.96%, while the Nikkei dropped 2.79% amid concerns that prolonged energy disruption could push oil toward USD150/bbl. Gulf stock markets ended mixed on Tuesday as investors weighed the possibility of President Trump ending the Iran war. Global equity benchmark rose 1.88%. Markets remained highly sensitive to any hint of progress, with oversold conditions amplifying relief rallies. Oil markets were volatile. Brent for May delivery settled up 4.94% at USD118.35/bbl ahead of expiry, while the June contract fell to USD103.97/bbl. WTI slipped 1.46% to USD101.38/bbl. The average US gasoline price hit USD4 per gallon. Bond markets rallied after weeks of heavy selling. The US 10-year yield fell to 4.348%, while the 2-year dropped to 3.834%. German 2 year yields also eased. The dollar weakened, with the dollar index down to 99.96. The yen strengthened to 158.95 after fresh warnings from Japanese authorities. Gold rose to USD4,638.3/oz but remains down more than 10% for the month.

What's next

Wednesday brings a global wave of manufacturing PMIs from Brazil, Canada, China, the eurozone, France, Germany, Italy, Japan, the UK, and the US – offering the first synchronized read on March activity. In the US, February retail sales, the March ISM manufacturing survey, ADP employment, business inventories, and remarks from Fed President Musalem are due. Canada releases minutes from its latest monetary policy meeting. In Europe, Italy and the eurozone publish February unemployment, while Asia sees Japan's Q1 Tankan survey. Markets will also track early-session moves in Asia, where stocks and bonds rallied on hopes of de-escalation and stronger-than-expected Korean and Japanese data.

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Global markets' performance snapshot

Performance snapshot*					
Rates	Latest	1D (bp)	1M (bp)	3M (bp)	
SOFR	3.63	0.00	-4.00	-14.00	
UAE Eibor 3m	3.66	-3.87	-0.30	-3.62	
UAE Eibor 12m	3.91	-5.44	29.50	35.36	
US 3m Bills	3.67	-0.93	0.89	5.46	
US 10yr Treasury	4.32	-3.16	26.47	20.64	
German 10yr Bund	3.00	-3.10	29.70	17.50	
UK 10yr Gilt	4.92	-1.90	59.90	43.00	
Fixed Income		1D (%)	1M (%)	3M(%)	
Global Agg. Index	496	0.30	-2.77	-1.25	
Global Treasuries	205	0.28	-3.07	-1.65	
Global Corporate	300	0.37	-2.71	-1.47	
EM USD Sovereign	450	0.32	-3.48	-1.88	
EM LCY Sovereign	161	0.08	-3.52	-0.96	
Global High Yield	1,838	0.52	-2.63	-1.30	
Currencies					
Dollar Index	99.96	-0.55	2.31	1.96	
EUR USD	1.1541	0.71	-2.26	-1.80	
GBP USD	1.3216	0.19	-2.51	-2.00	
USD JPY	158.95	-0.31	1.68	1.77	
Equities					
S&P 500	6,529	2.91	-6.01	-5.46	
Dow Jones	46,342	2.49	-6.35	-4.38	
NASDAQ	21,591	3.83	-6.74	-8.02	
STOXX 600	583	0.41	-7.95	-1.04	
DAX	22,680	0.52	-9.91	-6.86	
Nikkei 225	51,064	-1.58	-12.84	1.06	
FTSE 100	10,176	0.48	-5.83	3.14	
SENSEX	71,948	0.00	-12.55	-15.05	
Hang Seng	24,788	0.15	-7.39	-3.30	
MSCI World	4,258	2.27	-6.98	-4.55	
MSCI EM	1,397	-1.06	-13.46	-0.32	
Regional Equities					
ADX	9,521	-0.05	-10.50	-5.37	
DFM	5,434	-0.15	-18.60	-11.45	
Tadawul*	11,250	0.74	4.39	1.04	
DSM*	10,188	0.93	-4.77	-10.13	
MSM30*	8,168	0.44	10.71	31.45	
BHSE*	1,899	-0.32	-4.26	-7.50	
KWSE*	8,416	0.52	-1.56	-5.06	
Commodities					
BBG Commodity Index	135.2	0.18	11.99	22.59	
Brent USD/bbl	118.35	4.94	67.04	91.07	
WTI USD/bbl	101.38	-1.46	54.97	74.55	
Gold USD/t oz	4,638.3	2.16	-10.92	7.16	
Silver USD/t oz	75.2	7.26	-15.76	4.20	
Platinum USD/t oz	1,953.7	2.78	-14.65	-7.42	
Aluminum	3,521.4	2.08	11.30	20.06	
Copper USD/MT	12,160.0	0.19	-7.68	-1.19	
Digital Assets					
Bitcoin	68,194.0	2.40	-1.09	-21.81	
Ether	2,106.1	4.17	0.24	-28.21	
Solana	83.1	0.45	-7.60	-32.67	
XRP	1.3	1.28	-9.03	-27.46	
Volatility					
VIX	25.25	-17.51	40.83	77.82	
MOVE	96.05	-11.34	53.85	62.22	

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – April 01, 2026 unless stated otherwise. Performance in local currency.

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