

# Daily Market View

Investment Strategy | May 19, 2026

## Yields hover near cycle highs while equities watch

### Macro headlines

President Trump said he paused a planned military strike on Iran after Tehran sent a peace proposal to Washington, adding there is now a “very good chance” of reaching a nuclear-limiting deal. The shift marks a temporary easing of geopolitical tension, though the underlying risk remains elevated. Trump reiterated that the US is prepared to resume attacks if negotiations fail, keeping markets sensitive to any deterioration in the conflict. The comments follow a week of escalating incidents, including drone strikes and vessel seizures, which have kept the Strait of Hormuz at the center of global supply concerns. In the US, Warsh will be sworn in as Federal Reserve Chair on Friday, placing him at the helm just as inflation pressures intensify. US housing sentiment improved modestly, with the NAHB index rising three points to 37 in May. All sub indices – current sales, future sales, and buyer traffic – posted gains, suggesting tentative stabilization despite higher mortgage rates and elevated construction costs. China’s April activity data signaled a loss of momentum after a strong Q1. Fixed Asset Investment fell back into contraction (-1.6% ytd), industrial production slowed to 4.1% y/y, and retail sales rose just 0.2% y/y. The weakness reflects high base effects, sluggish domestic demand, and the drag from higher energy costs linked to the Iran war. Japan’s Q1 GDP surprised to the upside at 2.1% annualized, driven by exports and consumption, though the energy shock is expected to test momentum in coming quarters. India raised fuel prices for the second time in a week as state run refiners struggle with losses from selling below cost, highlighting the inflationary spillovers across Asia.

### Market performances

Equities eased on Monday as technology shares retreated and investors reassessed the sustainability of the AI driven rally. The S&P 500 slipped 0.07% to 7,403.05, the Nasdaq fell 0.51% to 26,090.73, while the Dow gained 0.32% to 49,686.12. Semiconductor stocks underperformed, with the SOX index down 2.5%, as investors took profits ahead of Nvidia’s earnings. The global picture was mixed: the STOXX 600 rose 0.54%, and Gulf markets fell on renewed regional tensions. Oil prices climbed sharply as supply concerns persisted. WTI settled at USD108.66/bbl and Brent at USD112.10/bbl, supported by Trump’s comments on pausing a strike and ongoing uncertainty around Hormuz. Energy equities outperformed, with the S&P energy sector up 1.8%. Bond markets remained volatile. The US 10 year yield touched 4.59% overnight – its highest since February 2025 – before retracing to 4.591%. The 2 year yield held at 4.079%. Rising yields continue to pressure equity valuations, particularly in long-duration tech. Japan’s 10 year yield hit its highest level since 1996 as the government prepared fresh debt issuance, while Germany’s 10 year yield reached a 15 year high. In FX, the dollar softened slightly as yields eased from overnight highs. The dollar index fell to 99.19, the euro rose to USD1.1652, and gold stayed at around USD4,550.2/oz. Markets remain focused on whether the Fed’s rate path will shift under incoming Chair Warsh.

### What’s next

Tuesday’s calendar includes US April pending home sales, Canada’s April inflation and March building permits, and UK March-April labor market data. Europe releases eurozone and Netherlands March trade balances. APAC data includes Japan’s March industrial production, tertiary activity, and capacity utilization; Australia’s May Westpac consumer confidence; Malaysia’s April inflation; and Hong Kong SAR’s April unemployment. Google’s annual I/O developer conference begins, with product announcements expected. Bank of England Deputy Governor Breeden speaks at City Week, and ECB Chief Economist Lane participates in a monetary policy panel. Earnings include Amer Sports, Cranswick, Currys, DCC, Diploma, Euronext, Home Depot, Keysight Technologies, Shell’s AGM, SSP, and Topps Tiles. Early Asian trade shows oil down more than 2% after Trump said he paused a planned strike on Iran to allow negotiations.

**Mohammed Al Hemeiri**

Senior Specialist

Tel: +971 (0)2 812 6450

[mohammed.alhemeiri@adcb.com](mailto:mohammed.alhemeiri@adcb.com)

**Kishore Muktinutalapati**

Head - Investment Strategy

Tel: +971 (0)2 812 6457

[kishore.muktinutalapati@adcb.com](mailto:kishore.muktinutalapati@adcb.com)

**Reed Al Sheryani**

Senior Analyst

Tel: +971 (0) 281 267 84

[reed.a@adcb.com](mailto:reed.a@adcb.com)

Visit [Investment Strategy Webpage](#)

to read our other reports

# Daily Market View

Investment Strategy | May 19, 2026

## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.55	0.00	-11.00	-11.00
UAE Eibor 3m	3.86	0.41	7.50	30.81
UAE Eibor 12m	4.09	5.32	7.60	39.74
US 3m Bills	3.64	-2.46	-3.04	-3.18
US 10yr Treasury	4.59	-0.60	33.95	53.91
German 10yr Bund	3.15	-1.90	12.40	39.30
UK 10yr Gilt	5.10	-7.40	31.70	68.20
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	497	0.01	-1.43	-2.49
Global Treasuries	206	-0.02	-1.60	-3.02
Global Corporate	302	0.05	-1.33	-2.18
EM USD Sovereign	458	-0.23	-1.34	-1.67
EM LCY Sovereign	164	-0.05	-1.21	-1.06
Global High Yield	1,879	-0.06	-0.50	-0.38
Currencies				
Dollar Index	99.19	-0.09	1.09	2.35
EUR USD	1.1652	0.23	-1.20	-1.82
GBP USD	1.3429	0.77	-1.02	-1.63
USD JPY	158.93	0.12	0.06	4.08
Equities				
S&P 500	7,403	-0.07	6.25	8.29
Dow Jones	49,686	0.32	2.37	0.37
NASDAQ	26,091	-0.51	10.37	15.72
STOXX 600	610	0.54	-1.58	-1.22
DAX	24,308	1.49	1.10	-2.44
Nikkei 225	60,816	-0.97	5.08	6.80
FTSE 100	10,324	1.26	-2.69	-1.17
SENSEX	75,315	0.10	-1.99	-8.85
Hang Seng	25,675	-1.11	-0.76	-3.36
MSCI World	4,740	-0.04	3.86	5.10
MSCI EM	1,663	-0.31	6.26	6.93
Regional Equities				
ADX	9,561	-1.20	-2.83	-10.11
DFM	5,610	-1.74	-1.92	-16.65
Tadawul*	10,956	-0.11	-1.38	0.58
DSM*	10,372	-1.07	-2.72	-1.09
MSM30*	7,749	-2.39	-5.03	0.12
BHSE*	1,920	-0.69	-0.68	-1.46
KWSE*	8,681	-0.20	-2.23	0.84
Commodities				
BBG Commodity Index	143.1	1.58	7.66	21.98
Brent USD/bbl	112.10	2.60	18.26	65.46
WTI USD/bbl	108.66	3.07	19.04	72.78
Gold USD/t oz	4,550.2	0.22	-5.40	-9.75
Silver USD/t oz	77.7	2.27	-2.31	0.39
Platinum USD/t oz	1,984.0	0.08	-5.83	-4.00
Aluminum	3,627.8	0.05	1.19	19.22
Copper USD/MT	13,428.0	-0.93	2.54	5.57
Digital Assets				
Bitcoin	76,855.5	-2.81	3.67	11.60
Ether	2,116.0	-4.63	-8.62	3.07
Solana	84.9	-4.87	1.52	0.09
XRP	1.4	-3.50	1.97	-1.77
Volatility				
VIX	17.82	-3.31	-2.94	-13.50
MOVE	86.07	7.76	15.76	22.78

Source: Bloomberg, and ADCB Asset Management \*Notes: Data as at 8AM UAE time – May 19, 2025. Performance in local currency terms.

## 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.