Daily Market View

Investment Strategy | May 04, 2026

ADCB ASSET MANAGEMENT LIMITED

ISM prices spike; AI-linked megacaps drive strongest earnings season since 2021

Macro headlines

President Trump said he is reviewing Iran's latest peace proposal but warned he would resume military strikes if Tehran "misbehaves," underscoring the fragile state of negotiations. Hours later, a tanker reported being hit by unknown projectiles in the Strait of Hormuz, just as Washington announced it would begin helping free ships stranded by the war. The incident highlights the persistent volatility in the world's most critical energy corridor. We think HOWO – How Hormuz Opens Wins Over – because the manner of reopening matters far more than sporadic on-off episodes. Tensions between US and Europe deepened after the Pentagon confirmed a planned drawdown of 5,000 US troops from Germany – its largest European base – amid widening rifts over the Iran war and tariff disputes. Two senior Republican lawmakers voiced concern, arguing the troops should remain in Europe. Meanwhile, Secretary of State Rubio approved expedited arms transfers to Israel, Kuwait, Qatar, and the UAE, bypassing congressional review to rush air defense systems into the region. President Trump announced a 25% tariff on EU cars and trucks starting this week, citing the bloc's failure to comply with a trade agreement. The White House said more than USD100bn is currently being invested in US auto and truck manufacturing, which Trump described as a record. OPEC+ delegates reached a provisional agreement to raise June supply targets by 188,000 b/d, the group's first coordinated move since the UAE's exit. The increase is modest but symbolically important as the alliance seeks to project cohesion. Earnings season remains exceptionally strong. For the S&P 500, Q1 earnings are now expected to rise 27.8% y/y, with 83.1% of companies beating estimates – well above long term averages. Revenue growth is tracking 10.5% y/y. In Europe, STOXX 600 earnings are expected to rise 6.9% y/y, though beats are running below typical levels.

Market performances

US equities ended Friday mixed but strong enough to deliver the sixth consecutive weekly gain for both the S&P 500 and Nasdaq – their longest streak since October 2024. The S&P 500 rose 0.29% to 7,230.12, the Nasdaq gained 0.89% to 25,114.44, while the Dow slipped 0.31% to 49,499.27. Tech led the advance. Market breadth was strong: advancing issues outnumbered decliners on both the NYSE and Nasdaq, and the S&P 500 posted 45 new 52 week highs. Apple climbed 3.3% on strong guidance tied to iPhone 17 and MacBook Neo demand. Software stocks surged after Atlassian, a software company, raised its outlook, with Salesforce and ServiceNow also gaining. Roblox plunged 18.3% after slashing its bookings forecast, while Reddit jumped 13.1% on upbeat revenue guidance. Energy stocks lagged as crude prices eased after Iran reportedly submitted a fresh proposal for talks. Still, geopolitical risks remain elevated: Axios reported that Trump will be briefed on potential military strikes, and Iran warned of retaliation if the ceasefire collapses. Macro data added to the bullish tone. ISM manufacturing expanded for a fourth month, though the prices paid component hit a four-year high, reinforcing inflation concerns. Treasury yields were mixed, with the US 10 year at 4.37% and the 2 year at 3.951%. The dollar strengthened, reversing a portion of its previous weakness.

What's next

The week builds toward Friday's US nonfarm payrolls report, which will be pivotal for shaping rate expectations after Q1 GDP rose 2.0% and PCE inflation accelerated to 3.5% y/y. Weak April flash PMIs suggest some recent economic strength may fade as the Middle East conflict weighs on spending, making the University of Michigan's inflation expectations survey equally important. Consensus expects April payrolls to rise by 100,000 with unemployment steady at 4.3%. Asia's April inflation releases will reflect further war-related pressures, with the RBA expected to hike 25bps while the Riksbank and Norges Bank hold steady. Earnings remain heavy: 127 S&P 500 companies report this week – including AMD, Palantir, and Disney – alongside 82 STOXX 600 firms. Monday's calendar includes global and regional manufacturing PMIs, US durable goods and factory orders data, Sweden house prices, Turkey inflation, Australia building approvals, and Indonesia's inflation and trade figures. Fed Governor Williams speaks in New York, and earnings include NAB, ON Semiconductor, Paramount Skydance, Pinterest, Tyson Foods, and Vertex. Asian markets opened slightly higher on Monday as investors weighed tentative signs of progress in Middle East diplomacy against a packed macro and earnings week.

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Global markets' performance snapshot

Performance snapshot*				
Rates	**Latest**	**1D (bp)**	**1M (bp)**	**3M (bp)**
SOFR	3.66	0.00	3.00	1.00
UAE Eibor 3m	3.79	6.68	9.18	20.07
UAE Eibor 12m	4.01	4.74	4.34	33.07
US 3m Bills	3.65	-0.76	-2.83	-0.71
US 10yr Treasury	4.37	-0.08	2.16	13.85
German 10yr Bund	3.04	0.00	0.20	19.70
UK 10yr Gilt	4.96	-4.80	2.90	45.30
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	503	0.20	1.75	-0.78
Global Treasuries	208	0.19	1.73	-1.15
Global Corporate	304	0.21	1.87	-0.79
EM USD Sovereign	463	0.23	3.03	0.51
EM LCY Sovereign	165	0.10	2.45	-0.06
Global High Yield	1,889	0.22	3.34	0.41
Currencies				
Dollar Index	98.16	0.10	-2.34	1.95
EUR USD	1.1721	-0.04	2.28	-1.97
GBP USD	1.3583	0.04	2.97	-1.56
USD JPY	157.01	0.27	-1.53	2.69
Equities				
S&P 500	7,230	0.29	13.97	3.75
Dow Jones	49,499	-0.31	9.47	0.87
NASDAQ	25,114	0.89	20.77	6.03
STOXX 600	612	0.04	5.31	0.73
DAX	24,292	0.00	7.67	-0.07
Nikkei 225	59,513	0.38	14.70	11.50
FTSE 100	10,364	-0.14	2.33	1.89
SENSEX	76,914	0.00	6.90	-6.85
Hang Seng	25,777	0.00	4.14	-7.84
MSCI World	4,674	0.29	12.26	2.81
MSCI EM	1,601	0.08	13.40	3.00
Regional Equities				
ADX	9,789	0.11	2.77	-5.54
DFM	5,767	0.01	5.96	-11.03
Tadawul*	11,193	0.05	-1.33	4.52
DSM*	10,533	0.43	-1.02	-4.72
MSM30*	8,361	-0.10	2.43	13.09
BHSE*	1,972	0.00	4.13	-4.30
KWSE*	8,908	0.54	3.26	3.92
Commodities				
BBG Commodity Index	140.2	-0.20	3.86	12.55
Brent USD/bbl	108.17	-5.12	-4.09	52.98
WTI USD/bbl	101.94	-2.98	-0.91	55.82
Gold USD/t oz	4,614.2	0.14	1.63	-13.51
Silver USD/t oz	75.4	2.19	7.54	-34.86
Platinum USD/t oz	1,990.3	0.13	4.71	-24.70
Aluminum	3,590.9	1.60	4.09	12.13
Copper USD/MT	12,895.0	-0.93	6.25	-6.85
Digital Assets				
Bitcoin	77,870.6	1.84	16.93	-7.72
Ether	2,284.6	0.93	12.99	-18.85
Solana	83.5	0.48	0.90	-28.86
XRP	1.4	1.08	4.36	-23.23
Volatility				
VIX	16.99	0.59	-44.50	0.65
MOVE	70.41	-2.30	-35.00	15.94

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – May 04, 2026 unless stated otherwise. Performance in local currency.

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