

Artificial Intelligence – naturally inevitable

Macro headlines

It is all about AI. White House officials signaled potential delays in semiconductor tariffs, with President Trump emphasizing support for domestic manufacturing while maintaining a truce with China. In a major regional development, the US Commerce Department approved the sale of up to 70,000 advanced AI chips to firms in the UAE and Saudi Arabia, marking a milestone in Middle East ambitions to catch up in the AI race. Trump reiterated calls for a federal AI framework, warning that state-level overregulation could undermine economic gains. Staying with AI, Nvidia reported Q3 revenue up 62% y/y to USD57bn, beating estimates, and guided Q4 revenue to USD65bn, well above consensus, reinforcing confidence in AI demand despite recent tech volatility. Fed minutes from October revealed sharp divisions among policymakers over whether to cut rates again in December, highlighting tensions between inflation concerns and labor market weakness. In Europe, UK CPI fell to 3.6% in October from 3.8%, its first decline since May, offering relief to the Bank of England. Eurozone October inflation eased to 2.1%, with services rising but food and industrial goods slowing. Germany's September manufacturing orders rose 0.6% m/m, led by electrical equipment and autos, while Japan's core machinery orders climbed 4.2% m/m, the first growth in three months.

Market performances

Markets steadied on Wednesday as investors positioned ahead of Nvidia's earnings and delayed US employment data. The Dow rose 47 points (+0.10%) to 46,139, the S&P 500 gained 0.38% to 6,642, and the Nasdaq advanced 0.59% to 22,564, led by tech strength. Nvidia shares climbed 5% in after-hours trading after reporting stronger-than-expected results and upbeat guidance. European equities ended flat, with the STOXX 600 down 0.03% and FTSEurofirst 300 off 0.04%, while MSCI's global index edged up 0.15%. Emerging markets slipped 0.1%, Asia-Pacific ex-Japan fell 0.3%, and Japan's Nikkei eased 0.3% to 48,538. Japan's 10-year bond yields hit 1.78%, their highest since 2008, before easing to 1.76%, reflecting expectations of larger fiscal spending under Prime Minister Takaichi. US Treasury yields rose modestly: the 10-year at 4.14%, the 30-year at 4.749%, and the 2-year at 3.589%. The dollar index strengthened to 100.23, euro slipped to 1.153, and yen weakened to 157. Oil prices fell on oversupply concerns and reports of a US proposal to end Russia's war in Ukraine: WTI down 2.1% to USD59.44/bbl, Brent down 2.1% to USD63.51/bbl. Gold rose slightly, spot at USD 4,073/oz and futures at USD 4,072/oz, as investors balanced Fed minutes with safe-haven demand.

What's next

Thursday's calendar is heavy with delayed US data. The September jobs report is finally due, alongside weekly jobless claims, the Philadelphia Fed manufacturing survey, October existing home sales, Kansas Fed survey, and the Conference Board leading index. In Europe, Denmark releases preliminary Q3 GDP, Germany reports October PPI, Switzerland publishes trade data, Türkiye issues consumer confidence, and the eurozone holds an ECB General Council meeting plus flash consumer confidence. Spain reports September trade, while South Africa announces its repo rate decision. In the UK, the British Retail Consortium publishes November consumer sentiment. Asia sees China's November loan prime rate, Taiwan's October export orders, and Hong Kong's October inflation. Corporate earnings include Walmart, Gap, Intuit, Ross Stores, JD Sports, Halma, and Jacobs Solutions. Fed officials will continue to parse incoming data with limited visibility, as the Labor Department confirmed October and November employment reports will be combined due to shutdown disruptions. With Nvidia's results reinforcing AI momentum, inflation easing in Europe, and US policymakers divided on further rate cuts, Thursday's data releases set the stage for Friday's closeout.

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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	3.94	0.00	-36.00	-39.00
UAE Eibor 3m	3.79	-7.95	3.14	-46.95
UAE Eibor 12m	3.68	-6.60	-8.49	-43.28
US 3m Bills	3.87	1.51	-6.68	-32.89
US 10yr Treasury	4.14	2.33	16.22	-16.95
German 10yr Bund	2.71	0.50	14.10	-3.90
UK 10yr Gilt	4.60	4.80	10.10	-13.80
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	496	-0.22	-1.20	0.39
Global Treasuries	207	-0.29	-1.53	-0.35
Global Corporate	300	-0.13	-1.13	0.98
EM USD Sovereign	454	0.04	1.36	3.63
EM LCY Sovereign	160	0.05	-0.07	0.96
Global High Yield	1,830	-0.02	0.40	1.54
Currencies				
Dollar Index	100.23	0.68	1.92	2.00
EUR USD	1.1538	-0.37	-1.27	-0.94
GBP USD	1.3059	-0.65	-2.79	-3.20
USD JPY	157.16	1.06	4.47	6.43
Equities				
S&P 500	6,642	0.38	0.20	3.60
Dow Jones	46,139	0.10	0.41	2.71
NASDAQ	22,564	0.59	0.01	5.86
STOXX 600	562	-0.03	-1.74	0.70
DAX	23,163	-0.08	-4.57	-5.16
Nikkei 225	48,538	-0.34	0.54	11.46
FTSE 100	9,507	-0.47	0.76	3.46
SENSEX	85,186	0.61	2.06	4.34
Hang Seng	25,831	-0.38	-0.22	2.82
MSCI World	4,264	0.15	-0.65	2.63
MSCI EM	1,360	-0.11	-1.35	7.05
Regional Equities				
ADX	9,858	-0.24	-2.82	-3.44
DFM	5,862	-0.62	-2.77	-4.70
Tadawul*	10,999	-0.90	-5.13	5.41
DSM*	10,751	0.64	-1.48	-3.42
MSM30*	5,618	-0.08	4.11	10.29
BHSE*	2,035	-0.74	1.46	4.84
KWSE*	8,814	0.29	-1.06	0.33
Commodities				
BBG Commodity Index	108.7	-0.38	2.27	9.23
Brent USD/bbl	63.51	-2.13	4.01	-3.47
WTI USD/bbl	59.44	-2.14	3.45	-4.67
Gold USD/t oz	4,078.0	0.26	-5.75	22.99
Silver USD/t oz	51.4	1.30	-5.31	37.35
Platinum USD/t oz	1,547.4	0.96	-9.95	17.68
Aluminum	2,782.6	0.78	-0.37	8.72
Copper USD/MT	10,784.0	1.27	2.75	12.08
Digital Assets				
Bitcoin	90,506.3	-2.10	-16.11	-20.30
Ether	2,989.1	-3.48	-22.42	-28.12
Solana	135.3	-3.17	-26.05	-24.25
XRP	2.1	-5.18	-8.95	-28.02
Volatility				
VIX	23.66	-4.17	-6.52	51.96
MOVE	84.32	1.37	3.80	2.64

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - November 20, 2025 unless stated otherwise. Performance in local currency.

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