

## Tariffs tighten, inflation eases, global equities hit record highs

### Macro headlines

Global diplomacy and domestic economics set the tone. President Lula of Brazil described a “positive” meeting with President Trump, with teams to begin immediate tariff discussions. US-China negotiators also struck an upbeat note after weekend talks, framing the ground for Trump’s meeting with President Xi later this week. Yet trade frictions widened elsewhere: Trump announced a new 10% tariff on Canada, citing a dispute over a political ad campaign. On the economic front, US CPI rose 0.3% in September, slightly below expectations, as gasoline costs surged but rents and travel prices moderated. Tariffs, however, continued to lift prices for consumer goods. Consumer confidence fell for a third straight month, with the University of Michigan index at 53.6, reflecting labor market concerns and inflation fatigue. Flash PMI data showed US business activity accelerating, with the strongest rise in new orders since 2025 began, though exports weakened. In Asia, Japan’s private sector growth slowed, India’s momentum eased, while the Eurozone posted its fastest expansion in 2.5 years, supported by new orders and jobs. The UK economy regained momentum, with manufacturing expanding for the first time in a year. Japan’s core CPI rose 2.9% YoY, keeping pressure on the BoJ ahead of its policy meeting. Earnings season remains strong: 87% of S&P 500 firms and 73% of Russell 2000 firms that have reported so far have beaten estimates.

### Market performances

Wall Street closed at record highs Friday, buoyed by softer-than-expected inflation and upbeat earnings. The Dow rose 472 points (or 1.0%) to 47,207, the S&P 500 gained 0.8% to 6,792, and the Nasdaq climbed 1.2% to 23,205. Ford surged 12% after beating profit expectations, while Intel edged higher after strong results. I/B/E/S Consensus now expect S&P 500 Q3 earnings growth of 10.4% YoY, up from 8.8% earlier this month. Globally, MSCI’s all country world index hit an all-time high at 1,003, while the STOXX 600 also closed at a record, lifted by cooler US inflation data. The dollar index was steady at 98.9, with the euro at 1.163 and the yen at 152.8. Treasury yields were little changed, the 10-year UST yield at 4.00%, marking a fourth straight weekly decline. Oil prices eased on Friday after Thursday’s sanctions-driven surge, with WTI at USD61.50/bbl and Brent at USD65.94/bbl. Gold slipped 0.5% to USD4,113.1/oz. Crypto markets responded positively to developments on US-China trade framework, with Bitcoin up as investors interpreted Bessent’s comments as a sign the trade war may soon end, and markets could reach new highs.

### What’s next

This week is pivotal. Trump begins a five-day trip to Malaysia, Japan, and South Korea, with a meeting with President Xi expected to dominate headlines. The Fed meets October 28–29, with markets anticipating a 25 bps cut to 3.75-4.00% and possible signals on ending quantitative tightening. The ECB and BoJ also announce policy this week, with both central banks largely expected to stay put. Earnings season hits peak intensity, with 172 S&P 500 companies reporting, including five of the “Magnificent Seven.” Monday’s calendar features Germany’s Ifo business climate, current conditions, and expectations surveys; Korea’s Q3 GDP; and the ECB’s consumer expectations survey. In Riyadh, the Future Investment Initiative begins, drawing global investors and policymakers. With trade diplomacy, central bank decisions, and megacap earnings all converging, markets face a week of high stakes and heightened volatility.

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# Daily Market View

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	3M (bp)	YTD (bp)
SOFR	4.24	0.00	10.00	-6.00
UAE Eibor 3m	3.76	-5.41	-18.36	-33.21
UAE Eibor 12m	3.68	-0.29	-4.13	-60.01
US 3m Bills	3.84	-3.48	-9.25	-50.55
US 10yr Treasury	4.00	-0.02	-14.60	-39.50
German 10yr Bund	2.63	4.30	-12.20	-7.60
UK 10yr Gilt	4.43	0.90	-28.00	-19.00
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	501	-0.03	0.19	1.41
Global Treasuries	209	-0.08	-0.11	0.56
Global Corporate	304	0.07	0.63	2.70
EM USD Sovereign	450	0.12	1.67	4.89
EM LCY Sovereign	160	0.05	-0.33	0.47
Global High Yield	1,827	0.19	0.04	2.21
Currencies				
Dollar Index	98.95	0.02	1.66	1.62
EUR USD	1,1627	0.17	-1.37	-1.16
GBP USD	1,3311	-0.02	-1.46	-1.48
USD JPY	152.86	0.09	3.47	4.06
Equities				
S&P 500	6,792	0.79	1.46	6.73
Dow Jones	47,207	1.01	1.78	5.62
NASDAQ	23,205	1.15	1.82	10.20
STOXX 600	576	0.23	4.04	4.39
DAX	24,240	0.13	3.03	-0.23
Nikkei 225	49,300	1.35	8.37	17.87
FTSE 100	9,646	0.70	4.54	5.55
SENSEX	84,212	-0.41	2.50	2.47
Hang Seng	26,160	0.74	-0.70	1.92
MSCI World	4,371	0.64	1.44	5.99
MSCI EM	1,389	0.58	3.40	9.63
Regional Equities				
ADX	10,202	0.10	0.64	-0.96
DFM	6,066	0.83	0.65	-0.74
Tadawul*	11,593	-0.16	0.85	6.69
DSM*	10,912	0.32	0.45	-3.79
MSM30*	5,396	0.47	4.20	8.77
BHSE*	2,006	0.67	2.71	3.89
KWSE*	8,908	-0.17	1.54	2.80
Commodities				
BBG Commodity Index	107.4	-0.41	4.27	3.02
Brent USD/bbl	65.9	-0.08	-0.95	-4.68
WTI USD/bbl	61.5	-0.47	-1.82	-6.86
Gold USD/t oz	4,113.1	-0.48	10.06	22.16
Silver USD/t oz	48.6	-0.59	10.37	24.47
Platinum USD/t oz	1,609.7	-1.23	13.41	13.77
Aluminum	2,857.5	-0.29	8.03	7.89
Copper USD/MT	10,807.0	0.09	8.93	9.59
Digital Assets				
Bitcoin	110,916.6	1.23	-1.71	-6.62
Ether	3,939.9	2.84	-5.87	5.40
Solana	193.7	2.50	-11.81	2.47
XRP	2.5	5.37	-11.54	-22.18
Volatility				
VIX	16.37	-5.38	1.68	6.37
MOVE	68.94	-6.90	-9.05	-16.69

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - October 27, 2025 unless stated otherwise. Performance in local currency.

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