

The longest shutdown meets high-valuation sell-off

Macro headlines

November 5 marks one year since Donald Trump's re-election as POTUS47, but the milestone is overshadowed by domestic strain. The US government shutdown has officially become the longest in history, surpassing the previous 35-day record, with the Senate failing for the 14th time to pass a short-term funding bill. The economic toll is mounting, reflected in a sharp drop in the IBD/TIPP Economic Optimism Index to 43.9 in November, down from 48.3 in October – its lowest in more than a year. Globally, central banks and PMI data painted a mixed picture. The Reserve Bank of Australia held rates at 3.6% but signaled one more cut this year amid inflation pressures. The Global Manufacturing PMI ticked up to 50.8 in October, its third straight month of expansion, though Japan's PMI fell to 48.2, indicating demand for Japanese goods worsening at fastest pace in 20 months. In the Gulf, Kuwait's non-oil sector showed steady gains, while Saudi Arabia's PMI surged to 60.2, one of its strongest since 2014, on robust demand and hiring. Qatar's non-energy sector slowed, with PMI easing to 50.6, as new business declined at fastest rate since January 2023. The global picture is one of uneven resilience: pockets of strength in the Gulf offset by weakness in Japan and consumer gloom in the US.

Market performances

Wall Street stumbled Tuesday as caution replaced recent exuberance. After Monday's AI driven rally, Tuesday's session underscored investor unease about valuations and policy uncertainty. The Dow fell 0.53% to 47,085, the S&P 500 dropped 1.17% to 6,772, and the Nasdaq slid 2.04% to 23,349, led by sharp declines in chipmakers. Nvidia lost 4%, while the semiconductor index fell equally, as Goldman Sachs and Morgan Stanley CEOs warned of a potential 10% correction within two years. Palantir tumbled 8% despite strong results, as investor Michael Burry disclosed bearish bets on AI leaders. AMD fell 3.7% and slipped further after hours despite upbeat guidance. Global equities mirrored the US pullback, with MSCI's index down 1.1% and Europe's STOXX 600 off 0.3%. Most stock markets in the Gulf closed lower on Tuesday, weighed down by sluggish oil prices and fading hopes for a December US rate cut. The risk off tone sent Treasuries higher, with the 10 year yield easing to 4.09%. The dollar climbed to a four month high against the euro at 1.148, while sterling slumped nearly 1% to 1.302 after budget warnings. The yen firmed slightly to 153.6. Bitcoin plunged below USD100k for the first time since June. Oil weakened, WTI down to USD60.56/bbl and Brent to USD64.44/bbl, pressured by a stronger dollar. Gold fell to USD3,955/oz.

What's next

Wednesday brings a dense agenda of data, policy, and politics. Global services and composite PMIs for October will provide a fuller picture of economic momentum, complementing earlier manufacturing surveys. In the US, ADP's October employment change and ISM services PMI are due, though the shutdown will delay Friday's official jobs report. Brazil announces its Selic rate decision, while in Europe, Germany reports factory orders, France industrial production, Italy retail sales, and Sweden and Poland rate decisions. In Asia, New Zealand releases Q3 unemployment, while the Philippines and Thailand publish October inflation. Indonesia reports Q3 GDP and Singapore September retail sales. Japan released its BoJ meeting minutes. Politically, the US Supreme Court hears challenges to Trump's tariff powers, a case with sweeping implications for trade policy. Trump himself will headline the America Business Forum in Miami, alongside business and cultural figures. Corporate earnings are heavy: Qualcomm, Toyota, Novo Nordisk, McDonald's, Lyft, Snap, Duolingo, BMW, and more across sectors. With the shutdown deepening, optimism plunging, and markets wobbling, today's developments could set the tone for the rest of November – a month already marked by volatility and political theater.

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

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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	4.13	0.00	-7.00	-20.00
UAE Eibor 3m	3.79	1.55	-14.52	-38.65
UAE Eibor 12m	3.87	15.96	4.86	-31.48
US 3m Bills	3.86	0.50	-6.46	-37.99
US 10yr Treasury	4.09	-2.52	-1.29	-10.71
German 10yr Bund	2.65	-1.30	-5.90	3.00
UK 10yr Gilt	4.43	-1.00	-27.10	-8.40
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	498	-0.04	-0.59	0.60
Global Treasuries	208	-0.05	-0.90	-0.10
Global Corporate	301	-0.02	-0.49	1.35
EM USD Sovereign	453	-0.20	2.35	4.59
EM LCY Sovereign	160	-0.18	-0.04	0.77
Global High Yield	1,828	-0.24	0.33	2.25
Currencies				
Dollar Index	100.22	0.35	2.58	1.46
EUR USD	1,1484	-0.37	-2.04	-0.76
GBP USD	1,3029	-0.88	-3.30	-1.93
USD JPY	153.59	-0.36	4.37	4.45
Equities				
S&P 500	6,772	-1.17	0.90	6.98
Dow Jones	47,085	-0.53	1.39	6.59
NASDAQ	23,349	-2.04	2.61	10.90
STOXX 600	571	-0.30	1.06	5.55
DAX	23,949	-0.76	-0.68	0.81
Nikkei 225	51,497	-1.74	15.59	27.81
FTSE 100	9,715	0.14	2.84	6.43
SENSEX	83,459	-0.62	3.06	3.01
Hang Seng	25,952	-0.79	-3.36	4.93
MSCI World	4,347	-1.08	0.57	6.75
MSCI EM	1,393	-1.21	3.01	12.64
Regional Equities				
ADX	10,058	0.34	0.29	-2.34
DFM	6,013	-0.10	2.11	-1.84
Tadawul*	11,398	-0.74	-1.60	6.21
DSM*	11,028	0.00	0.86	-1.78
MSM30*	5,616	-1.04	6.98	10.93
BHSE*	2,078	-0.04	5.42	7.67
KWSE*	8,959	-0.22	2.03	5.21
Commodities				
BBG Commodity Index	107.5	-0.73	2.04	7.04
Brent USD/bbl	64.44	-0.69	-1.39	-6.28
WTI USD/bbl	60.56	-0.80	-1.97	-8.64
Gold USD/t oz	3,955.2	-1.27	2.17	17.33
Silver USD/t oz	47.2	-1.91	-0.34	26.06
Platinum USD/t oz	1,540.2	-1.96	-1.65	15.45
Aluminum	2,852.6	-1.56	6.03	11.80
Copper USD/MT	10,600.5	-2.50	3.29	10.16
Digital Assets				
Bitcoin	100,265.5	-6.18	-14.73	-12.68
Ether	3,213.4	-10.77	-25.91	-13.17
Solana	151.1	-8.94	-31.20	-9.71
XRP	2.2	-6.75	-26.91	-29.33
Volatility				
VIX	19.00	10.66	16.64	8.45
MOVE	68.02	1.18	-7.46	-22.66

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - November 05, 2025 unless stated otherwise. Performance in local currency.

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