Daily Market View

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ADCB ASSET MANAGEMENT LIMITED

Trump threatens new strikes as Iran offers 10-clause framework

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Macro headlines

NASA's Artemis II mission broke the Apollo 13 distance record, underscoring the US's continued technological leadership at a time when geopolitical tensions with Iran and China are intensifying. The achievement served as a reminder that strategic competition now spans not only energy routes and trade corridors, but also space (in case you missed, read our thematic paper on space at https://www.adcbam.com/en/insights/pdfs/Beyond_Gravity_Investing_in_the_Space_Economy.pdf But geopolitical tensions dominated the global agenda. Iran said it wanted a "lasting end" to the war with the US and Israel, outlining a 10-clause response that included ending regional conflicts, establishing a protocol for safe passage through the Strait of Hormuz, lifting sanctions, and reconstruction. Tehran pushed back against pressure to reopen the strait, while President Trump warned Iran could be "taken out" if it failed to meet his Tuesday night deadline for a deal. Trump said Iran's proposal was insufficient to halt planned strikes on bridges and power plants. Diplomats said the UN Security Council will vote Tuesday on a resolution to protect commercial shipping in the Strait of Hormuz, though the text has been significantly watered down after China opposed authorizing force. In the US, the government announced a 2.48% increase in payments to private insurers offering Medicare Advantage plans in 2027, lifting healthcare insurer shares. The US ISM services PMI fell more than expected to 54.0, with the prices paid index surging to 70.7 – its highest since October 2022 – reflecting inflation pressures from the Middle East conflict and tariffs. Services employment contracted, diverging from strong private payrolls data. Businesses cited the Iran war as a major source of uncertainty. In corporate news, Samsung projected Q1 earnings would exceed its entire profit for last year, driven by AI-related chip demand. SpaceX told bankers it plans to reserve a large portion of IPO shares for retail investors and will host 1,500 of them at a June event. Anthropic said it will spend hundreds of billions of dollars on Google chips and cloud services as demand for its AI tools pushes annualized revenue to USD30bn.

Market performances

Markets were cautious on Monday as investors awaited clarity on whether the US and Iran could reach a framework to de-escalate the conflict. Oil futures settled higher, with WTI closing at USD112.41/bbl and Brent at USD109.77/bbl. Prices were volatile throughout the session as traders weighed Trump's threats of intensified strikes against Iran's infrastructure against reports that both sides were considering a peace framework. US equities closed modestly higher. The Dow rose 0.36% to 46,670, the S&P 500 gained 0.44% to 6,612, and the Nasdaq rose 0.54% to 21,996. The S&P 500 and Nasdaq posted their fourth consecutive daily gain for the first time since January, though volumes were light due to Easter Monday holidays. Gulf stock markets closed mixed on Monday as investors awaited clarity on reports of US-Iran ceasefire talks that came after President Trump warned Tehran of further attacks unless the Strait of Hormuz was reopened. Global equity benchmark rose 0.35% on Monday. Treasury yields were little changed, with the 10-year at 4.33% and the 2-year at 3.852%. The dollar index dipped to 99.98, while the euro strengthened to USD1.1545. The yen weakened slightly to 159.68 despite fresh warnings from Japan's finance minister about speculative FX moves. Gold edged lower to USD4,660.5/oz, and silver prices declines as investors awaited further signals on the US-Iran situation. Markets are increasingly discounting individual headlines, focusing instead on whether the Strait of Hormuz will reopen and whether Trump follows through on threats of renewed strikes.

What's next

Tuesday brings a global wave of services and composite PMIs, offering the first synchronized read on March activity across major economies. In the US, February durable goods orders, and remarks from Fed President Goolsbee are due. In Europe, the UK releases its BRC retail survey, while the eurozone and major member states publish March services and composite PMIs. Across Asia, Japan reports February household spending, while Australia releases March services and composite PMIs. Corporate earnings include Exxon's Q1 preview and Levi Strauss's Q1 results. Taiwan's opposition leader begins a six-day visit to China at President Xi's invitation. Markets opened Tuesday on edge, with global equities wavering and oil hovering near USD110/bbl as investors awaited Trump's Tuesday night deadline and any sign of a breakthrough – or escalation – in the Middle east conflict.

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Global markets' performance snapshot

Performance snapshot*

Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.66	0.00	-4.00	-9.00
UAE Eibor 3m	3.84	2.94	25.09	30.82
UAE Eibor 12m	4.00	0.54	25.32	36.96
US 3m Bills	3.71	1.34	3.30	9.27
US 10yr Treasury	4.33	-0.99	27.13	14.00
German 10yr Bund	2.99	0.00	24.00	9.20
UK 10yr Gilt	4.83	0.00	36.20	29.60
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	497	0.01	-1.46	-0.67
Global Treasuries	206	-0.04	-1.70	-1.10
Global Corporate	301	0.12	-1.30	-0.67
EM USD Sovereign	453	0.11	-1.88	-1.21
EM LCY Sovereign	162	0.14	-1.19	-0.27
Global High Yield	1,850	0.15	-0.95	-0.69
Currencies				
Dollar Index	99.98	-0.05	0.94	1.58
EUR USD	1.1545	0.23	-0.40	-1.48
GBP USD	1.3235	0.25	-0.66	-1.64
USD JPY	159.68	0.01	1.17	1.81
Equities				
S&P 500	6,612	0.44	-3.00	-3.60
Dow Jones	46,670	0.36	-3.78	-3.54
NASDAQ	21,996	0.54	-2.31	-5.33
STOXX 600	597	0.00	-1.29	0.08
DAX	23,168	0.00	-2.62	-5.59
Nikkei 225	53,414	0.55	-5.09	6.11
FTSE 100	10,436	0.00	-0.46	4.88
SENSEX	74,107	1.07	-7.64	-13.59
Hang Seng	25,117	0.00	-2.53	-4.64
MSCI World	4,330	0.31	-2.86	-2.60
MSCI EM	1,450	0.63	-5.08	1.43
Regional Equities				
ADX	9,625	0.26	-7.93	-3.70
DFM	5,448	-0.68	-16.23	-10.89
Tadawul*	11,263	-0.08	3.39	-1.05
DSM*	10,346	1.83	-1.33	-8.52
MSM30*	8,276	0.01	6.94	30.74
BHSE*	1,880	0.02	-3.49	-8.01
KWSE*	8,541	1.14	-0.79	-0.29
Commodities				
BBG Commodity Index	137.9	0.50	10.57	25.94
Brent USD/bbl	109.77	0.68	34.85	80.69
WTI USD/bbl	112.41	0.78	50.76	96.11
Gold USD/t oz	4,660.5	-0.35	-8.25	7.58
Silver USD/t oz	72.8	-0.27	-11.22	0.00
Platinum USD/t oz	1,980.9	-0.43	-5.14	-7.56
Aluminum	3,532.1	0.00	8.29	17.76
Copper USD/MT	12,147.0	0.00	-5.25	-3.37
Digital Assets				
Bitcoin	69,833.3	4.49	2.65	-22.43
Ether	2,149.0	4.69	9.15	-31.34
Solana	81.9	2.21	-3.75	-37.86
XRP	1.3	1.86	-1.14	-33.49
Volatility				
VIX	24.17	1.26	2.55	66.57
MOVE	81.68	-0.12	5.05	30.98

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – April 07, 2026 unless stated otherwise. Performance in local currency.

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