

Daily Market View

Investment Strategy | October 23, 2025

US announces major new sanctions on Russian oil companies

Macro headlines

Geopolitics dominated Wednesday's agenda. Russia staged a major nuclear exercise just a day after Washington delayed a planned Trump-Putin summit, underscoring the fragility of ceasefire diplomacy. The US responded with sanctions on Rosneft and Lukoil, warning of further measures unless Moscow agrees to halt its war in Ukraine. In parallel, Washington offered energy firms access to nuclear waste for conversion into advanced reactor fuel, aiming to loosen Russia's grip on uranium supply chains. Trade tensions with China resurfaced as the Trump administration weighed curbs on a wide range of software-powered exports – from laptops to jet engines – in retaliation for Beijing's rare earth restrictions. In the UK, inflation held steady at 3.8% for a third month, below expectations of 4%, raising the prospect of a Bank of England rate cut and easing pressure on Chancellor Reeves ahead of November's budget. Japan's exports rose 4.2% YoY in September, the first increase in five months, though imports also climbed, leaving a JPY234.6bn deficit. Indonesia's central bank paused rate cuts at 4.75%, surprising markets but signaling more easing ahead. On the corporate front, Tesla posted record revenue on strong EV sales but missed profit expectations due to tariffs, R&D costs, and fading regulatory credits. Apple faced an EU antitrust complaint over App Store practices.

Market performances

Markets turned lower Wednesday as investors digested earnings and geopolitical risks. The Dow fell 0.71% to 46,590, the S&P 500 slipped 0.53% to 6,699, and the Nasdaq dropped 0.93% to 22,740. Netflix tumbled 10% after a weak outlook, while Tesla eased ahead of its results. In Europe, the STOXX 600 slipped 0.18%, though London's FTSE 100 gained 0.93% as steady UK inflation boosted rate-cut bets. Most Gulf stock markets ended higher on Wednesday, fueled by a slew of upbeat corporate earnings and rising oil prices, with Abu Dhabi's benchmark topping its peers. Gold extended its retreat, down to USD4,102/oz, following Tuesday's 5% plunge – its steepest in five years – as profit-taking set in after a record run. Despite the pullback, gold remains up more than 50% YTD, its strongest performance since the 1979 oil crisis. Oil prices rose, with WTI up USD1.26 to USD58.50/bbl and Brent up USD1.27 to USD62.59/bbl, supported by supply concerns. US Treasury yields fell for a third day, the 10-year at 3.95%, as a solid 20-year bond auction reinforced demand. The dollar index edged to 98.90, with the euro at 1.1620 and the yen steady near 152. Sterling weakened 0.1% against the dollar. Investors remain cautious amid the prolonged US government shutdown, now in its 22nd day, and uncertainty over Fed policy, with two more rate cuts expected this year.

What's next

Thursday's calendar is packed with data and earnings. In the US, the Chicago Fed national activity index, and existing home sales are due. Canada reports preliminary September retail sales. In Europe, France and Türkiye release October business confidence, Türkiye's central bank announces its rate decision, and the eurozone publishes flash consumer confidence. In Asia, South Korea's BoK sets policy, Singapore and Hong Kong release September inflation, Taiwan reports industrial production, and Australia publishes its RBA bulletin. Thailand is on holiday. Corporate results from Ford, Intel, Honeywell, Blackstone, Unilever, and Union Pacific are set to be released. With sanctions on Russia escalating, trade tensions with China simmering, and gold volatility testing investor nerves, markets face a delicate balance between geopolitical risk and earnings momentum.

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	3M (bp)	YTD (bp)
SOFR	4.23	0.00	9.00	-5.00
UAE Eibor 3m	3.82	14.52	-16.40	-30.18
UAE Eibor 12m	3.69	0.53	-12.62	-50.45
US 3m Bills	3.88	1.25	-9.52	-42.99
US 10yr Treasury	3.95	-1.34	-15.51	-39.47
German 10yr Bund	2.56	1.10	-16.30	-2.70
UK 10yr Gilt	4.42	-6.10	-25.90	-15.20
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	502	0.03	0.21	1.38
Global Treasuries	210	0.04	-0.04	0.57
Global Corporate	304	0.00	0.52	2.61
EM USD Sovereign	450	-0.07	1.97	4.93
EM LCY Sovereign	160	-0.04	-0.50	0.77
Global High Yield	1,823	-0.07	0.07	2.21
Currencies				
Dollar Index	98.90	-0.04	1.59	1.55
EUR USD	1.1620	0.09	-1.42	-1.15
GBP USD	1.3371	-0.01	-1.34	-1.18
USD JPY	151.76	-0.07	2.63	3.64
Equities				
S&P 500	6,699	-0.53	1.02	6.18
Dow Jones	46,590	-0.71	0.97	4.69
NASDAQ	22,740	-0.93	1.20	8.84
STOXX 600	572	-0.18	3.11	5.13
DAX	24,151	-0.74	2.01	0.45
Nikkei 225	49,308	-0.02	8.84	23.97
FTSE 100	9,515	0.93	3.11	5.44
SENSEX	84,426	0.00	1.70	2.72
Hang Seng	25,782	-0.94	-2.87	2.59
MSCI World	4,323	-0.43	1.02	6.08
MSCI EM	1,380	-0.26	2.54	10.58
Regional Equities				
ADX	10,228	1.06	1.27	0.48
DFM	5,974	-0.03	-0.08	-0.84
Tadawul*	11,586	0.35	3.17	6.32
DSM*	10,850	0.26	-1.16	-6.37
MSM30*	5,422	-0.67	5.09	10.18
BHSE*	1,983	0.70	1.72	2.51
KWSE*	8,908	0.15	1.75	2.45
Commodities				
BBG Commodity Index	105.9	0.10	2.47	1.17
Brent USD/bbl	62.6	2.07	-7.19	-8.75
WTI USD/bbl	58.5	1.18	-7.98	-11.64
Gold USD/t oz	4,059.4	-1.32	11.33	18.27
Silver USD/t oz	48.5	-0.45	15.94	23.41
Platinum USD/t oz	1,630.8	5.39	17.61	12.87
Aluminum	2,804.7	1.08	4.43	5.40
Copper USD/MT	10,600.0	-0.11	7.12	7.96
Digital Assets				
Bitcoin	107,689.6	-2.86	-8.41	-10.09
Ether	3,781.3	-4.43	-17.91	1.97
Solana	180.2	-5.95	-27.47	-10.25
XRP	2.4	-4.54	-23.79	-33.26
Volatility				
VIX	18.60	4.09	18.47	12.73
MOVE	75.49	-2.19	4.98	-16.02

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - October 23, 2025 unless stated otherwise. Performance in local currency.

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