

Daily Market View

Investment Strategy | April 03, 2026

Oil jumps 8-11%; global markets churn on mixed signals

Macro headlines

Dozens of countries scrambled on Thursday to find ways to restart energy shipments through the Strait of Hormuz after President Trump vowed more aggressive attacks on Iran, sending oil prices sharply higher and intensifying pressure on consumers. Diplomats said the UN Security Council will vote on a Bahraini resolution to protect commercial shipping, though China signaled it would oppose any authorization of force. The US administration announced sweeping new tariffs: 100% duties on certain branded pharmaceutical imports and revised tariffs on steel, aluminum, and copper. The move marks an attempt to regain trade policy momentum after the collapse of Trump's last year's global tariff program. The Treasury said it will meet domestic and international insurance regulators to assess risks in the private credit market following recent turmoil. Private credit stress continued to build. Blue Owl said it would limit withdrawals from two retail-focused funds after investors requested redemptions equal to 40.7% of shares in its technology income fund and 21.9% in its larger credit income vehicle. Japan's finance minister warned currency traders that the government stands ready to act against speculative FX moves as volatility rises. US layoff announcements accelerated in March, led by the technology sector, where 18,720 job cuts were announced – up 24% from a year earlier. AI-related restructuring accounted for a quarter of all layoffs across industries. US February exports and imports both rose sharply, widening the trade deficit to USD57.3bn. Switzerland's CPI rose 0.3% y/y in March, below expectations. China's services PMI slowed to 52.1 from February's 33-month high, reflecting softer demand and weaker overseas orders.

Market performances

Markets were volatile on Thursday as oil surged and investors struggled to interpret conflicting signals from Washington and Tehran. Brent jumped 7.78% to USD109.03/bbl, while WTI surged 11.41% to USD111.54/bbl after Trump said the US would hit Iran "extremely hard" in the coming weeks. Reasons behind WTI's move above Brent are somewhat technical as WTI's front-month contract reflects May delivery while Brent has already rolled to June – with both futures curves in extreme backwardation. Of course, part of this could also be tied to President Trump's comments that the US would not be importing from the Strait of Hormuz anymore. Equities were mixed. The Dow slipped 0.13% to 46,505, while the S&P 500 rose 0.11% and the Nasdaq gained 0.18%. European equities fell modestly, with the STOXX 600 down 0.18%. South Korea's Kospi dropped 4.7% amid concerns about prolonged energy disruption. Major Gulf equities ended lower on Thursday after US President Donald Trump dimmed hopes for a swift end to the Middle East war. Bond markets reflected rising stagflation fears. The US 10-year yield edged down to 4.30%, while the 2-year held at 3.803%. German 10-year yields snapped a three-day decline. The dollar strengthened, with the dollar index rising 0.38%. The yen weakened to 159.51 despite warnings from Japanese authorities. Gold fell to USD4,659.4/oz as the stronger dollar weighed on precious metals.

What's next

Friday is a holiday in several major markets, including the US, UK, India, and Hong Kong, but key macro releases are still scheduled. In the US, March nonfarm payrolls, unemployment, average earnings, the S&P Global services and composite PMIs, and the ISM services index are due. In Europe, France publishes February industrial production, Türkiye releases March inflation, and the UK reports March new car sales. Russia's services and composite PMIs are also due. OPEC+ producers – including Saudi Arabia, Russia, the UAE, Kuwait, Iraq, Algeria, Oman, and Kazakhstan – meet on Sunday to decide May output policy. Markets are now focused almost entirely on whether the Strait of Hormuz will reopen soon. Shipping data showed some improvement, but Iran's shift toward targeting Israeli and US assets suggests the conflict's trajectory remains uncertain.

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.65	0.00	-3.00	-22.00
UAE Eibor 3m	3.84	8.13	36.90	36.93
UAE Eibor 12m	3.98	0.06	22.35	37.15
US 3m Bills	3.69	0.27	3.32	6.30
US 10yr Treasury	4.30	-1.37	36.74	13.79
German 10yr Bund	2.99	0.60	34.90	13.70
UK 10yr Gilt	4.83	0.30	60.00	35.40
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	498	-0.25	-2.75	-0.74
Global Treasuries	206	-0.37	-3.12	-1.12
Global Corporate	301	-0.03	-2.40	-0.81
EM USD Sovereign	453	-0.09	-2.84	-1.24
EM LCY Sovereign	162	-0.30	-2.88	-0.41
Global High Yield	1,848	-0.14	-1.96	-0.79
Currencies				
Dollar Index	100.03	0.38	2.48	1.74
EUR USD	1.1539	-0.69	-2.31	-1.68
GBP USD	1.3232	-0.80	-1.85	-1.64
USD JPY	159.51	0.61	2.22	1.71
Equities				
S&P 500	6,583	0.11	-4.31	-3.84
Dow Jones	46,505	-0.13	-5.05	-3.24
NASDAQ	21,879	0.18	-3.48	-5.86
STOXX 600	597	-0.18	-5.87	0.75
DAX	23,168	-0.56	-8.37	-5.40
Nikkei 225	52,463	-2.38	-10.85	4.22
FTSE 100	10,436	0.69	-4.35	5.08
SENSEX	73,320	0.25	-9.80	-13.96
Hang Seng	25,117	-0.70	-5.69	-2.01
MSCI World	4,314	-0.19	-5.34	-2.64
MSCI EM	1,434	-1.59	-10.94	2.14
Regional Equities				
ADX	9,583	-0.70	-8.33	-4.10
DFM	5,511	-0.61	-15.27	-8.87
Tadawul*	11,268	-0.07	4.04	-0.02
DSM*	10,227	-0.42	-1.76	-9.67
MSM30*	8,236	0.56	6.10	32.93
BHSE*	1,890	-0.66	-3.54	-7.89
KWSE*	8,468	-0.18	-0.12	-2.86
Commodities				
BBG Commodity Index	137.2	1.99	12.78	25.11
Brent USD/bbl	109.03	7.78	50.43	79.18
WTI USD/bbl	111.54	11.41	66.43	94.25
Gold USD/t oz	4,659.4	-2.67	-11.74	7.80
Silver USD/t oz	73.0	-2.75	-22.15	1.89
Platinum USD/t oz	1,990.5	1.26	-15.98	-3.40
Aluminum	3,532.1	-1.57	12.51	18.57
Copper USD/MT	12,147.0	-1.00	-9.62	-2.86
Digital Assets				
Bitcoin	66,937.8	-1.81	2.15	-23.63
Ether	2,068.1	-3.51	7.64	-30.55
Solana	79.1	-4.11	-2.53	-36.32
XRP	1.3	-2.24	-2.48	-28.34
Volatility				
VIX	23.87	-2.73	20.19	59.67
MOVE	84.41	-6.41	15.03	31.97

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – April 03, 2026 unless stated otherwise.
Performance in local currency.

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