Daily Market View

Investment Strategy | May 22, 2026

بنك أبوظبي التجاري
ADCB
ASSET MANAGEMENT LIMITED

Yields ease, risk appetite firms as Iran talks show 'good signs'

Macro headlines

Iran and Oman are discussing a payment system for ships crossing the Strait of Hormuz, even as the US warns against any toll mechanism. US Secretary of State Rubio said there were "some good signs" in negotiations, with regional mediators working to reinforce the fragile ceasefire. US house Republicans cancelled a vote directing President Trump to end the war, lacking the votes to defeat it – an unusual retreat that underscores the political complexity surrounding war powers. The White House unexpectedly postponed the long awaited executive order on AI after Trump said he "did not like" aspects of the national security vetting framework. Meanwhile, quantum computing shares surged after the US government announced USD2bn in grants to nine firms, with NIST taking minority stakes – an unusual interventionist industrial policy move by historical standards, which has of course recently become a norm. US mortgage rates rose to 6.51%, the highest in nine months, tracking Treasury yields higher. Manufacturing activity strengthened sharply: the flash PMI rose to 55.3, the highest since May 2022, driven by inventory building amid concerns about shortages and rising input costs linked to the Iran war. But the Philadelphia Fed Manufacturing Index plunged from 26.7 to -0.4, highlighting regional divergence and raising questions about underlying momentum. Housing data showed mixed signals: building permits rose 5.8% m/m to 1.442mn, while housing starts fell 2.8% m/m to 1.465mn. The divergence suggests near-term caution but improving medium term pipeline strength. Eurozone consumer confidence improved slightly to -19.0, still deeply negative but above expectations. South Korea's PPI rose 2.5% m/m – the fastest pace in 28 years – driven by petroleum and raw materials costs, reinforcing inflation pressures across Asia.

Market performances

US equities closed higher on Thursday as oil prices fell sharply and Treasury yields eased, providing relief after several sessions dominated by inflation anxiety. The Dow rose 0.55% to 50,285.66, the S&P 500 gained 0.17% to 7,445.72, and the Nasdaq edged up 0.09% to 26,293.10. Global equities rose 0.48%, while the STOXX 600 was broadly flat. Nvidia fell 1.8% as investors took profits despite strong earnings and an USD80bn buyback announcement. Semiconductor stocks were mixed, while quantum computing names surged after the government's USD2bn grant program. IBM jumped 12.4% on news it would receive federal funding. Turkey's markets came under pressure after a court ruling destabilized the political opposition, with the MSCI Turkey ETF down 9.2%. The tone was constructive but cautious, with investors balancing optimism around peace talk progress against lingering geopolitical and inflation risks. Oil prices fell decisively as hopes for a negotiated settlement improved and Iran signaled narrower gaps with Washington. WTI settled at USD96.35/bbl and Brent at USD102.58/bbl. The drop below USD100/bbl for WTI eased inflation expectations and supported equity sentiment. Treasury yields softened, with the 10 year slipping to 4.575%. Yields remain near multi month highs, but the pullback reflects hopes that a peace deal could temper the energy driven inflation shock. Fed funds futures still price roughly 50% odds of a rate hike by December – a dramatic shift from pre war expectations of cuts. In FX, the dollar index was flat at 99.13 after touching a six week high earlier in the session. The euro held at USD1.1595, the yen at 159.14, and gold slipped slightly to USD4,519.5/oz.

What's next

Friday's calendar includes the US May University of Michigan consumer confidence final reading, Mexico's Q1 GDP, and Canada's April producer prices and retail sales. Europe releases Germany's Q1 GDP, UK April retail sales and public sector borrowing, the Germany May Ifo survey, and France's May business climate index. APAC data includes Japan's April inflation, New Zealand's Q1 retail sales, Indonesia's Q1 balance of payments, and Singapore's Q1 GDP. Richemont reports earnings.

Reed Al Sheryani
Senior Analyst
Tel: +971 (0) 281 267 84
reed.a@adcb.com

Kishore Muktinutalapati
Head - Investment Strategy
Tel: +971 (0)2 812 6457
kishore.muktinutalapati@adcb.com

Mohammed Al Hemeiri
Senior Specialist
Tel: +971 (0)2 812 6450
mohammed.alhemeiri@adcb.com

Visit Investment Strategy Webpage to read our other reports

Daily Market View

Investment Strategy | May 22, 2026

ADCB ASSET MANAGEMENT LIMITED

Global markets' performance snapshot

Performance snapshot*				
Rates	**Latest**	**1D (bp)**	**1M (bp)**	**3M (bp)**
SOFR	3.50	0.00	-15.00	-23.00
UAE Eibor 3m	3.77	3.10	6.37	17.84
UAE Eibor 12m	3.93	-10.67	-8.63	29.41
US 3m Bills	3.66	1.98	-1.79	-2.54
US 10yr Treasury	4.57	-1.59	32.16	48.69
German 10yr Bund	3.10	0.20	13.80	35.90
UK 10yr Gilt	4.97	-2.30	20.30	59.10
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	498	0.00	-1.53	-2.20
Global Treasuries	206	-0.02	-1.74	-2.76
Global Corporate	302	0.01	-1.36	-1.88
EM USD Sovereign	459	0.12	-1.47	-1.70
EM LCY Sovereign	164	0.11	-1.28	-0.97
Global High Yield	1,880	0.01	-0.77	-0.44
Currencies				
Dollar Index	99.26	0.17	1.18	1.59
EUR USD	1.1595	-0.27	-1.44	-1.79
GBP USD	1.3408	-0.25	-0.80	-0.84
USD JPY	159.14	0.19	0.32	2.98
Equities				
S&P 500	7,446	0.17	4.49	8.20
Dow Jones	50,286	0.55	1.70	1.25
NASDAQ	26,293	0.09	7.46	15.56
STOXX 600	621	0.04	-0.96	-1.29
DAX	24,607	-0.53	-0.39	-2.66
Nikkei 225	61,684	3.14	5.49	7.95
FTSE 100	10,443	0.11	-2.10	-2.27
SENSEX	75,183	-0.18	-4.22	-10.21
Hang Seng	25,387	-1.03	-2.96	-4.94
MSCI World	4,777	0.23	2.73	5.20
MSCI EM	1,676	2.33	4.91	7.34
Regional Equities				
ADX	9,637	0.40	-2.87	-10.40
DFM	5,661	0.60	-5.46	-16.32
Tadawul*	11,028	0.38	-1.26	0.74
DSM*	10,380	0.26	-2.46	0.45
MSM30*	7,632	5.36	-6.24	-0.27
BHSE*	1,929	0.20	-1.14	1.37
KWSE*	8,712	0.75	-2.20	1.64
Commodities				
BBG Commodity Index	138.9	-0.85	5.65	17.92
Brent USD/bbl	102.58	-2.32	13.50	45.81
WTI USD/bbl	96.35	-1.94	14.91	47.80
Gold USD/t oz	4,519.5	-0.33	-6.44	-9.60
Silver USD/t oz	76.7	1.02	-5.21	-0.68
Platinum USD/t oz	1,969.3	0.78	-6.81	-5.32
Aluminum	3,678.2	0.51	2.43	19.64
Copper USD/MT	13,427.0	0.07	2.11	6.54
Digital Assets				
Bitcoin	77,635.7	-0.03	0.34	17.09
Ether	2,136.7	0.12	-11.99	10.07
Solana	87.5	1.60	-1.73	7.68
XRP	1.4	0.53	-7.13	-3.06
Volatility				
VIX	16.76	-3.90	-4.12	-14.58
MOVE	79.72	-2.22	21.34	24.19

Source: Bloomberg, and ADCB Asset Management *Notes: Data as at 8AM UAE time – May 22, 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.