

Daily Market View

Investment Strategy | April 20, 2026

Friday's market rally and oil plunge snap back on Monday as sentiment shifts

Macro headlines

The fragile ceasefire came under renewed strain after the US seized an Iranian cargo ship accused of attempting to breach the blockade, prompting Tehran to vow retaliation. A deeper rift inside Iran emerged after the Islamic Revolutionary Guard Corps fired on two commercial ships – despite the foreign minister announcing the strait was open – forcing vessels attempting transit to turn back. Reuters reported that European allies expressed concern that an inexperienced US negotiating team is pushing for a rapid, headline driven framework deal that may entrench long term risks rather than resolve them. Meanwhile, the US Treasury issued a Russia related general license allowing delivery and sale of Russian crude loaded before April 17. President Trump signed an executive order to accelerate access to medical research using psychedelic based treatments. Fed Vice Chair for Supervision Bowman told bank executives she does not expect another aggressive industry push for capital relief. Japan's finance minister said recent yen moves were driven significantly by speculative trading. Earnings season remains strong: 87.5% of S&P 500 companies reporting so far have beaten estimates, with Q1 earnings expected to rise 14.4% y/y and revenues 9.4% y/y. China left its loan prime rates unchanged for an 11th straight month on Monday.

Market performances

Markets rallied sharply on Friday as Iran said the Strait of Hormuz was open for commercial passage during the Lebanon ceasefire, triggering a dramatic collapse in oil prices and a surge in global risk appetite. Brent fell 9% to USD90.38/bbl and WTI plunged 11.45% to USD83.85/bbl – still above pre war levels but far below late March highs near USD120/bbl. The S&P 500 and Nasdaq posted their third consecutive record closes, with the Nasdaq index rising 1.52% to 24,468.48 and extending its winning streak to 13 sessions, the longest since 1992. The S&P 500 gained 1.2% to 7,126.06, while the Dow rose 1.79% to 49,447.43. Russell 2000 outperformed as falling energy prices eased margin pressures on small cap firms. Energy stocks recovered part of their earlier losses, though Exxon and Chevron closed lower on Friday. Airlines rallied on cheaper fuel. Netflix fell c10% after issuing a downbeat growth forecast and announcing the departure of its co founder. Global equity indices hit fresh highs. Gulf markets also advanced on hopes for a US-Iran deal. Treasuries surged, with the US 10 year yield dropping to 4.246% and the 2 year falling to 3.70%. Traders unwound geopolitical risk premia, and expectations for ECB and BoE rate hikes were pared back. The dollar slid to multi week lows, with the dollar index falling to 98.10 after touching a seven week low of 97.632.

What's next

This week brings a heavy macro and earnings calendar. UK March inflation is expected to rise to 3.2% y/y, with the full energy pass through likely to appear from April. Japan's headline inflation is expected to moderate to 1.2% y/y due to fuel subsidies. Flash PMIs across developed markets and India will offer early insight into the impact of the Middle East conflict on output. Earnings accelerate: 94 S&P 500 companies report this week, including major megacap tech names that were hit hard early in the conflict but have led the recent rebound. 41 STOXX 600 companies also report. Fed Chair designate Kevin Warsh appears before Congress in a closely watched confirmation hearing that will shape expectations for the policy path on Tuesday. Monday's releases include: Canada CPI, Colombia economic activity, Argentina trade and flows, UK Rightmove house prices, Germany PPI, Malaysia trade data, and New Zealand CPI. Markets will watch whether Hormuz opening holds through the week, whether the US-Iran meeting will take place, and whether the ceasefire extends beyond the current deadline of Wednesday. Oil prices spiked, the dollar firmed, and stocks lost momentum (with US and European equity index futures in negative) Monday as Middle East tensions froze Gulf shipping, even as markets cautiously priced the possibility of progress.

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.67	0.00	-3.00	1.00
UAE Eibor 3m	3.70	3.14	7.62	7.37
UAE Eibor 12m	4.01	-1.37	32.57	44.62
US 3m Bills	3.68	-1.20	-0.45	3.67
US 10yr Treasury	4.25	-6.32	3.20	7.86
German 10yr Bund	2.96	-7.20	0.80	14.10
UK 10yr Gilt	4.76	-8.50	-0.80	37.40
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	506	0.52	1.53	1.11
Global Treasuries	210	0.57	1.45	0.94
Global Corporate	307	0.54	1.92	0.88
EM USD Sovereign	465	0.49	2.13	1.45
EM LCY Sovereign	166	0.22	2.44	2.12
Global High Yield	1,895	0.41	2.46	1.47
Currencies				
Dollar Index	98.10	-0.12	-1.62	-1.23
EUR USD	1.1765	-0.14	2.26	1.34
GBP USD	1.3516	-0.08	1.47	1.01
USD JPY	158.64	-0.33	-0.27	0.01
Equities				
S&P 500	7,126	1.20	6.37	2.61
Dow Jones	49,447	1.79	5.33	0.01
NASDAQ	24,468	1.52	9.36	3.99
STOXX 600	627	1.56	4.70	1.95
DAX	24,702	2.27	4.83	-2.56
Nikkei 225	58,476	-1.75	8.79	8.07
FTSE 100	10,668	0.73	3.39	4.19
SENSEX	78,494	0.65	3.96	-5.86
Hang Seng	26,160	-0.89	1.26	-2.84
MSCI World	4,650	1.19	6.43	2.93
MSCI EM	1,597	-0.38	7.96	8.04
Regional Equities				
ADX	9,921	0.03	4.85	-1.35
DFM	5,987	0.98	13.21	-4.38
Tadawul*	11,465	-0.78	3.37	1.89
DSM*	10,718	0.03	5.49	-6.93
MSM30*	8,314	-0.27	4.35	15.83
BHSE*	1,948	0.49	2.00	-5.06
KWSE*	8,925	0.25	6.17	2.54
Commodities				
BBG Commodity Index	131.5	-2.16	-0.65	15.38
Brent USD/bbl	90.38	-9.07	-9.81	41.75
WTI USD/bbl	83.85	-11.45	-10.32	41.66
Gold USD/t oz	4,830.3	0.84	-3.52	4.64
Silver USD/t oz	80.9	3.15	0.14	-12.48
Platinum USD/t oz	2,113.2	1.03	-0.11	-12.41
Aluminum	3,590.9	-2.28	4.74	13.29
Copper USD/MT	13,149.0	-0.24	3.05	-0.42
Digital Assets				
Bitcoin	77,370.0	2.83	4.22	-19.03
Ether	2,427.7	3.28	3.50	-26.38
Solana	89.0	-0.61	-7.05	-37.33
XRP	1.5	2.01	-3.04	-28.54
Volatility				
VIX	17.48	-2.56	-25.65	10.35
MOVE	65.70	-0.29	-22.93	17.03

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – April 20, 2026 unless stated otherwise. Performance in local currency.

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