

# Daily Market View

Investment Strategy | October 20, 2025

## US equities notch their best week in ten

### Macro headlines

President Trump struck a more conciliatory tone on trade, admitting that his proposed 100% tariff on Chinese goods would not be sustainable, while confirming a meeting with President Xi in South Korea. Yet geopolitics remained tense: reports emerged that Trump pressed Ukraine's Zelenskyy to cede territory to Russia, leaving Kyiv's delegation frustrated. In the Middle East, a fragile Gaza ceasefire came under strain as Israel launched strikes following alleged Hamas attacks. Domestically, millions joined "No Kings" rallies across the US on Saturday, protesting what they see as authoritarian overreach. In Asia, Japan's LDP and Japan Innovation Party agreed to form a coalition, paving the way for Takaichi-san to become the country's first female prime minister. China announced early Monday that its 1-year and 5-year loan prime rates will remain at 3.0% and 3.5%, respectively. In Europe, Bank of England chief economist Pill urged caution on rate cuts, warning against moving "too far or too fast" amid sticky inflation. Eurozone CPI rose 2.2% in September, confirming preliminary release. On the corporate front, American Express beat expectations with record revenue of USD18.4bn and EPS of USD4.14, while State Street also topped forecasts with EPS of USD2.78. Earnings season remains strong: 86% of S&P 500 firms and 77% of Russell 2000 firms reporting so far have exceeded analyst estimates.

### Market performances

Wall Street ended Friday higher, with the Dow up 0.52% to 46,191, the S&P 500 up 0.53% to 6,664, and the Nasdaq up 0.52% to 22,680. Gains came as Trump reassured markets that tariffs would not escalate and confirmed his meeting with Xi. Regional bank fears eased, with the KBW index rebounding 1.7% after Thursday's plunge, as investors judged recent losses at Zions and Western Alliance to be isolated rather than systemic. European equities lagged, with the STOXX 600 down 0.95% and the FTSEurofirst 300 off 0.86%, as US banking jitters spilled over earlier on Friday. Emerging markets also weakened, with MSCI's EM index down 1.26% and Asia-Pac ex-Japan off 1.2%. Japan's Nikkei fell 1.44% to 47,582 on Friday but rebounded at the time of drafting this report on Monday morning. Global fund flows, however, remained positive, with equity funds seeing inflows for a fourth straight week, supported by dovish Fed expectations. Analysts now forecast S&P 500 Q3 earnings growth of 9.3% YoY, up from 8.8% earlier this month. Treasury yields rose, with the 10-year at 4.01%, while the dollar index firmed modestly to 98.42. Gold pulled back from record highs, falling to USD4,251.8/oz, pressured by a stronger dollar. Oil prices edged higher, with WTI at USD57.5/bbl and Brent at USD61.3/bbl, though both ended the week lower amid supply uncertainty.

### What's next

This week brings a heavy earnings slate, with 89 S&P 500 companies reporting, including Tesla and Netflix. The Fed is in blackout ahead of its October 29 meeting, leaving markets to parse data and earnings. The US government shutdown continues, delaying many releases, though the BLS confirmed September CPI will be published on October 24, as it underpins Social Security payments. That release will be closely watched for tariff pass-through effects, particularly in import-intensive categories like electronics and food. Flash S&P PMIs will also be scrutinized for labor market and pricing signals. Monday's calendar is lighter: Canada's BoC business outlook survey (holiday-adjusted), Germany's September PPI, and eurozone current account data in EMEA; while in APAC, New Zealand Q3 inflation, and a suite of September activity data (GDP, industrial production, retail sales, fixed asset investment, unemployment) will set the tone. With protests at home, fragile ceasefires abroad, and earnings momentum strong, markets face another week balancing politics, policy, and profits.

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	3M (bp)	YTD (bp)
SOFR	4.30	0.00	-21.00	-4.00
UAE Eibor 3m	3.87	10.77	-22.95	-34.50
UAE Eibor 12m	3.71	-5.14	-14.87	-51.98
US 3m Bills	3.91	-1.94	-7.45	-42.29
US 10yr Treasury	4.01	3.43	-2.87	-44.25
German 10yr Bund	2.58	1.00	-11.10	-9.50
UK 10yr Gilt	4.53	3.00	-10.20	-12.40
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	502	-0.07	0.03	2.40
Global Treasuries	210	-0.05	-0.11	1.77
Global Corporate	303	-0.13	0.20	3.43
EM USD Sovereign	448	-0.12	1.03	5.10
EM LCY Sovereign	160	0.01	-0.08	1.14
Global High Yield	1,820	-0.17	-0.13	2.73
Currencies				
Dollar Index	98.43	0.10	1.16	-0.30
EUR USD	1.1655	-0.19	-0.88	0.60
GBP USD	1.3427	0.00	-1.26	0.19
USD JPY	150.61	0.14	2.22	1.33
Equities				
S&P 500	6,664	0.53	0.74	5.82
Dow Jones	46,191	0.52	0.67	3.84
NASDAQ	22,680	0.52	1.48	8.59
STOXX 600	566	-0.95	1.63	3.51
DAX	23,831	-1.82	0.35	-2.22
Nikkei 225	47,582	-1.44	6.29	19.25
FTSE 100	9,355	-0.86	0.84	4.26
SENSEX	83,952	0.58	2.65	2.06
Hang Seng	25,247	-2.48	-4.54	3.05
MSCI World	4,296	0.10	0.54	5.81
MSCI EM	1,362	-1.26	2.47	9.70
Regional Equities				
ADX	10,124	-0.19	0.88	-1.15
DFM	5,992	-0.62	-0.81	-1.82
Tadawul*	11,691	-0.05	3.38	7.91
DSM*	10,837	-0.13	-1.11	-6.97
MSM30*	5,326	0.68	4.09	8.02
BHSE*	1,977	0.15	1.24	1.58
KWSE*	8,891	0.32	1.29	2.23
Commodities				
BBG Commodity Index	105.6	-0.63	0.89	1.12
Brent USD/bbl	61.3	0.38	-9.12	-11.84
WTI USD/bbl	57.5	0.14	-9.10	-14.81
Gold USD/t oz	4,251.8	-0.72	15.56	27.34
Silver USD/t oz	51.9	-4.28	21.65	36.12
Platinum USD/t oz	1,619.5	-5.75	15.12	10.43
Aluminum	2,778.1	-0.53	2.69	7.85
Copper USD/MT	10,527.5	0.31	5.42	9.82
Digital Assets				
Bitcoin	107,048.5	-0.78	-7.24	-10.40
Ether	3,858.8	0.15	-14.48	12.76
Solana	183.7	0.41	-21.62	5.88
XRP	2.3	0.71	-22.90	-31.22
Volatility				
VIX	20.78	-17.90	32.44	25.79
MOVE	78.62	-3.21	2.26	-8.12

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

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