Three candles on the bull's cake — and c90% gains to celebrate!

Macro headlines

Geopolitics and economics intertwined on Thursday as President Trump floated the idea of expelling Spain from NATO over defense spending shortfalls, underscoring tensions within the alliance. In the Middle East, Israel's government formally approved the Gaza ceasefire, cementing the deal announced earlier in the week. Meanwhile, China escalated its strategic leverage by expanding rare earth export controls, adding five new elements and tightening scrutiny on semiconductor users ahead of Trump Xi talks — a move likely to ripple through global supply chains. In Latin America, the US finalized a USD20bn currency swap framework with Argentina, bolstering President Milei's reform agenda and stabilizing the peso. In the US, Fed Chair Powell avoided fresh policy signals, leaving investors to parse existing data and September's minutes, which showed lingering inflation concerns despite rising labor risks. In Europe, Germany's trade surplus narrowed as exports fell 0.5% and imports 1.3% in August, while the UK housing market remained subdued, with buyer demand and sales negative for a third month. In emerging markets, inflation picked up in Brazil (0.48% in September) and Mexico (3.8% YoY), while Türkiye's industrial production surged 7.1% on capital and tech intensive output. Taiwan's exports jumped 33.8% YoY, resilient despite tariff hikes, and the Philippines cut rates again to 4.75% amid corruption linked growth concerns. On the corporate front, PepsiCo and Delta both beat expectations, with Delta raising full year EPS guidance.

Market performances

Markets eased on Thursday after a week of record highs. US equities slipped: the Dow fell 0.52% to 46,358, the S&P 500 lost 0.28% to 6,735, and the Nasdaq edged down 0.08% to 23,025. Despite Thursday's dip, the bull market, which started on October 12, 2022, remains strong as it nears its third anniversary with almost 90% gains on S&P 500 index. European stocks also retreated, with the STOXX 600 down 0.43%, dragged by HSBC and Ferrari. The dollar strengthened, hitting JPY153.23 — its highest since February — before settling at JPY153.09, as investors weighed the fiscal stance of Japan's new LDP leader Takaichi. The euro weakened further to USD1.1555, its lowest since August, amid France's political turmoil following PM Lecornu's resignation. Broad USD index has risen c3% since mid-September and we had moved neutral the USD from negative (https://www.adcbam.com/en/insights/pdfs/FX_indicator_chartpack_September_2025.pdf). In Argentina, bonds and the peso rallied after the US Treasury intervened directly in FX markets, reinforcing confidence in Milei's reforms. Commodities reflected shifting geopolitics: oil fell as Gaza ceasefire hopes eased supply fears, with WTI at USD61.51/bbl and Brent at USD65.22/bbl. Gold, which had surged above USD4,000/oz earlier in the week, slipped back to USD3,975/oz as safe haven demand cooled. US Treasury yields were steady to slightly higher, with the 10Y at 4.14%.

What's next

Friday's calendar offers a mix of data and policy signals. In the Americas, Mexico reports August industrial production, Canada releases September jobs data, and the US publishes preliminary October consumer sentiment. Peru's central bank also meets. In Europe, the UK's KPMG/REC jobs report, Norway's inflation, Sweden's GDP, Switzerland's consumer confidence, and Italy's industrial production are due. In Asia, Malaysia reports industrial production, while Taiwan remains on holiday. Central bank voices will be in focus: Chicago Fed President Goolsbee opens the Community Bankers Symposium. Japan releases its 103rd Opinion Survey on household conditions. Encouragingly, the US Bureau of Labor Statistics confirmed plans to release September CPI data by month end despite the shutdown, offering markets a critical anchor. With gold consolidating, equities pausing, and currencies volatile, investors will weigh whether today's data (UMich Consumer Sentiment) reinforce the case for Fed easing or highlight lingering inflation risks. Political developments — from NATO tensions to France's leadership vacuum — remain wildcards as the week closes.

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Global markets' performance snapshot

Performance snapshot*				
Rates	**Latest**	**1D (bp)**	**3M (bp)**	**YTD (bp)**
SOFR	4.12	0.00	-30.00	-20.00
UAE Eibor 3m	3.95	-2.88	-10.14	-27.15
UAE Eibor 12m	3.82	-8.15	-24.77	-52.64
US 3m Bills	3.95	2.02	-5.04	-40.67
US 10yr Treasury	4.14	2.13	6.42	-19.36
German 10yr Bund	2.70	2.40	4.10	3.00
UK 10yr Gilt	4.75	3.60	9.90	13.30
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	497	-0.22	-0.59	0.49
Global Treasuries	207	-0.24	-1.03	-0.40
Global Corporate	300	-0.26	-0.05	1.83
EM USD Sovereign	446	0.21	1.21	4.08
EM LCY Sovereign	160	0.02	0.12	0.59
Global High Yield	1,818	-0.15	0.07	2.21
Currencies				
Dollar Index	99.54	0.63	1.81	2.03
EUR USD	1.1558	-0.40	-1.36	-1.26
GBP USD	1.3294	-0.69	-1.59	-2.13
USD JPY	153.01	0.16	3.78	4.50
Equities				
S&P 500	6,735	-0.28	3.91	7.53
Dow Jones	46,358	-0.52	2.11	4.27
NASDAQ	23,025	-0.08	6.10	11.71
STOXX 600	571	-0.43	4.02	3.88
DAX	24,611	0.06	4.30	0.25
Nikkei 225	48,580	1.77	12.93	22.00
FTSE 100	9,509	-0.41	3.27	7.24
SENSEX	82,172	0.49	1.81	-1.63
Hang Seng	26,753	-0.29	5.25	11.97
MSCI World	4,338	-0.33	3.50	6.95
MSCI EM	1,376	0.28	7.82	12.06
Regional Equities				
ADX	10,144	0.14	1.10	0.94
DFM	5,958	-0.04	-0.52	2.13
Tadawul*	11,583	0.21	11.09	6.86
DSM*	10,933	0.33	-1.50	-2.20
MSM30*	5,250	1.04	3.13	9.37
BHSE*	1,971	-0.03	1.77	1.09
KWSE*	8,780	-0.36	-0.41	2.68
Commodities				
BBG Commodity Index	105.7	-1.17	3.19	2.83
Brent USD/bbl	65.2	-1.55	-0.43	-7.08
WTI USD/bbl	61.5	-1.66	-0.58	-10.05
Gold USD/t oz	3,968.7	-2.17	10.65	19.83
Silver USD/t oz	49.3	0.81	20.20	35.44
Platinum USD/t oz	1,625.3	-1.96	17.83	20.35
Aluminum	2,806.7	1.74	7.92	8.09
Copper USD/MT	10,866.5	1.20	9.97	12.78
Digital Assets				
Bitcoin	121,175.5	-1.41	8.54	9.40
Ether	4,338.9	-3.68	-0.02	58.39
Solana	218.9	-3.88	6.48	40.24
XRP	2.8	-3.37	-1.92	16.75
Volatility				
VIX	16.43	0.80	8.23	3.07
MOVE	74.12	-1.00	-13.10	-12.09

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - October 10, 2025 unless stated otherwise. Performance in local currency.

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