

Daily Market View

Investment Strategy | April 13, 2026

Markets brace for blockade and renewed inflation shock

Macro headlines

The two-week ceasefire between the US and Iran was thrown into jeopardy after 21 hours of talks in Islamabad ended without agreement. Both sides blamed each other for the collapse, which threatens to reignite a conflict that has already triggered the worst energy supply disruption in modern history. The US military said it will begin a blockade of all maritime traffic entering and exiting Iranian ports on Monday, a move that risks further escalation and keeps the Strait of Hormuz effectively closed. President Trump warned that oil and gasoline prices may remain high through November's midterm elections – an unusual admission of political risk tied to the war. Meanwhile, a panel of trade court judges questioned the legality of Trump's 10% tariff on most imports, suggesting a large trade deficit may not justify broad-based tariffs. Hungary's election ended Orbán's 16-year rule, a political shock with implications for Europe's right-wing blocs and for the White House, where Orbán had been a key ideological ally. US inflation surged in March, with headline CPI rising 0.9% m/m on soaring motor fuel prices. Core CPI rose 0.2% m/m. US consumer sentiment collapsed to 47.6 – the lowest reading on record – reflecting frustration with price spikes and war-related uncertainty. China's PPI rose for the first time in more than three years, while CPI moderated to 1.0% y/y. The Bank of Korea held rates at 2.50%, citing uncertainty from the Middle East conflict. Early Q1 earnings show strong momentum: 80% of S&P 500 companies reporting so far have beaten estimates.

Market performances

Markets ended last week mixed as investors awaited the outcome of US-Iran talks and digested a sharp rise in US inflation. The Dow fell 0.56% to 47,917, the S&P 500 slipped 0.11% to 6,817, and the Nasdaq rose 0.35% to 22,903. Despite Friday's caution, all three indices posted their strongest weekly gains since November, with the S&P 500 up 3.6%, the Dow up 3%, and the Nasdaq up 4.7%. Tech shares outperformed on Friday after TSMC reported a 35% surge in Q1 revenue, driven by AI-related demand while the Philadelphia Semiconductor Index rose 2.3% on the day. UAE equities gained on hopes that regional diplomacy could ease tensions, though investors remain cautious ahead of renewed US-Iran confrontation. Asian equities also rallied strongly, with MSCI Asia ex-Japan up 7.3% for the week – its best performance since 2022. Oil prices dipped modestly on Friday but remain elevated. WTI settled at USD96.57/bbl and Brent at USD95.20/bbl. Traffic through the Strait of Hormuz remains at a fraction of pre-war levels, with only a handful of ships passing through on a daily basis. Investors remain wary that the ceasefire could collapse entirely following the failed Islamabad talks. Treasury yields edged higher, with the US 10-year at 4.32% and the 2-year at 3.802%. The dollar index fell to 98.65, its weakest weekly performance since January, while the euro rose to USD1.1723. Gold and silver prices rose.

What's next

The week ahead brings a heavy macro and micro calendar. Mainland China and the UK release GDP data, while the US and eurozone publish industrial production and inflation numbers. UK February GDP is expected to rise 0.2% m/m, while China's Q1 GDP is forecast to show 1.3% q/q growth supported by exports and AI-related demand. India's March inflation is expected to edge up to 3.4% y/y. Earnings season begins in earnest, with major US banks reporting. 28 S&P 500 companies are scheduled to release results this week, alongside three STOXX 600 firms. Expectations for strong earnings growth have supported equity sentiment despite the war. On Monday, Canada releases building permits, the US publishes March existing home sales, and China reports March loan growth. Japan releases March money supply data, and India publishes March inflation. Bank of Japan Governor Ueda speaks at the Trust Conference, and Opec releases its monthly oil market report. Goldman Sachs reports Q1 earnings. The IMF and World Bank Spring Meetings begin in Washington. Markets will focus on the US blockade of Iranian ports, the risk of renewed escalation, and whether any diplomatic channels remain open after the collapse of Islamabad talks. For how we expect markets to read the next phase of the conflict, refer to the scenario framework outlined in our note https://www.adcbam.com/en/insights/pdfs/Cross_Asset_Outlook_%20April_08_2026.pdf

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.57	0.00	-8.00	-7.00
UAE Eibor 3m	3.72	-13.73	14.33	23.66
UAE Eibor 12m	4.06	18.36	37.68	49.35
US 3m Bills	3.67	0.23	0.36	8.24
US 10yr Treasury	4.32	4.16	22.12	14.98
German 10yr Bund	3.06	7.00	19.90	19.50
UK 10yr Gilt	4.84	8.60	18.80	43.10
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	502	0.04	-0.26	0.22
Global Treasuries	208	0.05	-0.37	-0.14
Global Corporate	304	0.01	-0.32	0.13
EM USD Sovereign	460	0.17	0.34	0.70
EM LCY Sovereign	165	0.27	1.46	1.55
Global High Yield	1,876	0.08	0.80	0.66
Currencies				
Dollar Index	98.65	-0.17	-0.53	-0.29
EUR USD	1.1723	0.10	1.24	0.62
GBP USD	1.3462	0.13	0.58	0.19
USD JPY	159.27	0.32	0.59	1.57
Equities				
S&P 500	6,817	-0.11	0.31	-1.51
Dow Jones	47,917	-0.56	0.37	-2.74
NASDAQ	22,903	0.35	0.91	-2.46
STOXX 600	615	0.37	3.35	1.82
DAX	23,804	-0.01	1.69	-5.27
Nikkei 225	56,924	1.84	7.96	11.36
FTSE 100	10,601	-0.03	3.42	5.53
SENSEX	77,550	1.20	-0.02	-7.88
Hang Seng	25,894	0.55	1.91	-0.98
MSCI World	4,474	0.08	1.27	-0.23
MSCI EM	1,547	1.24	6.39	6.53
Regional Equities				
ADX	9,838	0.02	-0.25	-2.01
DFM	5,715	0.38	-0.66	-8.60
Tadawul*	11,315	-0.25	3.37	1.13
DSM*	10,630	-0.11	3.28	-6.39
MSM30*	8,179	0.20	5.33	27.31
BHSE*	1,891	-0.13	-1.11	-8.20
KWSE*	8,624	-0.04	1.72	-0.78
Commodities				
BBG Commodity Index	132.1	-0.26	-0.40	18.65
Brent USD/bbl	95.20	-0.75	-3.80	53.57
WTI USD/bbl	96.57	-1.33	1.90	67.19
Gold USD/t oz	4,749.8	-0.82	-6.80	6.41
Silver USD/t oz	75.9	0.71	-12.75	-1.46
Platinum USD/t oz	2,048.5	-2.55	-6.30	-10.10
Aluminum	3,563.2	2.64	4.49	15.27
Copper USD/MT	12,660.5	1.65	-0.71	-1.74
Digital Assets				
Bitcoin	73,388.3	1.33	6.39	-19.53
Ether	2,255.9	1.93	11.33	-27.61
Solana	85.4	1.39	-0.44	-38.76
XRP	1.4	0.59	-0.66	-36.17
Volatility				
VIX	19.23	-1.33	-24.59	24.47
MOVE	72.15	-2.51	-9.52	7.78

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – April 13, 2026 unless stated otherwise. Performance in local currency.

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