

## S&P 500 and Nasdaq close at records as investors price endgame to Iran war

### Macro headlines

Optimism grew that the Middle East war may be nearing an end, with Pakistan's lead mediator in Tehran and the Trump administration publicly expressing confidence in a deal that could reopen the Strait of Hormuz. A source briefed by Tehran said Iran could allow ships to sail freely through the Omani side of the strait if a broader agreement is reached to prevent renewed conflict – its clearest signal yet of a potential compromise on the world's most critical energy chokepoint. Trump said Israel and Lebanon talks to happen on Thursday. Turning to domestic US matters, President Trump once again escalated pressure on the Federal Reserve, threatening to fire Chair Powell from his Board of Governors seat if he does not vacate it when his term as Fed chief ends on May 15. The standoff has complicated the Fed's leadership transition at a time when markets are extremely sensitive to policy signals. Japan and the US agreed to intensify communication on exchange rates, reflecting heightened FX volatility as the war reshapes global capital flows. China's Q1 GDP accelerated to 5.0% y/y from 4.5% y/y in Q4, supported by strong exports and policy stimulus. But March data showed cooling momentum: industrial output slowed to 5.7% y/y and retail sales decelerated sharply to 1.7% y/y, underscoring the drag from the Iran-driven energy shock. In the US, the Empire State Manufacturing Survey for April showed moderate improvement, with new orders and shipments rising and employment expanding. But input price pressures picked up sharply. Import prices rose 0.8% m/m in March, driven by a 2.9% jump in imported fuel. Homebuilder sentiment fell to a seven-month low in the US, with the NAHB index at 34 – its 24th consecutive month below the 50 threshold.

### Market performances

Wall Street rallied to fresh records on Wednesday as hopes for a swift end to the US-Iran conflict and strong earnings expectations boosted risk appetite. The S&P 500 rose 0.80% to 7,022.95 and the Nasdaq surged 1.59% to 24,016.02 – both closing at all-time highs. The Dow slipped 0.15% to 48,463.72, reflecting rotation into tech and growth names. Gulf markets extended gains on hopes of renewed peace talks. Investors responded positively to reports that Iran may allow shipping through the Omani side of Hormuz if a deal is reached. While tanker flows remain far below normal, data shows that a small but increasing number of vessels are transiting the strait. Markets interpreted this as evidence that the worst-case scenario of a prolonged closure may be fading. Oil steadied after steep declines earlier in the week. WTI closed at USD91.29/bbl and Brent at USD94.93/bbl. The US Energy Information Administration reported a large crude draw, supporting prices even as geopolitical risk premia eased. The dollar held nearly unchanged, with the dollar index at 98.08. Treasury yields rose modestly, with the US 10-year at 4.282% and the 2-year at 3.761%. Disruptions to global energy markets have hit European bonds harder than US Treasuries, given the US's position as a net energy exporter. Bank of America and Morgan Stanley reported strong Q1 results, lifting financials and reinforcing expectations for a robust earnings season.

### What's next

In the US, March industrial production and the April Philly Fed survey are due. In Europe, the UK releases February GDP along with services, manufacturing, and construction data. The eurozone publishes March inflation, while Austria and Italy release their CPI prints. Earnings include Abbott, Alcoa, BNY Mellon, Charles Schwab, Marsh & McLennan, Netflix, PepsiCo, Prologis, Tesco, and TSMC. The G20 Finance Ministers and Central Bank Governors meet in Washington, followed by a press conference. Markets will watch closely whether Iran formalizes its Hormuz proposal and whether tanker flows continue to improve – key signals for whether the war is indeed "close to over," as the White House suggested. Stocks pushed higher in Asian trading on Thursday as optimism grew. At the time of writing, MSCI's broadest index of Asia Pacific ex-Japan rose 0.9%, putting the benchmark on track for a third consecutive day of gains, while Japan's Nikkei rose 2.2% to a fresh record.

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# Daily Market View

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.66	0.00	1.00	1.00
UAE Eibor 3m	3.68	-11.12	2.85	6.34
UAE Eibor 12m	4.03	1.25	37.59	39.17
US 3m Bills	3.70	2.58	1.14	6.34
US 10yr Treasury	4.28	3.55	2.25	10.42
German 10yr Bund	3.04	1.90	8.60	19.60
UK 10yr Gilt	4.81	3.30	4.10	41.60
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	504	-0.09	1.04	0.73
Global Treasuries	209	-0.09	0.84	0.53
Global Corporate	306	-0.11	1.53	0.54
EM USD Sovereign	464	-0.03	1.35	1.34
EM LCY Sovereign	166	0.01	1.54	2.01
Global High Yield	1,888	-0.01	1.78	1.13
Currencies				
Dollar Index	98.06	-0.07	-1.69	-1.09
EUR USD	1.1801	0.06	2.42	1.33
GBP USD	1.3574	0.04	1.63	1.04
USD JPY	158.88	0.03	-0.28	-0.09
Equities				
S&P 500	7,023	0.80	5.25	0.85
Dow Jones	48,464	-0.15	3.83	-1.48
NASDAQ	24,016	1.59	7.64	1.29
STOXX 600	617	-0.43	3.07	1.12
DAX	24,067	0.09	2.02	-5.33
Nikkei 225	58,134	0.44	6.76	8.56
FTSE 100	10,560	-0.47	2.47	4.17
SENSEX	78,111	1.64	2.73	-6.60
Hang Seng	25,947	0.29	0.90	-3.36
MSCI World	4,588	0.53	5.16	1.52
MSCI EM	1,583	1.17	6.12	7.55
Regional Equities				
ADX	9,892	0.53	2.66	-1.96
DFM	5,866	2.57	6.31	-7.17
Tadawul*	11,589	0.90	5.87	3.32
DSM*	10,734	0.40	4.29	-5.97
MSM30*	8,316	0.87	7.09	26.67
BHSE*	1,925	0.74	0.63	-6.57
KWSE*	8,773	0.78	3.48	0.20
Commodities				
BBG Commodity Index	133.4	0.35	-1.23	16.55
Brent USD/bbl	94.93	0.15	-5.50	45.00
WTI USD/bbl	91.29	0.01	-4.64	49.29
Gold USD/t oz	4,804.0	-0.13	-5.90	4.65
Silver USD/t oz	79.0	-0.74	-5.82	-9.19
Platinum USD/t oz	2,113.8	0.33	-0.90	-9.57
Aluminum	3,647.7	1.75	2.77	13.13
Copper USD/MT	13,155.0	0.46	2.00	-1.16
Digital Assets				
Bitcoin	74,865.0	0.98	6.67	-20.42
Ether	2,363.5	2.07	14.56	-26.34
Solana	84.8	1.43	-1.92	-40.84
XRP	1.4	2.31	1.19	-34.50
Volatility				
VIX	18.17	-1.03	-33.42	13.70
MOVE	67.94	-8.62	-28.71	11.76

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time – April 16, 2026 unless stated otherwise. Performance in local currency.

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