

Daily Market View

Investment Strategy | May 08, 2026

Stocks ease after chip-driven surge; oil swings as Hormuz tensions flare again

Macro headlines

The month-long ceasefire between the US and Iran faced its most serious test yet as both sides exchanged fire on Thursday. The episode underscores how fragile the truce remains even as diplomatic channels continue to explore a potential agreement. The White House is preparing for President Trump's trip to China next week and has invited CEOs from Nvidia, Apple, Exxon, Boeing, Qualcomm, Blackstone, Citigroup, and Visa to join – a signal that the administration intends to blend geopolitical negotiation with commercial diplomacy. Meanwhile, a US trade court ruled that Trump's latest 10% global tariffs were unjustified under a 1970s law, though the ruling applies only to two importers and the State of Washington. Japan's yen-buying operations continued during early May holidays, adding to the April 30 intervention. The repeated actions highlight Tokyo's determination to stabilize the currency ahead of Treasury Secretary Bessent's visit next week. In the UK, Labour suffered heavy losses in local elections, deepening political uncertainty. US productivity rose 2.9% y/y in Q1, driven by higher output and modest gains in hours worked, but the labor share of output fell to 54.1%, its lowest level on record. US consumer borrowing surged USD24.9bn in March, the largest increase since 2022, as households leaned on credit amid higher fuel costs and falling savings rates. Construction spending rose 0.6%, supported by single-family homebuilding. Eurozone retail sales slipped 0.1% m/m, reflecting weakening consumer sentiment tied to the Iran war. Sweden's Riksbank held rates at 1.75%, while Norges Bank raised its policy rate to 4.25%, citing persistent inflation pressures.

Market performances

Markets pulled back modestly on Thursday after a powerful global rally the previous day. The S&P 500 fell 0.4%, the Nasdaq dipped 0.1%, and the Dow declined 0.6% as investors consolidated gains from the chip-driven surge. S&P 500 companies remain on track for their strongest profit growth in more than four years, with record EPS beats and sharply upgraded 2026 expectations. Intel and AMD both eased after earlier gains, but the broader earnings picture remains robust. European equities retreated, with the STOXX 600 down 1.1% after a 2.2% jump the previous day. MSCI Asia ex Japan hit a fresh all time high, rising 1.6%, while Japan's Nikkei crossed 62,000 for the first time. Gulf markets mostly rose on optimism around a potential US-Iran deal, though uncertainty over Hormuz remained a drag. Oil prices were volatile, swinging between sharp losses and gains before settling lower: Brent closed at USD100.06/bbl and WTI at USD94.81/bbl. Prices initially fell by as much as USD5/bbl on optimism around peace negotiations but later steadied after reports that Saudi Arabia and Kuwait lifted restrictions on US military use of airspace and bases. Oil volatility continues to shape inflation expectations. Brent remains roughly 40% above its pre war level, and US 10 year yields rose to 4.39%, reflecting ongoing concerns about energy-driven price pressures. Inventory drawdowns are becoming unsustainable, raising the risk of another sharp oil spike if diplomacy falters. Currency markets were steady: the euro held at USD1.1760, the dollar index was flat, and the yen traded at 156.64 after recent intervention driven spikes.

What's next

Friday's focus is squarely on the US employment report, with nonfarm payrolls expected to rise by 62,000 after March's 178,000 rebound, alongside the University of Michigan's preliminary consumer sentiment reading. Canada also releases April employment, while Brazil publishes April inflation. Europe's calendar includes Germany's March industrial production and trade balance, the UK Halifax house price index, and industrial production data from Spain, Sweden, Turkey, and Norway. Asia releases Japan's April services and composite PMIs, Malaysia's March industrial production, Taiwan's April trade balance, and mainland China's April trade data. Central bank speakers – including Daly, Goolsbee, Waller, and Bowman – headline the Hoover Institution Monetary Policy Conference. Earnings include Brookfield, Commerzbank, Enbridge, IAG, Intesa Sanpaolo, Macquarie, Nintendo, Sony, Toyota, and others. Markets will watch whether middle east tensions escalate, whether oil stabilizes near USD100/bbl, and how labor market data shape expectations for the Fed's next moves.

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Global markets' performance snapshot

| Performance snapshot* | | | | |
|-----------------------|----------|---------|---------|---------|
| Rates | Latest | 1D (bp) | 1M (bp) | 3M (bp) |
| SOFR | 3.61 | 0.00 | -5.00 | -4.00 |
| UAE Eibor 3m | 3.72 | -2.73 | -9.40 | 25.68 |
| UAE Eibor 12m | 3.98 | -0.26 | -1.10 | 30.20 |
| US 3m Bills | 3.68 | 0.17 | -1.04 | 0.55 |
| US 10yr Treasury | 4.39 | 3.72 | 4.55 | 11.26 |
| German 10yr Bund | 3.00 | 0.40 | 1.10 | 14.40 |
| UK 10yr Gilt | 4.95 | 0.90 | 11.50 | 40.20 |
| Fixed Income | | 1D (%) | 1M (%) | 3M(%) |
| Global Agg. Index | 505 | 0.02 | 1.51 | 0.23 |
| Global Treasuries | 209 | 0.09 | 1.58 | 0.10 |
| Global Corporate | 305 | -0.13 | 1.37 | -0.09 |
| EM USD Sovereign | 465 | -0.01 | 2.75 | 1.00 |
| EM LCY Sovereign | 166 | 0.33 | 2.48 | 1.02 |
| Global High Yield | 1,895 | -0.02 | 2.59 | 0.84 |
| Currencies | | | | |
| Dollar Index | 98.07 | 0.04 | -1.96 | 0.46 |
| EUR USD | 1.1760 | 0.14 | 2.09 | -0.32 |
| GBP USD | 1.3594 | 0.07 | 2.97 | -0.38 |
| USD JPY | 156.64 | 0.13 | -1.90 | -0.02 |
| Equities | | | | |
| S&P 500 | 7,337 | -0.38 | 11.46 | 6.60 |
| Dow Jones | 49,597 | -0.63 | 6.65 | 0.19 |
| NASDAQ | 25,806 | -0.13 | 17.95 | 12.67 |
| STOXX 600 | 616 | -1.10 | 3.32 | -0.28 |
| DAX | 24,664 | -1.02 | 6.46 | 0.25 |
| Nikkei 225 | 62,834 | 5.58 | 18.28 | 15.73 |
| FTSE 100 | 10,277 | -1.55 | -1.53 | -1.21 |
| SENSEX | 77,845 | -0.15 | 6.17 | -7.13 |
| Hang Seng | 26,626 | 1.57 | 6.01 | -0.82 |
| MSCI World | 4,741 | -0.27 | 9.84 | 5.23 |
| MSCI EM | 1,724 | 1.44 | 19.64 | 12.48 |
| Regional Equities | | | | |
| ADX | 9,876 | 0.02 | 2.87 | -6.32 |
| DFM | 5,932 | 0.57 | 8.14 | -10.96 |
| Tadawul* | 11,031 | 0.75 | -3.46 | 5.17 |
| DSM* | 10,714 | 0.61 | 0.84 | 1.26 |
| MSM30* | 8,351 | 0.20 | 1.69 | 13.31 |
| BHSE* | 1,942 | -0.71 | 1.59 | -4.68 |
| KWSE* | 8,905 | -0.02 | 2.42 | 5.90 |
| Commodities | | | | |
| BBG Commodity Index | 137.3 | -0.34 | 0.08 | 15.56 |
| Brent USD/bbl | 100.06 | -1.19 | -8.23 | 44.05 |
| WTI USD/bbl | 94.81 | -0.28 | -15.00 | 45.55 |
| Gold USD/t oz | 4,715.2 | 0.68 | 0.82 | -3.74 |
| Silver USD/t oz | 78.5 | 1.41 | 7.45 | -11.02 |
| Platinum USD/t oz | 2,030.3 | -1.62 | 2.06 | -9.22 |
| Aluminum | 3,546.7 | -0.93 | 0.41 | 16.18 |
| Copper USD/MT | 13,326.0 | -0.19 | 9.71 | 0.60 |
| Digital Assets | | | | |
| Bitcoin | 79,867.0 | -1.91 | 19.51 | 9.97 |
| Ether | 2,288.8 | -2.62 | 11.50 | 7.70 |
| Solana | 88.1 | -1.23 | 9.82 | -3.44 |
| XRP | 1.4 | -2.97 | 4.98 | -8.77 |
| Volatility | | | | |
| VIX | 17.08 | -1.78 | -28.45 | -8.37 |
| MOVE | 72.24 | 2.28 | -11.67 | 25.61 |

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time – May 08, 2026 unless stated otherwise. Performance in local currency.

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