

Daily Market View

Investment Strategy | May 01, 2026

S&P 500, Nasdaq post biggest monthly gains in years as earnings overpower oil shock

Macro headlines

Iran warned on Thursday that it would respond with “long and painful strikes” on US positions if Washington renewed attacks, reiterating its claim over the Strait of Hormuz and complicating US efforts to build a coalition to reopen the waterway. The threat came as US Defense Secretary Hegseth told Congress that President Trump is not bound by the 60-day war powers limit because the ceasefire agreement with Iran “paused the clock,” a position that is likely to intensify legal and political scrutiny. Japan intervened in currency markets for the first time in nearly two years, pushing the yen up as much as 3% after weeks of depreciation. Tokyo signaled it is prepared to intervene again, warning that speculation remains “rife.” The move comes as global rate differentials widen and the Bank of Japan prepares for a potential June hike. Turning to macro data releases, US GDP accelerated to 2.0% annualized in Q1, up sharply from 0.5% in Q4, driven by resilient consumer spending, a 10.4% surge in business investment, stronger exports, and a rebound in government outlays following the Q4 shutdown. The March US PCE price index rose 0.7% m/m, with core PCE up 0.3% m/m – still too firm for policymakers hoping for disinflation. The European Central Bank held rates steady but warned of rising risks to growth and inflation as the near total closure of Hormuz drives energy costs higher. The Bank of England also held rates at 3.75% but signaled that “forceful” hikes may be needed. Taiwan delivered a standout macro surprise: Q1 GDP surged 13.69% y/y, its fastest pace since 1987, powered by AI-related demand. Corporate earnings remained strong. Alphabet posted a record cloud quarter; Microsoft and Amazon beat expectations on cloud and AI demand; Samsung reported an eightfold jump in profit; and Eli Lilly raised its forecast on booming weight loss drug demand.

Market performances

US equities rallied sharply on Thursday, closing out one of their strongest months in years as robust earnings and solid macro data outweighed geopolitical risks. The S&P 500 rose 1.02% to 7,210.24, the Nasdaq gained 0.89% to 24,890.36, and the Dow jumped 1.62% to 49,658.08. Industrials led the advance, with Caterpillar hitting a record high on strong Q1 results, while tech gains were tempered by concerns over rising AI related capex at Meta and Microsoft. Gulf markets fell on reports that the US is considering military action to break the deadlock in peace talks. Oil prices eased modestly after touching four year highs earlier in the week. Brent and WTI both slipped intraday as investors digested rapid developments in energy markets. Still, the backdrop remains tense: Iran warned of retaliation if the US abandons the ceasefire, and Axios reported that Trump will be briefed on potential military strikes. Inflation concerns persisted. Initial jobless claims fell to 189k – their lowest level since 1969, underscoring labor market strength. Treasury yields rose after the Fed’s divided decision but moderated subsequently, with the US 10 year at 4.37% and the 2 year at 3.951%. The dollar weakened, supported by global central bank divergence and intervention in the Yen.

What’s next

Friday brings a lighter but globally dispersed calendar, with financial markets closed for Labour Day across China, France, Germany, Hong Kong, Italy, Singapore, South Korea, and Switzerland. S&P Global releases worldwide manufacturing PMIs for April, while the US publishes ISM manufacturing PMI. In Europe, the UK reports March consumer credit and mortgage lending. In Asia, Japan releases Tokyo CPI for April, South Korea publishes April trade data, Australia reports Q1 producer prices, and Indonesia releases April CPI. Corporate earnings include Chevron, ExxonMobil, Itochu, Mitsubishi, Mitsui, Moderna, NatWest, Pearson, Sumitomo, and others, while OPEC+ holds its monthly meeting on Sunday. Markets will focus on whether Iran escalates following its latest threats, how oil responds to the prospect of a prolonged blockade, and whether megacap earnings continue to broaden beyond AI centric names.

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.63	0.00	0.00	-1.00
UAE Eibor 3m	3.73	-3.18	-15.74	15.23
UAE Eibor 12m	3.97	-1.84	2.53	33.01
US 3m Bills	3.66	-1.39	-1.88	-0.51
US 10yr Treasury	4.37	-5.92	-5.72	12.74
German 10yr Bund	3.04	-7.30	-5.70	18.00
UK 10yr Gilt	5.01	-5.90	3.80	46.80
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	502	0.39	1.77	-0.94
Global Treasuries	208	0.49	1.73	-1.29
Global Corporate	304	0.28	1.93	-0.98
EM USD Sovereign	461	0.08	2.81	0.22
EM LCY Sovereign	164	-0.11	2.23	-0.30
Global High Yield	1,885	0.16	3.05	0.10
Currencies				
Dollar Index	98.06	-0.91	-2.09	1.67
EUR USD	1.1726	0.35	1.89	-1.80
GBP USD	1.3578	0.72	2.41	-1.53
USD JPY	156.58	-2.33	-2.33	1.99
Equities				
S&P 500	7,209	1.02	13.19	3.31
Dow Jones	49,652	1.62	9.93	1.30
NASDAQ	24,892	0.89	18.83	4.34
STOXX 600	611	1.38	6.25	0.46
DAX	24,292	1.41	8.93	-2.14
Nikkei 225	59,285	-1.06	11.08	11.11
FTSE 100	10,379	1.62	4.13	2.21
SENSEX	76,914	-0.75	4.53	-6.60
Hang Seng	25,777	-1.28	3.30	-7.37
MSCI World	4,661	1.17	11.48	2.37
MSCI EM	1,600	-1.13	11.34	2.79
Regional Equities				
ADX	9,779	-1.24	1.90	-5.92
DFM	5,766	-1.63	4.63	-11.48
Tadawul*	11,188	-0.45	-0.67	1.85
DSM*	10,488	-1.17	1.37	-7.04
MSM30*	8,369	1.23	1.12	16.62
BHSE*	1,972	0.24	4.87	-4.19
KWSE*	8,860	-0.52	3.74	2.52
Commodities				
BBG Commodity Index	140.5	0.24	4.73	14.34
Brent USD/bbl	114.01	-3.41	1.28	66.68
WTI USD/bbl	105.07	-1.69	5.45	66.22
Gold USD/t oz	4,607.7	1.37	2.53	-13.03
Silver USD/t oz	73.7	3.44	5.71	-36.81
Platinum USD/t oz	1,987.8	5.69	6.42	-26.43
Aluminum	3,534.2	-0.39	5.13	8.81
Copper USD/MT	13,015.5	0.18	8.05	0.17
Digital Assets				
Bitcoin	76,466.3	1.07	15.91	-14.35
Ether	2,263.6	1.06	14.05	-24.97
Solana	83.1	0.53	0.40	-33.74
XRP	1.4	0.52	3.34	-28.38
Volatility				
VIX	16.89	-10.21	-45.60	3.30
MOVE	72.07	-3.04	-35.62	25.49

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – May 01, 2026 unless stated otherwise. Performance in local currency.

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