

Equity markets end mixed on trade tensions and dovish Powell

Macro headlines

Trade remained the dominant theme as US Treasury Secretary Bessent confirmed that Presidents Trump and Xi still plan to meet later this month, despite the dramatic escalation of tariffs and export controls last week. Yet, both sides are now set to begin charging port fees on ocean shipping, making maritime trade a new battleground in the trade conflict. In Europe, French Prime Minister Lecornu faces immediate pressure, with opposition parties filing no confidence motions and Le Pen's Rassemblement National pushing for fresh elections. OPEC's latest monthly report highlighted speculative volatility in oil markets: hedge funds increased short positions in Brent to a four month high, while turning bullish on refined products such as gasoil. China's September trade data surprised to the upside, with exports hitting a six month high and imports rising, though renewed tariff threats could weigh on jobs and deflation risks. Germany's current account surplus narrowed sharply to EUR8.3bn in August from EUR15.4bn a year earlier, driven by a 5.8% drop in exports. India's CPI inflation fell to 1.54% YoY in September, its lowest in eight years and below the RBI's tolerance band, raising questions about policy flexibility. Meanwhile, JPMorgan announced plans to invest up to USD10bn in companies tied to US national security priorities, aligning with the administration's "America First" agenda.

Market performances

Markets reflected the push-and-pull between trade tensions and resilient fundamentals. Spot silver surged to a record USD51.4/oz, while gold broke past USD4,100/oz as safe-haven demand intensified. Wall Street ended mixed: the Dow rose 0.44% to 46,270, but the S&P 500 slipped 0.16% to 6,644 and the Nasdaq fell 0.76% to 22,522. Investors initially cheered upbeat IMF forecasts and Powell's cautious optimism, but sentiment soured after Trump suggested ending some trade ties with China. Bank earnings provided a bright spot: JPMorgan, Goldman Sachs, Citigroup, and Wells Fargo all beat expectations, fueling hopes for a strong earnings season. European equities fell, with the STOXX 600 down 0.37%, as political uncertainty in France and revived US-China tensions weighed. MSCI's global index slipped 0.19%. In bonds, US Treasury yields eased, with the 10Y at 4.03%, while the 30Y yield edged to 4.62%. Oil prices weakened on IEA surplus warnings and trade jitters, with WTI at USD58.70/bbl and Brent at USD62.39/bbl. In FX, the dollar softened, with the DXY at 99.05. The euro firmed to 1.1609 against the USD, while the yen strengthened to 151.74. Safe-haven flows into gold and the franc underscored investor caution.

What's next

Today's calendar is packed with data and policy signals. In the Americas, Canada reports August building permits. In Europe, the UK releases its BRC retail sales monitor and labor market report, Germany publishes final September inflation and ZEW sentiment, and the Eurozone releases its ZEW survey. In Asia, Singapore posts its advance Q3 GDP, Australia publishes NAB business confidence and RBA minutes, India releases wholesale inflation, and China reports September credit and money supply data. Beyond data, the IMF publishes its latest World Economic Outlook, offering updated global growth projections, while the IEA issues its monthly oil market report. On the corporate front, earnings season accelerates with results from BlackRock, BP, Citigroup, Goldman Sachs, JPMorgan, LVMH, and Wells Fargo. With gold at record highs, equities rebounding, and currencies volatile, investors will be watching whether earnings strength can offset macro uncertainty and whether the Trump Xi meeting later this month can stabilize trade relations.

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Daily Market View

Investment Strategy | October 15, 2025

Global markets' performance snapshot

| Performance snapshot* | | | | |
|-----------------------|-----------|---------|---------|----------|
| Rates | Latest | 1D (bp) | 3M (bp) | YTD (bp) |
| SOFR | 4.15 | 0.00 | -24.00 | -18.00 |
| UAE Eibor 3m | 3.99 | 13.97 | 2.78 | -20.17 |
| UAE Eibor 12m | 3.94 | 4.71 | 3.98 | -24.58 |
| US 3m Bills | 3.93 | -1.08 | -9.82 | -40.10 |
| US 10yr Treasury | 4.03 | -0.01 | -1.33 | -40.12 |
| German 10yr Bund | 2.61 | -2.60 | -4.20 | -11.90 |
| UK 10yr Gilt | 4.59 | -6.80 | -4.30 | -1.00 |
| Fixed Income | | 1D (%) | 1M (%) | 3M(%) |
| Global Agg. Index | 499 | 0.28 | -0.27 | 1.56 |
| Global Treasuries | 209 | 0.30 | -0.59 | 0.82 |
| Global Corporate | 302 | 0.32 | 0.15 | 2.83 |
| EM USD Sovereign | 446 | 0.07 | 0.82 | 4.45 |
| EM LCY Sovereign | 159 | -0.11 | -0.41 | 0.37 |
| Global High Yield | 1,814 | 0.19 | -0.25 | 2.19 |
| Currencies | | | | |
| Dollar Index | 99.05 | -0.22 | 1.30 | 0.98 |
| EUR USD | 1.1609 | 0.29 | -0.83 | -0.45 |
| GBP USD | 1.3318 | -0.09 | -1.61 | -0.87 |
| USD JPY | 151.74 | -0.35 | 2.96 | 2.73 |
| Equities | | | | |
| S&P 500 | 6,644 | -0.16 | 1.72 | 5.99 |
| Dow Jones | 46,270 | 0.44 | 1.71 | 4.07 |
| NASDAQ | 22,522 | -0.76 | 2.90 | 9.12 |
| STOXX 600 | 565 | -0.37 | 2.22 | 3.21 |
| DAX | 24,237 | -0.62 | 2.56 | 0.32 |
| Nikkei 225 | 46,847 | -2.58 | 6.87 | 18.72 |
| FTSE 100 | 9,453 | 0.10 | 2.46 | 5.05 |
| SENSEX | 82,030 | -0.36 | 0.74 | -0.27 |
| Hang Seng | 25,441 | -1.73 | -2.90 | 5.12 |
| MSCI World | 4,278 | -0.19 | 1.28 | 5.58 |
| MSCI EM | 1,339 | -1.06 | 2.41 | 8.99 |
| Regional Equities | | | | |
| ADX | 10,111 | 0.05 | 1.85 | 0.48 |
| DFM | 6,033 | 1.35 | 1.87 | 3.02 |
| Tadawul* | 11,596 | 0.04 | 7.56 | 6.09 |
| DSM* | 10,746 | -0.83 | -4.97 | -5.44 |
| MSM30* | 5,240 | 0.91 | 2.27 | 8.05 |
| BHSE* | 1,971 | -0.01 | 2.47 | 1.32 |
| KWSE* | 8,859 | 0.21 | 0.43 | 3.05 |
| Commodities | | | | |
| BBG Commodity Index | 105.4 | -0.33 | 2.11 | 1.61 |
| Brent USD/bbl | 62.4 | -1.47 | -7.56 | -9.85 |
| WTI USD/bbl | 58.7 | -1.33 | -7.81 | -12.36 |
| Gold USD/t oz | 4,140.5 | 0.84 | 13.66 | 23.68 |
| Silver USD/t oz | 51.4 | -1.79 | 24.92 | 34.86 |
| Platinum USD/t oz | 1,634.8 | 0.00 | 17.29 | 19.45 |
| Aluminum | 2,735.7 | -1.74 | 4.10 | 5.68 |
| Copper USD/MT | 10,600.0 | -0.16 | 7.65 | 10.94 |
| Digital Assets | | | | |
| Bitcoin | 113,054.7 | -2.39 | -0.50 | -5.94 |
| Ether | 4,120.4 | -3.98 | -4.86 | 37.11 |
| Solana | 200.7 | -3.85 | -9.83 | 23.14 |
| XRP | 2.5 | -5.82 | -16.22 | -14.75 |
| Volatility | | | | |
| VIX | 20.81 | 9.35 | 35.57 | 20.99 |
| MOVE | 79.95 | -2.08 | 0.46 | -11.88 |

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - October 15, 2025 unless stated otherwise. Performance in local currency.

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