

Daily Market View

Investment Strategy | April 06, 2026

US jobs rebound masks labor market fragility

Macro headlines

The US rescued an airman missing from one of two warplanes downed in Iran, as President Trump and Israel intensified pressure on Tehran to reopen the Strait of Hormuz or face strikes on energy facilities. Intelligence assessments now warn that Iran is unlikely to reopen the strait soon, viewing its control over the world's most critical oil artery as its only meaningful leverage. In domestic US policy, Trump requested a 10% cut in non-defense spending for FY2027 and a USD500bn increase in the military budget. He is also considering a broader cabinet shake-up following the removal of Attorney General Pam Bondi, reflecting growing political strain from the war. Separately, a US federal judge reaffirmed the block on subpoenas targeting Fed Chair Powell, setting up a likely appeal and prolonging the administration's effort to reshape the central bank's leadership. In Europe, five EU countries called for a windfall tax on energy companies' profits to fund consumer relief and signal unity amid surging fuel prices. US job growth rebounded sharply in March, posting the largest payroll gain in 15 months as a healthcare strike ended and warmer weather boosted hiring. But the underlying picture was weaker: the workweek shortened, wage growth slowed to its weakest pace in nearly five years, and the unemployment rate fell largely because 396k people left the labor force. Participation dropped below 62% for the first time since the pandemic. India's sovereign yields rose as the RBI intervened aggressively to stabilize the rupee, restricting banks' ability to offer offshore derivatives. Türkiye's inflation eased to 30.87% in March. OPEC+ agreed to raise output quotas by 206k bpd – an increase that will remain largely theoretical given war-related production constraints.

Market performances

With many markets closed for Good Friday, trading was thin but volatile. Japan's Nikkei rallied, trimming weekly losses as global efforts intensified to restore Persian Gulf oil shipments. In the Middle East, UAE markets closed mixed on Friday as Trump renewed threats to strike Iran's power and transport infrastructure. China's CSI300 fell 0.9%, extending its weekly decline to 1.4% amid persistent geopolitical uncertainty. South Korea's KOSPI rebounded 2.7% after a sharp selloff the previous session. The S&P 500 posted a gain for the holiday-shortened week, snapping a five-week losing streak, though it remains nearly 6% below its late-January high. European equities ended the week strongly, with the STOXX 600 up 3.92% on hopes the conflict may be shorter-lived than feared: Germany's DAX rose 3.89%, Italy's FTSE MIB 5.18%, France's CAC 40 3.48%, and the UK's FTSE 100 4.70% through the week. US crude topped USD110/bbl on Thursday after settling above USD100/bbl earlier in the week for the first time since 2022. The prolonged closure of the Strait of Hormuz continues to fuel concerns about a global energy shock. US Treasuries fell after the strong jobs report reinforced expectations that the Fed will keep rates steady for longer. Japanese government bond yields touched a near three decades high as inflation and growth risks mounted.

What's next

The week ahead brings a dense slate of services sector PMIs and the global composite PMI, providing the first comprehensive read on global activity since the war began. US inflation data for March will be closely watched, with headline CPI expected to accelerate to 3.4% on surging motor fuel prices and core CPI seen rising to 2.6%. China's PPI is expected to move out of deflation, supported by higher oil and metals prices. Central bank watchers will parse the FOMC minutes for clues on balance sheet policy and communication strategy. Monetary policy meetings are scheduled in India, New Zealand, Poland, Peru, and South Korea. Earnings season begins, with Delta Air Lines and Constellation Brands offering early signals on Q1 corporate performance. According to I/B/E/S Consensus, analysts expect S&P 500 earnings to rise 14.4% y/y. For Monday, markets observe Easter holidays in several regions. Key releases scheduled include US ISM services, Canada and Brazil services PMIs, Eurozone Sentix investor confidence, and India's HSBC services and composite PMIs.

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Global markets' performance snapshot

| Performance snapshot* | | | | | |
|-----------------------|----------|---------|---------|---------|--|
| Rates | Latest | 1D (bp) | 1M (bp) | 3M (bp) | |
| SOFR | 3.65 | 0.00 | -6.00 | -22.00 | |
| UAE Eibor 3m | 3.81 | -3.00 | 28.37 | 33.94 | |
| UAE Eibor 12m | 3.99 | 0.98 | 33.85 | 38.13 | |
| US 3m Bills | 3.69 | 0.23 | 2.81 | 6.53 | |
| US 10yr Treasury | 4.34 | 3.57 | 30.61 | 17.36 | |
| German 10yr Bund | 2.99 | 0.00 | 28.00 | 13.70 | |
| UK 10yr Gilt | 4.83 | 0.00 | 45.90 | 35.40 | |
| Fixed Income | | 1D (%) | 1M (%) | 3M(%) | |
| Global Agg. Index | 497 | -0.07 | -2.07 | -0.82 | |
| Global Treasuries | 206 | -0.05 | -2.38 | -1.17 | |
| Global Corporate | 301 | -0.14 | -1.82 | -0.95 | |
| EM USD Sovereign | 452 | -0.13 | -2.51 | -1.37 | |
| EM LCY Sovereign | 162 | 0.05 | -2.24 | -0.36 | |
| Global High Yield | 1,847 | -0.02 | -1.57 | -0.81 | |
| Currencies | | | | | |
| Dollar Index | 100.03 | 0.00 | 1.67 | 1.74 | |
| EUR USD | 1.1519 | -0.17 | -1.61 | -1.92 | |
| GBP USD | 1.3202 | -0.23 | -1.60 | -1.63 | |
| USD JPY | 159.67 | 0.10 | 1.47 | 1.84 | |
| Equities | | | | | |
| S&P 500 | 6,583 | 0.00 | -4.34 | -3.84 | |
| Dow Jones | 46,505 | 0.00 | -4.91 | -3.24 | |
| NASDAQ | 21,879 | 0.00 | -3.82 | -5.86 | |
| STOXX 600 | 597 | 0.00 | -4.33 | 0.75 | |
| DAX | 23,168 | 0.00 | -5.97 | -5.40 | |
| Nikkei 225 | 53,123 | 1.26 | -8.50 | 5.53 | |
| FTSE 100 | 10,436 | 0.00 | -3.19 | 5.08 | |
| SENSEX | 73,320 | 0.00 | -8.62 | -13.93 | |
| Hang Seng | 25,117 | 0.00 | -3.62 | -2.01 | |
| MSCI World | 4,316 | 0.06 | -4.77 | -2.58 | |
| MSCI EM | 1,441 | 0.45 | -9.13 | 2.54 | |
| Regional Equities | | | | | |
| ADX | 9,601 | 0.19 | -8.16 | -3.92 | |
| DFM | 5,485 | -0.46 | -15.66 | -9.29 | |
| Tadawul* | 11,272 | 0.03 | 3.48 | -0.97 | |
| DSM* | 10,160 | -0.65 | -3.10 | -10.17 | |
| MSM30* | 8,276 | 0.49 | 6.93 | 30.73 | |
| BHSE* | 1,880 | -0.51 | -3.51 | -8.03 | |
| KWSE* | 8,444 | -0.29 | -1.92 | -1.42 | |
| Commodities | | | | | |
| BBG Commodity Index | 137.2 | 0.00 | 10.84 | 25.11 | |
| Brent USD/bbl | 109.03 | 0.00 | 40.25 | 79.18 | |
| WTI USD/bbl | 111.54 | 0.00 | 56.59 | 94.25 | |
| Gold USD/t oz | 4,676.8 | 0.37 | -11.87 | 8.27 | |
| Silver USD/t oz | 73.0 | 0.00 | -18.31 | 1.90 | |
| Platinum USD/t oz | 1,989.4 | -0.05 | -13.77 | -3.45 | |
| Aluminum | 3,532.1 | 0.00 | 10.56 | 18.57 | |
| Copper USD/MT | 12,147.0 | 0.00 | -8.19 | -2.86 | |
| Digital Assets | | | | | |
| Bitcoin | 66,830.2 | -0.16 | -3.74 | -24.29 | |
| Ether | 2,052.7 | -0.74 | 0.44 | -31.27 | |
| Solana | 80.2 | 1.31 | -8.45 | -36.01 | |
| XRP | 1.3 | -0.11 | -5.87 | -29.57 | |
| Volatility | | | | | |
| VIX | 23.87 | 0.00 | 11.33 | 59.67 | |
| MOVE | 81.78 | -3.12 | 11.71 | 27.86 | |

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – April 06, 2026 unless stated otherwise. Performance in local currency.

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