

## S&P 500 sets fresh record as USD hits multi-month lows

### Macro headlines

The US is preparing to intercept additional vessels carrying Venezuelan oil after seizing a tanker earlier this week, escalating pressure on President Maduro and adding a new geopolitical flashpoint to global energy markets. The move underscores Washington's renewed enforcement posture toward sanctioned crude flows. In parallel, Prime Minister Modi said he spoke with President Trump to seek relief from 50% US tariffs imposed on key Indian exports, penalties tied to India's continued purchases of Russian oil. President Trump signed an executive order threatening to withhold US federal funds from states that pass "onerous" AI regulations, a significant win for technology groups advocating for a unified national framework. The Federal Reserve reappointed its regional presidents earlier than expected, easing concerns that political allies on the Board might attempt to reshape leadership roles. Meanwhile, the US trade deficit narrowed sharply in September to USD52.8bn – its smallest since mid-2020 – driven by a 3% rise in exports, particularly non-monetary gold, and a modest increase in imports. US initial jobless claims rose by 44,000 to 236,000, the largest weekly increase since March 2020, though the data remains distorted by holiday-related volatility. The Swiss National Bank held rates at 0%, citing a softer inflation outlook, while Türkiye's central bank cut its policy rate by 150bp to 38%, continuing its easing cycle. The IEA trimmed its 2026 oil surplus forecast, while OPEC maintained a bullish demand outlook, projecting a 1.4m bpd increase next year. Oracle shares slumped after disappointing results and a USD15bn increase in AI-related spending, while Disney announced a USD1bn investment in OpenAI for an equity stake and a three-year licensing deal covering more than 200 characters.

### Market performances

Global markets extended their post-Fed momentum on Thursday, with the S&P 500 and Dow Jones both closing at record highs as investors digested the central bank's cut-and-pause message. The Dow rose 1.34% to 48,704.01, while the S&P 500 added 0.21% to 6,901.00. The Nasdaq, however, slipped 0.25%, weighed down by weakness in technology shares following Oracle's disappointing earnings and guidance. Oracle fell 10.8% after flagging a USD15bn overspend on AI-related data-center investments, reigniting concerns about stretched valuations in the sector. Nvidia also declined 1.6%, while Broadcom dropped 1.6% during the session and another c4% after the bell despite issuing upbeat revenue projections. Sector rotation was evident: financials gained 1.8% and materials rose 2.2%, while tech lagged. MSCI World climbed 0.44%, and Europe's STOXX 600 rose 0.55%. Gulf markets were broadly higher as regional central banks mirrored the Fed's 25bp cut, though gains were tempered by the Fed's cautious tone on future easing. The dollar extended its post-Fed slide, hitting multi-month lows against the euro, Swiss franc, and sterling. The dollar index fell to 98.35, while the euro reached 1.1755 and the Swiss franc strengthened to 0.8000 per dollar. Treasury yields remained soft, with the 10-year at 4.16% and the 30-year easing to 4.792%. A solid 30-year auction supported long-end demand. German Bund yields hovered near nine-month highs ahead of next week's ECB meeting, while the US-Germany yield spread narrowed to its lowest level since June 2023. Oil prices softened as attention shifted back to Russia-Ukraine peace talks. WTI fell to USD57.60/bbl and Brent to USD61.28/bbl, despite the IEA and OPEC issuing contrasting demand outlooks for 2026. With equities hitting new highs, the dollar weakening, and yields easing, markets appear to be recalibrating toward a more constructive year-end stance.

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## What's next

Friday's calendar brings a broad set of global data releases that will help shape the post-Fed narrative. In the Americas, Mexico releases October industrial production, while Canada publishes October building permits. The US calendar is light, with attention shifting to next week's inflation data and the delayed November payrolls report. In EMEA, Germany releases final November inflation, while the UK publishes October goods trade balance and monthly GDP, including manufacturing, services, and construction output. France and Spain also release final November inflation figures, offering a clearer picture of euro-area price dynamics ahead of next week's ECB meeting. These data points will help determine whether Europe's inflation slowdown is stabilizing or continuing to broaden. In APAC, Malaysia reports October industrial production, Japan releases final October industrial production, and India publishes November inflation – a key input for the RBI's policy stance. China releases November credit aggregates, including M2, new yuan loans, and total loan growth, which will be closely watched for signs of credit demand amid persistent deflationary pressures. Federal Reserve Bank of Chicago President Goolsbee – one of the dissenters in this week's FOMC vote – speaks at the Chicago Fed's Annual Economic Outlook Symposium, offering the first post-decision commentary from a voting member. Corporate results include Costco Q1, and Taylor Maritime HY. As of this report, Asian stocks rose early Friday after Wall Street gains, but a drop in Oracle shares unsettled the tech sector.

# Daily Market View

Investment Strategy | December 12, 2025

## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	3M (bp)	3M (bp)
SOFR	3.90	0.00	-3.00	-49.00
UAE Eibor 3m	3.59	-9.03	-10.02	-37.16
UAE Eibor 12m	3.63	-1.87	-22.13	-27.58
US 3m Bills	3.64	-2.36	-20.27	-38.78
US 10yr Treasury	4.16	0.98	6.00	11.12
German 10yr Bund	2.84	-0.80	17.70	19.10
UK 10yr Gilt	4.48	-2.20	1.80	-14.90
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	500	0.46	0.36	-0.10
Global Treasuries	208	0.55	0.07	-0.76
Global Corporate	303	0.33	0.79	0.55
EM USD Sovereign	456	0.17	0.60	3.13
EM LCY Sovereign	161	0.27	0.58	0.43
Global High Yield	1,851	0.28	1.14	1.82
Currencies				
Dollar Index	98.35	-0.45	-1.26	0.58
EUR USD	1.1755	0.82	1.63	0.42
GBP USD	1.3421	0.56	1.97	-0.85
USD JPY	155.24	-0.68	1.19	5.33
Equities				
S&P 500	6,901	0.21	2.56	5.65
Dow Jones	48,704	1.34	3.65	7.06
NASDAQ	23,594	-0.25	2.56	7.80
STOXX 600	581	0.55	2.93	5.26
DAX	24,295	0.68	3.07	2.80
Nikkei 225	50,149	-0.90	-0.25	14.40
FTSE 100	9,703	0.49	0.21	5.18
SENSEX	84,818	0.51	1.92	4.17
Hang Seng	25,531	-0.04	-2.71	-2.56
MSCI World	4,444	0.44	2.76	5.22
MSCI EM	1,377	-0.42	-0.35	5.30
Regional Equities				
ADX	10,006	0.25	-0.69	0.80
DFM	6,100	0.39	1.25	3.00
Tadawul*	10,716	-0.09	-3.03	-7.66
DSM*	10,903	0.89	0.95	0.13
MSM30*	5,949	0.04	5.30	14.75
BHSE*	2,058	0.36	-0.03	4.70
KWSE*	9,058	0.48	2.32	3.03
Commodities				
BBG Commodity Index	110.4	0.66	2.88	6.91
Brent USD/bbl	61.28	-1.49	-3.69	-9.20
WTI USD/bbl	57.60	-1.47	-3.60	-9.53
Gold USD/t oz	4,278.7	1.88	6.93	17.45
Silver USD/t oz	63.6	2.83	31.53	54.37
Platinum USD/t oz	1,699.6	2.56	9.93	21.94
Aluminum	2,866.0	1.23	1.16	9.06
Copper USD/MT	11,740.0	0.82	9.51	19.22
Digital Assets				
Bitcoin	92,885.3	0.53	-10.55	-18.25
Ether	3,250.4	-2.71	-6.27	-24.95
Solana	137.0	-0.12	-16.17	-38.44
XRP	2.0	-0.28	-12.80	-31.35
Volatility				
VIX	14.85	-5.83	-22.17	-3.26
MOVE	69.24	0.90	-6.95	-12.99

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - December 12, 2025 unless stated otherwise. Performance in local currency.

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