

## From PMI stagnation to cloud ambition

### Macro headlines

The week opened with legal, political, and economic crosscurrents. Businesses, lawmakers, and former officials pressed the US Supreme Court to curb President Trump's use of emergency tariff powers, ahead of a landmark hearing he called "one of the most important cases in the history of our country." Meanwhile, US administration officials floated ways to encourage wider adoption of the dollar to counter China's push for alternatives. The government shutdown entered a critical phase, with Democrats urging Trump to intervene directly as the lapse threatens to become the longest ever. On the economic data front, US manufacturing contracted further in October, with ISM's PMI falling to 48.7, below expectations, though new orders and employment showed slight improvement. The UK's PMI rose to 49.7, its highest in a year, aided by a rebound at JLR after a cyberattack. Eurozone manufacturing stagnated at 50.0, extending a mild run of expansion but with weak orders and employment. China's PMI signaled continued expansion, though export orders fell and confidence slipped. India's sector remained strong on GST relief and tech investment, while Türkiye's PMI showed contraction amid currency-driven cost pressures. Inflation eased in Türkiye to 32.9% and in Switzerland to near zero, raising speculation of policy shifts.

### Market performances

Markets reflected a tug-of-war between AI optimism and policy uncertainty. The Dow fell 0.48% to 47,337, while the S&P 500 rose 0.17% to 6,852 and the Nasdaq gained 0.46% to 23,835. Amazon climbed 4% after signing a USD38bn, seven-year cloud deal with OpenAI, underscoring the scale of AI-driven infrastructure spending. Global equities were modestly higher, MSCI's All Country World index up 0.10% and Europe's STOXX 600 up 0.07%, as investors balanced tariff uncertainty with AI-driven momentum. Stock markets in the Gulf ended mixed on Monday, driven by underwhelming corporate earnings and diminished expectations for further Federal Reserve rate cuts in December. The dollar extended gains, hitting a three-month high versus the euro at 1.152, as Fed officials offered conflicting signals. Traders now price a 70% chance of a December Fed rate cut, down from 94% a week ago. Treasury yields were steady: the 10-year at 4.11% and the 2-year at 3.60%, with the curve steepening to 51 bps. Oil prices were stable, WTI at USD61.05/bbl and Brent at USD64.89/bbl, as OPEC+ signaled an end to supply increases. Gold hovered at USD4,006/oz. The yen weakened to 154.2, while sterling slipped to 1.314 ahead of the Bank of England's decision. Bitcoin fell 2.3% to 106,866.

### What's next

Tuesday's agenda is packed with data and events. In the Americas, Brazil reports September industrial production, while the US releases trade balance, JOLTs job openings, and factory orders (data releases still impacted by US Government shutdown). In Europe, Spain's October unemployment change and Türkiye's preliminary trade balance are due. In Asia-Pacific, South Korea reports October inflation, Japan publishes its PMI, and the Reserve Bank of Australia announces its rate decision. Central bank voices will also be in focus, with Bank of England Deputy Governor Breeden and Fed Vice Chair Bowman speaking at the Santander International Banking Conference in Madrid. Corporate earnings include AIG, Amgen, BP, Pfizer, Uber, Spotify, Saudi Aramco, Nintendo, and more, spanning energy, tech, and consumer sectors. US mayoral elections, including New York, and gubernatorial contests in New Jersey and Virginia add a political dimension. With tariffs under Supreme Court scrutiny, the shutdown grinding on, and AI investment accelerating, markets face a day where legal, political, and technological narratives collide.

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# Daily Market View

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	3M (bp)	YTD (bp)
SOFR	4.22	0.00	-2.00	-12.00
UAE Eibor 3m	3.77	19.18	-10.48	-51.05
UAE Eibor 12m	3.71	-3.55	-12.32	-42.26
US 3m Bills	3.86	5.90	-7.26	-40.61
US 10yr Treasury	4.11	3.29	-3.99	-10.55
German 10yr Bund	2.67	3.40	-4.40	-1.20
UK 10yr Gilt	4.44	2.60	-26.40	-9.30
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	498	-0.15	-0.40	0.97
Global Treasuries	208	-0.13	-0.68	0.36
Global Corporate	301	-0.24	-0.29	1.56
EM USD Sovereign	454	-0.05	2.58	5.15
EM LCY Sovereign	160	-0.08	0.23	1.65
Global High Yield	1,832	-0.11	0.58	2.75
Currencies				
Dollar Index	99.87	0.07	2.15	0.74
EUR USD	1.1527	-0.09	-1.96	-0.52
GBP USD	1.3145	-0.05	-2.33	-1.01
USD JPY	154.15	0.10	4.34	4.58
Equities				
S&P 500	6,852	0.17	2.44	9.84
Dow Jones	47,337	-0.48	2.02	8.60
NASDAQ	23,835	0.46	5.18	15.42
STOXX 600	572	0.07	2.53	6.81
DAX	24,132	0.73	1.05	3.02
Nikkei 225	52,411	0.00	16.64	28.46
FTSE 100	9,701	-0.16	3.75	6.98
SENSEX	83,978	0.05	4.62	4.19
Hang Seng	26,158	0.97	-2.60	6.73
MSCI World	4,395	0.10	2.05	9.25
MSCI EM	1,410	0.63	4.78	15.03
Regional Equities				
ADX	10,024	-0.75	0.09	-2.84
DFM	6,019	-0.67	3.07	-1.52
Tadawul*	11,484	-0.46	-0.86	7.00
DSM*	11,028	0.89	0.86	-1.78
MSM30*	5,675	0.72	8.10	12.09
BHSE*	2,078	0.22	5.47	7.72
KWSE*	8,979	-0.55	2.26	5.44
Commodities				
BBG Commodity Index	108.3	0.91	3.49	7.61
Brent USD/bbl	64.89	-0.28	-3.18	-6.86
WTI USD/bbl	61.05	0.11	-2.12	-9.33
Gold USD/t oz	4,006.2	0.08	4.16	19.11
Silver USD/t oz	48.1	-1.26	3.07	29.81
Platinum USD/t oz	1,571.0	-0.21	-0.30	18.98
Aluminum	2,897.8	0.67	8.01	12.97
Copper USD/MT	10,872.5	-0.27	5.56	14.02
Digital Assets				
Bitcoin	106,866.6	-2.34	-6.78	-6.18
Ether	3,601.4	-6.69	-14.16	1.72
Solana	165.9	-11.21	-20.96	1.32
XRP	2.3	-7.95	-19.55	-23.13
Volatility				
VIX	17.17	-1.55	5.47	-15.75
MOVE	67.23	0.93	-13.73	-19.80

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - November 04, 2025 unless stated otherwise.  
Performance in local currency.

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