Shutdown resolution brings optimism, valuation stirs skepticism

Macro headlines

Trade and politics dominated Tuesday's headlines. Switzerland and India, both hit with some of President Trump's steepest reciprocal tariffs, are edging closer to agreements with Washington. Switzerland, facing a 39% levy since August, expects a deal within two weeks to cut rates to 15%. India, burdened by a 50% duty, is said to be "pretty close" to a deal, though talks have dragged on. Meanwhile, members of the House returned to Washington for a vote that could finally end the record-long government shutdown, which has snarled air travel and delayed food aid. Business sentiment softened: the US NFIB Small Business Optimism Index slipped to 98.2 in October, though still above its long-term average, while ADP's new weekly data showed US private employers shedding 11,250 jobs per week through late October. German investor morale fell, with ZEW sentiment down to 38.5, while Eurozone sentiment rose to 25, above forecasts. UK labor market data showed unemployment rising to 5.0%, its highest since early 2021, with wage growth slowing to 4.6%. Payrolls data revealed back-to-back declines of 32,000 in September and October. In corporate news, SoftBank sold its entire USD5.83bn stake in Nvidia. Separately, Turkish prosecutors sought a 2,352-year sentence for Istanbul mayor İmamoğlu, raising political stakes.

Market performances

Markets were buoyed by Senate approval of a bill to end the shutdown, though Wall Street's performance was mixed. The Dow rose 1.18%, the S&P 500 added 0.21%, while the Nasdaq slipped 0.25%, weighed by Nvidia after SoftBank disclosed its stake sale. MSCI's global index gained 0.4%, while Europe's STOXX 600 rose 1.28% and the FTSEurofirst 300 climbed 1.31%. Gulf markets also advanced on hopes of a December Fed rate cut. Investors balanced optimism over shutdown resolution with caution on tech valuations, particularly AI-linked stocks. Despite muted early trading, sentiment improved as investors bet the economy remains resilient, with dip-buyers stepping in to sustain the bull market narrative. US Treasuries were closed for Veterans Day, but currency markets reflected labor market concerns: the dollar index fell 0.15% to 99.44, with the euro up to USD1.1595 and the yen at 154.08. Oil prices rose on sanctions-driven supply concerns: WTI gained to USD61.04/bbl and Brent rose to USD65.16/bbl. Gold edged higher, spot at USD4,114.4/oz, near a three-week high, supported by expectations of resumed data releases and potential Fed easing.

What's next

Wednesday's agenda is packed with data and corporate results. In the Americas, Canada reports September building permits, while Argentina releases October CPI inflation. In Europe, Germany publishes final October inflation, Italy reports September industrial production, and Romania announces its interest rate decision. In Asia, South Korea's October unemployment, Australia's Q3 home loans, Japan's October machine tool orders, and India's October inflation are due. Corporate earnings include ABN Amro, Bayer, Bridgestone, Cisco Systems, Experian, Foxconn, Infineon, RWE, SSE, Swiss Life, Tata Steel, and Taylor Wimpey, among others. President Trump is expected to host a private dinner at the White House with top executives, including the CEOs of Nasdaq and JPMorgan Chase, underscoring the administration's outreach to business leaders amid ongoing tariff negotiations. With shutdown resolution nearing, tariff deals with Switzerland and India in play, and labor market signals flashing weakness, Wednesday's developments will test whether investor optimism can hold. Markets will watch for confirmation of government reopening, clarity from corporate earnings, and signals from inflation data across regions. The midweek is defined by cautious resilience – balancing political progress with economic fragility.

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Daily Market View

Investment Strategy | November 12, 2025

Global markets' performance snapshot

Performance snapshot*				
Rates	**Latest**	**1D (bp)**	**3M (bp)**	**YTD (bp)**
SOFR	3.93	0.00	-19.00	-41.00
UAE Eibor 3m	3.75	-2.36	-23.13	-44.17
UAE Eibor 12m	3.86	1.91	-4.56	-27.53
US 3m Bills	3.83	-4.11	-10.30	-41.35
US 10yr Treasury	4.12	0.00	-0.11	-16.89
German 10yr Bund	2.66	-1.00	-2.10	-3.80
UK 10yr Gilt	4.39	-7.40	-32.20	-17.80
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	499	0.16	0.21	0.89
Global Treasuries	208	0.17	0.18	0.18
Global Corporate	301	0.15	0.02	1.62
EM USD Sovereign	454	0.00	2.01	4.14
EM LCY Sovereign	160	0.03	0.14	0.70
Global High Yield	1,836	0.08	0.84	2.33
Currencies				
Dollar Index	99.44	-0.15	0.53	0.94
EUR USD	1.1595	0.29	-0.09	-0.11
GBP USD	1.3174	-0.04	-1.59	-1.87
USD JPY	154.08	0.08	0.86	4.12
Equities				
S&P 500	6,847	0.21	1.38	7.42
Dow Jones	47,928	1.18	2.85	8.99
NASDAQ	23,468	-0.25	1.84	9.74
STOXX 600	580	1.28	1.10	6.10
DAX	24,088	0.53	-2.07	0.03
Nikkei 225	50,843	-0.14	6.51	21.57
FTSE 100	9,900	1.15	3.67	8.43
SENSEX	83,871	0.40	2.57	4.05
Hang Seng	26,696	0.18	-0.50	7.19
MSCI World	4,404	0.45	1.20	7.08
MSCI EM	1,403	0.18	2.23	11.71
Regional Equities				
ADX	10,034	0.14	-0.95	-2.60
DFM	6,072	1.07	1.87	-1.32
Tadawul*	11,270	0.24	-3.64	5.77
DSM*	11,141	0.46	2.67	0.37
MSM30*	5,691	0.49	7.59	11.05
BHSE*	2,076	-0.07	5.19	7.39
KWSE*	8,918	0.44	0.62	4.86
Commodities				
BBG Commodity Index	110.0	0.82	2.89	9.44
Brent USD/bbl	65.16	1.72	-1.65	-2.21
WTI USD/bbl	61.04	1.51	-2.41	-4.57
Gold USD/t oz	4,114.4	0.29	1.43	23.03
Silver USD/t oz	51.2	1.41	4.77	36.18
Platinum USD/t oz	1,585.2	0.71	-4.38	18.93
Aluminum	2,850.1	-0.05	3.32	10.31
Copper USD/MT	10,777.0	-0.21	0.36	11.75
Digital Assets				
Bitcoin	102,606.2	-2.84	-16.51	-13.67
Ether	3,416.5	-3.51	-24.16	-19.53
Solana	156.1	-5.64	-31.44	-11.37
XRP	2.4	-5.18	-17.49	-24.51
Volatility				
VIX	17.28	-1.82	6.01	6.34
MOVE	78.86	0.00	5.33	-3.55

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - November 12, 2025 unless stated otherwise. Performance in local currency.

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