

Daily Market View

Investment Strategy | October 22, 2025

Takaichi breaks glass ceiling, gold breaks below 4,200

Macro headlines

Diplomatic maneuvering dominated headlines. European nations are working with Ukraine on a 12-point peace proposal, though hopes dimmed as Moscow rejected an immediate ceasefire, prompting the postponement of a Trump-Putin summit. Meanwhile, President Trump cast doubt on a meeting with Chinese President Xi, injecting fresh uncertainty into US–China trade talks. A Reuters/Ipsos poll showed Americans blame Republicans more than Democrats for the ongoing government shutdown, though Trump’s approval rating ticked higher. In Asia, Japan elected its first female prime minister, Takaichi-san, a hardline conservative expected to pursue Abe-style stimulus and a rightward policy shift. In the US, the Senate Commerce Committee advanced aviation safety legislation mandating ADS-B tracking by 2031 after a fatal crash earlier this year. In macroeconomic data, Canada’s CPI rose 2.4% YoY in September, driven by food costs; Switzerland’s trade surplus widened modestly; and the UK’s borrowing hit a five-year September high at GBP20.2bn. Taiwan’s export orders surged 30.5% YoY, underscoring its central role in AI supply chains despite tariff concerns. On the corporate front, Netflix missed Q3 earnings due to a Brazilian tax dispute but guided positively; GM raised its outlook on easing tariff costs and EV losses; Coca-Cola and Lockheed Martin beat expectations; while PulteGroup warned tariffs could add USD1,500 per home by 2026.

Market performances

Markets were mixed Tuesday. The Dow gained 0.5% to 46,925, supported by strong earnings from GM and Coca-Cola, while the S&P 500 was flat and the Nasdaq slipped 0.2% as tech lagged. European equities inched higher, with the STOXX 600 up 0.2%, while MSCI’s global index dipped 0.1%. Most Gulf stock markets ended higher on Tuesday on expectations of easing US-China trade tensions ahead of key earnings, while Saudi Arabia’s index fell after disappointing results. Gold tumbled c5% to USD4,114/oz, its sharpest daily drop since 2020, as investors took profits after Monday’s record USD4,381/oz peak. Despite the pullback, gold remains up ~60% this year. Oil prices edged higher, with Brent at USD61.3/bbl and WTI at USD57.8/bbl, buoyed by supply concerns. Japan’s Nikkei closed at a record high, lifted by optimism over Takaichi’s pro-stimulus agenda, though the yen weakened to 151.86. The dollar index rose to 98.93, with the euro down to 1.1609 and Treasury yields easing slightly, the US 10-year at 3.96%. Investors expect up to three Fed rate cuts in the next six months, while the ECB is seen holding steady. General market sentiment was buoyed by hopes of a Trump-Xi trade deal next week (which later came under doubt) and a US–Australia rare earths pact, though concerns linger over US regional bank credit quality and the prolonged government shutdown (which is now the second-longest in history).

What’s next

Today’s calendar brings key inflation and trade data. In the US, EIA crude oil stock changes will be closely watched for supply signals. In Europe, the UK reports September inflation, while South Africa also publishes CPI. In Asia, Japan releases September trade data, Malaysia reports inflation, and Indonesia announces its interest rate decision. Corporate earnings will be in focus, with AT&T, Barclays, Hermès, IBM, Lam Research, Northern Trust, and SAP all reporting. Markets will parse these results alongside political developments: whether Trump confirms a meeting with Xi, how Japan’s new leadership sets its early agenda, and whether shutdown negotiations in Washington gain traction. With gold volatility, oil edging higher, and equities balancing earnings optimism against geopolitical risks, midweek trading is set to be interesting.

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Global markets' performance snapshot

| Performance snapshot* | | | | |
|-----------------------|-----------|---------|---------|----------|
| Rates | Latest | 1D (bp) | 3M (bp) | YTD (bp) |
| SOFR | 4.16 | 0.00 | -22.00 | -12.00 |
| UAE Eibor 3m | 3.67 | -17.81 | -39.40 | -42.01 |
| UAE Eibor 12m | 3.68 | 6.48 | -18.22 | -51.58 |
| US 3m Bills | 3.86 | -0.79 | -10.04 | -45.75 |
| US 10yr Treasury | 3.96 | -1.73 | -12.45 | -41.50 |
| German 10yr Bund | 2.55 | -2.50 | -12.30 | -6.10 |
| UK 10yr Gilt | 4.48 | -2.70 | -14.70 | -12.50 |
| Fixed Income | | 1D (%) | 1M (%) | 3M(%) |
| Global Agg. Index | 502 | -0.08 | -0.32 | 1.64 |
| Global Treasuries | 210 | -0.14 | -0.68 | 0.85 |
| Global Corporate | 304 | 0.00 | 0.17 | 2.85 |
| EM USD Sovereign | 450 | 0.32 | 1.51 | 5.10 |
| EM LCY Sovereign | 160 | -0.09 | -0.59 | 0.87 |
| Global High Yield | 1,824 | 0.05 | -0.11 | 2.44 |
| Currencies | | | | |
| Dollar Index | 98.93 | 0.35 | 2.13 | 1.10 |
| EUR USD | 1.1609 | -0.35 | -2.06 | -0.78 |
| GBP USD | 1.3373 | -0.32 | -2.14 | -0.90 |
| USD JPY | 151.86 | 0.78 | 3.81 | 3.19 |
| Equities | | | | |
| S&P 500 | 6,735 | 0.00 | 2.05 | 6.82 |
| Dow Jones | 46,925 | 0.47 | 1.97 | 5.87 |
| NASDAQ | 22,954 | -0.16 | 3.11 | 9.44 |
| STOXX 600 | 573 | 0.21 | 4.12 | 4.89 |
| DAX | 24,330 | 0.29 | 4.16 | 0.09 |
| Nikkei 225 | 49,316 | 0.27 | 10.10 | 23.85 |
| FTSE 100 | 9,427 | 0.25 | 2.37 | 4.59 |
| SENSEX | 84,426 | 0.07 | 2.10 | 2.71 |
| Hang Seng | 26,028 | 0.65 | -3.27 | 4.13 |
| MSCI World | 4,342 | -0.10 | 1.80 | 6.62 |
| MSCI EM | 1,384 | 0.03 | 2.66 | 10.39 |
| Regional Equities | | | | |
| ADX | 10,121 | 0.22 | 0.82 | -1.11 |
| DFM | 5,976 | 0.35 | -0.26 | -1.15 |
| Tadawul* | 11,546 | -0.85 | 2.10 | 6.57 |
| DSM* | 10,822 | 0.12 | -1.25 | -7.10 |
| MSM30* | 5,459 | 1.82 | 6.69 | 10.72 |
| BHSE* | 1,969 | -1.13 | 0.87 | 1.21 |
| KWSE* | 8,895 | 0.14 | 1.34 | 2.28 |
| Commodities | | | | |
| BBG Commodity Index | 105.8 | -1.63 | 1.52 | 1.04 |
| Brent USD/bbl | 61.3 | 0.51 | -9.76 | -11.40 |
| WTI USD/bbl | 57.8 | 0.52 | -9.73 | -13.96 |
| Gold USD/t oz | 4,113.5 | -5.39 | 11.64 | 21.14 |
| Silver USD/t oz | 48.7 | -7.12 | 16.88 | 25.13 |
| Platinum USD/t oz | 1,547.4 | -5.22 | 12.94 | 6.66 |
| Aluminum | 2,774.7 | 0.07 | 3.41 | 4.76 |
| Copper USD/MT | 10,612.0 | 0.29 | 7.26 | 8.58 |
| Digital Assets | | | | |
| Bitcoin | 110,857.9 | -0.24 | -4.15 | -5.24 |
| Ether | 3,956.8 | -1.08 | -12.15 | 5.29 |
| Solana | 191.6 | 0.57 | -19.55 | -1.23 |
| XRP | 2.5 | -2.25 | -17.94 | -29.73 |
| Volatility | | | | |
| VIX | 17.87 | -1.97 | 13.68 | 7.33 |
| MOVE | 77.18 | -0.05 | 1.62 | -10.90 |

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - October 22, 2025 unless stated otherwise. Performance in local currency.

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