

US equities hit new highs as investors look past geopolitical risks

Macro headlines

President Trump said he would briefly pause Project Freedom, the US naval operation escorting ships through the Strait of Hormuz, citing “great progress” toward a comprehensive agreement with Iran. The announcement came just a day after the US and Iran exchanged fire in the Gulf, underscoring the fragility of the ceasefire and the volatility of the maritime environment. The US Securities and Exchange Commission proposed allowing companies to shift from quarterly to twice annual earnings reporting, reviving a long standing idea championed by President Trump. The proposal would mark a significant structural change in US corporate disclosure practices and could reshape short-term market behavior. Staying with the US, the April ISM Services PMI slipped to 53.6, with new orders falling sharply and employment contracting for a second month. The Prices Index held at 70.7, its highest since October 2022, reflecting persistent cost pressures driven by diesel, gasoline, and oil. US new home sales rose more than expected as builders cut prices and offered incentives, while JOLTS job openings edged down to 6.866m, still above expectations. The US trade deficit widened as exports rose to USD320.9bn and imports to USD381.2bn, though the year to date deficit remains sharply lower than in 2025. Switzerland’s inflation accelerated to 0.6% y/y, its highest since 2024, driven by housing, energy, recreation, and transport. The Reserve Bank of Australia raised rates for a third consecutive meeting, lifting the cash rate to 4.35% amid concerns that the Middle East oil crisis could worsen inflation. China’s services PMI rose to 52.6, supported by domestic demand, while Saudi Arabia posted its largest fiscal deficit since 2018 as diversification spending surged and oil revenue dipped.

Market performances

US equities rallied on Tuesday, with the S&P 500 and Nasdaq closing at record highs as investors focused on strong earnings and AI driven capex rather than geopolitical risks. The S&P 500 rose 0.8%, the Nasdaq gained about 1%, and the Dow added 0.73%. Intel and other AI linked names led the advance, reinforcing the theme that technology remains the dominant driver of market performance. Earnings momentum remains powerful: 83% of S&P 500 companies have beaten EPS estimates, and revenue beats stand at 78.2%. AI related spending continues to do the heavy lifting for stocks. However, Gulf markets ended lower as renewed attacks in the Strait of Hormuz unsettled investors. Oil prices eased after Monday’s surge, with Brent falling 4% to USD109.87/bbl, though prices remain above USD100/bbl amid ongoing hostilities in the Gulf. Currency markets were volatile as traders watched for further Japanese intervention. The yen briefly surged on Monday before weakening again, with the dollar last up 0.4% at 157.82. Treasury yields fell slightly, with the US 10 year at 4.424%. Gold rebounded 0.70% to USD4,554/oz, while Bitcoin continued its sharp recovery, trading above USD81,600.

What’s next

Wednesday brings a full slate of global services and composite PMI releases, including the global PMI with sector splits and country level data for the eurozone, UK, Brazil, India, and Russia. In the US, markets will parse April ADP employment. Europe releases March producer prices and April inflation from Sweden, while Poland announces its policy rate decision. Asia’s calendar includes New Zealand’s Q1 labor market data, April inflation from South Korea and Thailand, and Hong Kong’s March retail sales. Fed Governor Goolsbee speaks at the Milken Institute Global Conference, and G7 trade ministers meet in Paris. Earnings include Adyen, Arm, BMW, CVS Health, Daimler Truck, Equinor, Infineon, Marriott, Novo Nordisk, Snap, Uber, Disney, and others. Markets will focus on whether the pause in Project Freedom signals real diplomatic progress, whether Japan intervenes again in FX markets, and whether services sector inflation pressures continue to complicate central bank policy paths.

Mohammed Al Hemeiri

Senior Specialist

Tel: +971 (0)2 812 6450

mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0)2 812 6457

kishore.muktinutalapati@adcb.com

Visit [Investment Strategy Webpage](#)

to read our other reports

Daily Market View

Investment Strategy | May 06, 2026

Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.63	0.00	-2.00	-6.00
UAE Eibor 3m	3.76	6.48	-0.26	15.88
UAE Eibor 12m	4.00	-0.06	1.43	31.51
US 3m Bills	3.67	0.77	-1.24	1.33
US 10yr Treasury	4.42	-1.41	10.55	14.67
German 10yr Bund	3.06	-2.40	7.70	19.50
UK 10yr Gilt	5.06	9.70	23.10	55.50
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	501	0.03	0.51	-0.45
Global Treasuries	208	-0.04	0.37	-0.72
Global Corporate	304	0.16	0.75	-0.53
EM USD Sovereign	462	0.06	1.82	0.36
EM LCY Sovereign	165	-0.05	1.28	0.36
Global High Yield	1,886	0.05	1.96	0.39
Currencies				
Dollar Index	98.44	0.07	-1.21	0.83
EUR USD	1.1699	0.15	0.69	-0.86
GBP USD	1.3556	0.27	1.63	-0.76
USD JPY	157.79	0.33	-0.48	1.47
Equities				
S&P 500	7,259	0.81	10.40	4.05
Dow Jones	49,298	0.73	5.87	-0.22
NASDAQ	25,326	1.03	15.96	7.35
STOXX 600	610	0.70	2.01	-1.23
DAX	24,402	1.71	4.73	-1.60
Nikkei 225	59,513	0.00	10.74	13.02
FTSE 100	10,219	-1.40	-1.41	-1.18
SENSEX	77,018	-0.33	5.31	-5.69
Hang Seng	25,899	-0.76	2.39	-3.28
MSCI World	4,677	0.64	8.21	3.05
MSCI EM	1,648	-0.02	13.09	10.34
Regional Equities				
ADX	9,791	-0.30	1.46	-5.29
DFM	5,729	-0.88	3.33	-12.84
Tadawul*	11,007	-0.75	-2.96	2.78
DSM*	10,505	-0.57	-1.29	-4.98
MSM30*	8,392	-0.07	2.80	13.50
BHSE*	1,951	-1.20	3.00	-5.34
KWSE*	8,871	-0.25	2.83	3.48
Commodities				
BBG Commodity Index	141.1	-0.81	4.87	22.59
Brent USD/bbl	109.87	-3.99	8.61	65.72
WTI USD/bbl	102.27	-3.90	2.15	64.58
Gold USD/t oz	4,561.4	1.12	-4.72	-2.42
Silver USD/t oz	72.8	0.11	-2.97	-8.10
Platinum USD/t oz	1,957.7	0.56	-0.41	-8.18
Aluminum	3,655.7	1.80	1.88	20.03
Copper USD/MT	12,970.0	0.58	5.70	-0.13
Digital Assets				
Bitcoin	81,646.9	2.14	19.76	4.06
Ether	2,382.1	1.38	11.15	1.76
Solana	86.6	3.03	4.93	-17.35
XRP	1.4	1.69	5.07	-12.68
Volatility				
VIX	17.38	-4.98	-29.18	6.36
MOVE	76.78	-1.39	-14.87	29.48

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – May 06, 2026 unless stated otherwise. Performance in local currency.

Disclaimer

ADCB Asset Management Limited ("AAML"), is a member of ADCB Group, licensed by Financial Services Regulatory Authority in Abu Dhabi Global Markets under financial services permission number 170036.

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige ADCB Group to enter into

transaction.

The content of this publication should not be considered as legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication. Investment products are not available to US persons.

Information and opinions contained herein is are based on various sources, including but not limited to public information, annual reports and statistical data that AAML considers accurate and reliable. However, AAML makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for customers who are either retail or professional investors.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. AAML expressly disclaims any obligation to update or revise any forward looking statement to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB Group does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication. Opinions expressed herein may differ from opinions expressed by other businesses or affiliates of ADCB Group.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB Group. They are subject to investment risk, including possible of loss of principal amount invested. This publication may not be reproduced or circulated without ADCB Group written authority. The manner of circulation and distribution may be restricted by law or regulation in certain jurisdictions. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorized use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.