

Ceasefire doubts weigh on equities as Iran reconsiders talks

Macro headlines

Iran is considering attending renewed peace talks with the US in Pakistan, according to a senior Iranian official, after Islamabad moved to ease the US blockade of Iranian ports. The overture comes as the two-week ceasefire approaches its Wednesday expiry and tensions rise over the status of the Strait of Hormuz. President Trump said it was “highly unlikely” he would extend the ceasefire without a deal, underscoring the narrowing diplomatic window. Standing at the cross-section of geopolitics and domestic policy, Japan unveiled its largest overhaul of defence export rules in decades, scrapping long standing restrictions and opening the door to exports of warships, missiles, and other weapons. The move marks a significant shift in Tokyo’s security posture. In the US, a refund system allowing companies to recover collected tariffs (ruled illegal by the Supreme Court) went live, with up to USD166bn potentially eligible for return. In other policy headlines, Hong Kong launched a regulatory framework for tokenised investment products, while India rolled back INR derivative restrictions imposed earlier this month. Turning to economic data, Canada’s inflation surged 0.9% m/m in March – the biggest monthly rise in over a year – driven by a record jump in gasoline prices. German producer prices fell 0.2% y/y, less than expected. In corporate news, Apple named longtime hardware chief Ternus as its next CEO, and Amazon announced plans to invest up to USD25bn in Anthropic as the AI firm commits to more than USD100bn in cloud spending over the next decade.

Market performances

Markets pulled back from record highs on Monday as renewed tensions over the Strait of Hormuz reignited oil prices and raised doubts about the durability of the US-Iran ceasefire. The Nasdaq fell 0.3% to 24,404.39, ending its 13 day winning streak, the longest since 1992. S&P 500 slipped 0.2% to 7,109.17, and the Dow edged down to 49,442.69. Losses were modest, with investors reluctant to exit positions after last week’s powerful rally. Oil prices rebounded sharply as shipping through Hormuz remained largely halted. WTI rose 6.9% to USD89.61/bbl and Brent climbed 5.6% to USD95.48/bbl. The move reversed part of Friday’s dramatic collapse when Iran briefly claimed the strait was open. Later, the seizure of the Iranian cargo vessel and conflicting signals from Tehran reinforced the risk of renewed escalation. Global equities were mixed: Global equity benchmark fell slightly, while European indices declined 0.8%. Emerging market equities rose supported by gains in Asia, where MSCI Asia ex Japan rose 0.6% and Japan’s Nikkei gained 0.6%. Gulf equities ended lower as investors assessed the risk that the ceasefire could unravel before Wednesday’s deadline. Treasury yields edged higher in subdued trading, with the US 10 year at 4.258% and the 2 year at 3.725%. The dollar reversed early gains, with the dollar index falling to 98.07 as markets priced in cautious optimism that the ceasefire might still hold.

What’s next

Tuesday brings a mixed set of macro releases alongside corporate earnings. In the US, April retail sales, February inventories, and March pending home sales are due. Canada publishes March house price data. In Europe, the UK releases labour market statistics and Germany publishes the April ZEW sentiment survey. In Asia, New Zealand reports March inflation. The Senate holds the confirmation hearing for Warsh, President Trump’s nominee for Federal Reserve Chair – a key event for rate path expectations. Corporate earnings include ASM International, Associated British Foods, Capital One, Danaher, Equifax, Halliburton, HCL Technologies, Moncler, Northrop Grumman, Rio Tinto, SKF, Temenos, Thales, 3M, UnitedHealth, and WR Berkley. Markets will focus on whether Iran formally commits to attending talks in Pakistan, whether shipping conditions in Hormuz deteriorate further, and how investors position ahead of Wednesday’s ceasefire expiry.

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.65	0.00	0.00	0.00
UAE Eibor 3m	3.73	2.96	3.75	13.90
UAE Eibor 12m	3.99	-1.71	36.96	36.19
US 3m Bills	3.67	-0.38	-0.59	4.47
US 10yr Treasury	4.25	0.30	5.25	2.81
German 10yr Bund	2.98	2.00	7.40	14.50
UK 10yr Gilt	4.83	7.20	14.00	43.40
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	505	-0.20	1.01	1.06
Global Treasuries	209	-0.24	0.88	0.83
Global Corporate	306	-0.17	1.37	0.90
EM USD Sovereign	465	-0.03	1.89	1.49
EM LCY Sovereign	166	-0.04	2.07	2.18
Global High Yield	1,893	-0.09	2.10	1.39
Currencies				
Dollar Index	98.10	0.00	-1.48	-1.30
EUR USD	1.1786	0.18	2.13	1.62
GBP USD	1.3538	0.16	1.34	1.18
USD JPY	158.65	0.01	-0.20	0.34
Equities				
S&P 500	7,109	-0.24	5.85	2.44
Dow Jones	49,443	-0.01	5.21	0.17
NASDAQ	24,404	-0.26	8.56	3.78
STOXX 600	621	-0.82	3.16	1.15
DAX	24,418	-1.15	2.89	-3.48
Nikkei 225	58,825	0.60	9.54	9.06
FTSE 100	10,609	-0.55	1.98	3.65
SENSEX	78,520	0.03	3.22	-6.04
Hang Seng	26,361	0.77	1.90	-1.80
MSCI World	4,636	-0.32	5.66	2.66
MSCI EM	1,600	0.20	7.02	7.77
Regional Equities				
ADX	9,842	-0.80	2.99	-2.78
DFM	5,862	-2.09	6.47	-7.19
Tadawul*	11,367	-0.85	2.49	1.02
DSM*	10,672	-0.43	5.04	-7.33
MSM30*	8,259	-0.66	3.66	15.07
BHSE*	1,934	-0.76	1.23	-5.78
KWSE*	8,869	-0.62	5.51	1.90
Commodities				
BBG Commodity Index	133.0	1.13	-0.57	17.06
Brent USD/bbl	95.48	5.64	-7.68	48.89
WTI USD/bbl	89.61	6.87	-6.86	50.76
Gold USD/t oz	4,805.6	-0.51	-3.94	4.56
Silver USD/t oz	79.7	-1.44	0.55	-11.54
Platinum USD/t oz	2,092.9	-0.96	-1.68	-10.59
Aluminum	3,591.0	0.00	5.16	14.23
Copper USD/MT	13,163.0	0.11	3.83	1.25
Digital Assets				
Bitcoin	76,316.1	-1.36	2.38	-20.07
Ether	2,338.3	-3.68	0.42	-28.98
Solana	86.0	-3.43	-9.41	-40.71
XRP	1.4	-3.35	-6.60	-30.91
Volatility				
VIX	18.87	7.95	-15.65	18.98
MOVE	67.90	3.35	-14.30	16.97

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – April 21, 2026 unless stated otherwise. Performance in local currency.

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