

US equities see biggest drop in a month as December rate cut hopes wane

Macro headlines

The US government reopened Thursday after a record 43-day shutdown, restoring food aid, pay for over 1 million workers, and air-traffic control operations. Yet the fight over health subsidies remains unresolved, leaving political divisions intact. On Thursday, the US announced plans to eliminate tariffs on certain food products and other imports from Argentina, Ecuador, Guatemala, and El Salvador as part of framework agreements designed to enhance market access for US companies in these countries. At the White House, President Trump met Wall Street executives to discuss affordability and home ownership. Federal Reserve officials struck a hawkish tone: St. Louis Fed's Musalem warned against excessive easing, Cleveland Fed's Hammack argued policy should remain restrictive, and Minneapolis Fed's Kashkari opposed last month's cut while undecided on December. In the UK, Prime Minister Starmer and Finance Minister Reeves abandoned plans to raise income tax, seeking alternative revenue sources to fill a GBP30bn fiscal gap. UK GDP grew 0.1% q/q in Q3, slowing from 0.3% q/q in Q2, with September output down 0.1% amid a sharp 28.6% drop in auto manufacturing. Eurozone industrial production rose 0.2% m/m in September, below forecasts, while Sweden's CPI held at 0.9%. Japan's producer prices rose 2.7% y/y, driven by food and copper.

Market performances

Wall Street posted its steepest one-day decline in a month Thursday, as hawkish Fed commentary dampened hopes for a December rate cut. The Nasdaq fell 2.29% to 22,870, the Dow dropped 798 points (1.65%) to 47,457, and the S&P 500 lost 1.66% to 6,737. MSCI's global index fell 1.31%, its biggest drop since October 10. European equities also retreated, with the STOXX 600 down 0.61% and FTSEurofirst 300 off 0.66% after hitting record highs earlier in the day. Most stock markets in the Gulf ended lower on Thursday amid weak oil prices and a string of lackluster corporate earnings reports. US Treasuries sold off, pushing yields higher: the 10-year rose to 4.123%, the 30-year climbed to 4.716%, and the 2-year hit 3.597%. The dollar index slipped 0.34% to 99.16, with the euro up to 1.1651 and the yen at 154.32. Traders voiced concern about the lack of official data releases, with the White House warning October unemployment figures may never be published. Bitcoin fell to USD 98,756.8, its lowest since May. Oil prices steadied after sharp losses, WTI up to USD58.69/bbl and Brent up to USD63.01/bbl. Gold prices hovered near a three-week high while silver prices fell on Thursday.

What's next

Friday's calendar is dense with data across regions. In the US, October PPI, retail sales, and the monthly budget statement are due, alongside September business inventories (but data flow is still disrupted). Canada reports final September manufacturing sales. In Europe, Germany releases wholesale prices, the eurozone publishes Q3 employment and GDP (second estimate), and France issues October CPI. The UK's KPMG/REC jobs report will provide fresh labor market insight. In Asia, China reports October house prices, retail sales, industrial production, fixed asset investment, and unemployment, while India releases October trade. Corporate earnings include Allianz, Landsec, Melrose Industries, Swiss Re, and Tata Motors. Policy events include the EU Ecofin meeting on the 2026 budget and Japan's foreign ministry consultations on women, peace, and security. With the shutdown resolved but Fed officials signaling caution, investors will weigh incoming inflation and retail data for clarity on the US economy. Global focus will be on China's activity indicators, eurozone GDP, and corporate results to gauge resilience. The week closes with volatility high, political divisions unresolved, and markets recalibrating expectations for monetary easing.

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Daily Market View

Investment Strategy | November 14, 2025

Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	3M (bp)	YTD (bp)
SOFR	3.98	0.00	-17.00	-35.00
UAE Eibor 3m	3.79	-5.60	-15.73	-39.45
UAE Eibor 12m	3.75	-3.54	-14.96	-35.32
US 3m Bills	3.88	0.99	-6.29	-32.11
US 10yr Treasury	4.12	4.99	8.70	-11.34
German 10yr Bund	2.69	4.50	4.40	0.80
UK 10yr Gilt	4.44	3.90	-23.80	-15.20
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	499	-0.02	0.21	0.37
Global Treasuries	208	0.04	0.15	-0.33
Global Corporate	301	-0.16	0.03	0.95
EM USD Sovereign	454	-0.15	2.03	3.65
EM LCY Sovereign	161	0.23	0.62	0.67
Global High Yield	1,836	-0.12	1.38	1.76
Currencies				
Dollar Index	99.16	-0.34	0.18	1.35
EUR USD	1.1651	0.50	0.28	-0.48
GBP USD	1.3212	0.56	-1.11	-2.66
USD JPY	154.32	-0.18	2.07	4.73
Equities				
S&P 500	6,737	-1.66	2.82	4.19
Dow Jones	47,457	-1.65	4.35	5.64
NASDAQ	22,870	-2.29	3.00	5.33
STOXX 600	581	-0.61	2.93	5.41
DAX	24,042	-1.39	-0.82	-0.60
Nikkei 225	51,282	0.43	6.64	18.50
FTSE 100	9,808	-1.05	4.03	7.01
SENSEX	84,479	0.01	2.40	4.89
Hang Seng	27,073	0.56	2.98	5.70
MSCI World	4,358	-1.31	2.83	4.30
MSCI EM	1,410	0.15	3.23	10.40
Regional Equities				
ADX	9,961	-0.33	-1.51	-3.13
DFM	5,991	-0.84	0.15	-1.65
Tadawul*	11,178	-0.69	-4.01	6.48
DSM*	10,958	-1.12	1.38	-1.50
MSM30*	5,724	0.06	6.76	12.71
BHSE*	2,066	-0.43	3.73	6.63
KWSE*	8,894	-0.01	0.12	2.94
Commodities				
BBG Commodity Index	110.2	0.06	5.87	9.81
Brent USD/bbl	63.01	0.48	0.45	-3.99
WTI USD/bbl	58.69	0.34	-0.36	-6.32
Gold USD/t oz	4,201.9	0.05	4.58	25.13
Silver USD/t oz	52.3	-1.79	4.29	35.82
Platinum USD/t oz	1,585.6	-1.97	-0.72	18.04
Aluminum	2,867.9	0.04	3.89	9.76
Copper USD/MT	10,942.0	1.01	1.93	12.27
Digital Assets				
Bitcoin	98,756.8	-3.08	-13.63	-19.68
Ether	3,178.0	-7.14	-17.88	-32.66
Solana	142.1	-7.80	-27.83	-29.07
XRP	2.3	-4.27	-8.19	-29.78
Volatility				
VIX	20.00	14.22	-7.66	38.03
MOVE	79.10	-2.49	-3.12	2.32

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - November 14, 2025 unless stated otherwise. Performance in local currency.

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