AGC | Arabian Gulf Capital

MARKET INSIGHTS

WEEKLY REVIEW

FOR THE WEEK ENDED ON 1 May 2026

WEEKLY MARKET INSIGHT

4 May 2026

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OVERVIEW

Markets extended their rally last week, marking the longest weekly advance since 2024, as the S&P 500 posted five consecutive weeks of gains. Optimism around a potential U.S.–Iran peace deal, combined with strong corporate earnings and resilient economic data, supported sentiment, while oil eased to around $102 per barrel. Despite ongoing geopolitical uncertainty and cautious Fed signals on inflation, equities continued to advance, delivering their strongest monthly performance since 2020.

MARKETS

US stocks gained last week, with the S&P 500 rising 0.9% WoW and the Nasdaq 100 up 1.5%, as the S&P 500 extended its rally to a fifth straight week—the longest since 2024—reaching fresh highs. Sentiment was supported by optimism around a potential U.S.–Iran deal, strong earnings with over 80% of companies beating estimates, and resilient consumer demand, despite ongoing Fed caution on inflation.

In Asia: Equities surged as Nvidia's push into "physical AI" boosted regional suppliers, reinforcing Asia's role in its supply chain, now accounting for about 90% of production costs. The KOSPI led gains, rising 6.8% WoW, while the Nikkei 225, Shanghai, and Hang Seng posted modest increases, supported by strong AI-driven momentum.

In Europe: equities were broadly flat after a volatile week driven by oil price swings, central bank decisions, and mixed earnings. The Euro Stoxx 50 was unchanged WoW, while the FTSE 100 slipped 0.1%, as late-week relief from steady ECB and BoE rates offset earlier pressure from energy spikes. Overall, sentiment remains fragile, with high energy sensitivity and cautious corporate outlooks weighing on the region.

In Bahrain: The All-Share Index up +1.0% WoW, supported by GFH +13.02%, ESTERAD +7.69%, and BNH +7.65%, while SEEF -7.64%, SOLID -4.42%, and ALBH -2.65% weighed down performance.

Fixed Income: Yields rose: US 2Y up to 3.88% +5bps, 10Y up to 4.37% +5bps, with 10Y breakeven on 2.50% +7bps. UK 10Y up to 4.96% +5bps, German 10Y +5bps at 3.04%, while EM 5Y spreads down to 159.540 -1bps.

News: Berkshire Hathaway's operating profit rose 18% to $11.35 billion, while cash reached a record $380 billion, highlighting strong performance but rising economic uncertainty and weaker consumer activity.

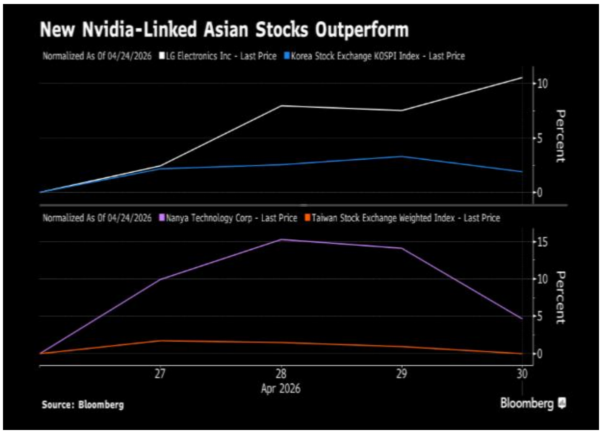
MARKET INDICES

G10		WoW		YtD
SPX	7,230.12 ▲	+ 0.9%	▲	+ 5.6%
Nasdaq 100	27,710.36 ▲	+ 1.5%	▲	+ 9.7%
Euro Stoxx 50	5,881.51 ▼	- 0.0%	▲	+ 1.6%
Nikkei 225	59,513.12 ▲	+ 0.6%	▲	+ 18.2%
FTSE 100	10,363.93 ▼	- 0.1%	▲	+ 4.4%
GCC				
KSA	11,192.84 ▲	+ 0.6%	▲	+ 6.7%
ADX	9,789.49 ▼	- 0.4%	▼	- 2.0%
DFM	5,766.85 ▼	- 1.8%	▼	- 4.6%
BHR	1,972.05 ▲	+ 1.0%	▼	- 4.6%
MSX 30	8,360.87 ▲	+ 2.7%	▲	+ 42.5%
ASIA				
KOSPI	6,922.41 ▲	+ 6.8%	▲	+ 64.3%
Shanghai	4,112.16 ▲	+ 0.5%	▲	+ 3.6%
Hang Seng	26,172.31 ▲	+ 0.7%	▲	+ 2.1%
LATAM				
BOVESPA	187,317.60 ▼	- 2.1%	▲	+ 16.3%
MERVAL	2,832,851.00 ▲	+ 0.0%	▼	- 7.2%

Rates

Ticker		WoW		YtD
GT2	3.88% ▲	+ 5 bps	▲	+ 41 bps
GT10	4.37% ▲	+ 5 bps	▲	+ 20 bps
USGGBE10	2.50% ▲	+ 7 bps	▲	+ 25 bps
GUKG10	4.96% ▲	+ 5 bps	▲	+ 48 bps
GDBR10	3.04% ▲	+ 5 bps	▲	+ 19 bps
EM (5Y SPRD)	159.540 ▼	- 1 bps	▲	+ 35 bps

Chart: ***Nvidia-linked Asian stocks have outperformed as the company's expansion into "physical AI"*** deepens regional integration, with Asia now accounting for about 90% of its production costs. The rally highlights how rising AI demand and supply chain concentration are driving stronger performance across North Asian markets.



WEEKLY MARKET INSIGHT

4 May 2026

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Commodities were mixed, with weakness in precious and most industrial metals offset by gains in energy—led by oil and natural gas—and firmer agricultural prices.

Industrial Metals: Copper fell 1.6%, aluminum declined 1.9%, and zinc dropped 4.3% amid renewed trade tensions after the EU rejected U.S. tariff proposals, adding uncertainty to demand, while nickel rose 1.8% and lithium gained 1.6% on structural tightness. **Energy:** Crude rose 4.7% while Brent slipped 0.9%, and natural gas jumped 11.3%, as Iran war disruptions and LNG exports falling to around 33 million tons—a two-year low—tightened supply. The UAE's exit from OPEC and ADNOC's $55 billion investment push signal a shift toward independent supply growth, potentially weakening cartel control and increasing future market volatility. **Precious Metals:** Gold fell 1.9% and silver declined 0.7%, while platinum rose 0.7% and palladium gained 3.5%, as stalled U.S.–Iran talks and ongoing Hormuz disruptions kept inflation risks elevated but failed to sustain safe-haven demand. Gold remains about 11% below its peak since the conflict began, reflecting cautious positioning and weak conviction. **Agriculture:** Wheat rose 2.7%, corn gained 1.3%, and soybeans increased 1.3%, supported by drought conditions, higher input costs, and war-related supply disruptions, reinforcing risks of persistent global food inflation.

FX market was up: The DXY down -0.4% WoW to 98.11. EUR/USD up 0.1% to 1.17, USD/CNY flat at 6.83, and USD/JPY up 1.7% to 156.79.

Cryptocurrencies: Bitcoin rose 5.6% WoW to $79,914, while Ether gained 3.8% to $2,376, as strong risk-on sentiment and institutional demand—supported by ETF inflows and optimism around crypto regulation—pushed BTC above the key $80,000 level, reinforcing bullish momentum toward higher resistance levels.

Crypto News: UK policymakers are leaning toward delaying a decision on a digital pound, as concerns over privacy and banking disruption, alongside the rise of tokenized deposits, reduce urgency for a retail CBDC. Meanwhile, World Liberty Financial—linked to the Trump family—faces scrutiny after raising over $550 million and selling an additional 5.9 billion tokens, with governance concerns and investor lockups highlighting risks around transparency and control. At the same time, Coinbase announced a breakthrough on stablecoin yield rules, potentially unlocking progress on major U.S. crypto legislation and advancing clearer regulatory frameworks for the sector.

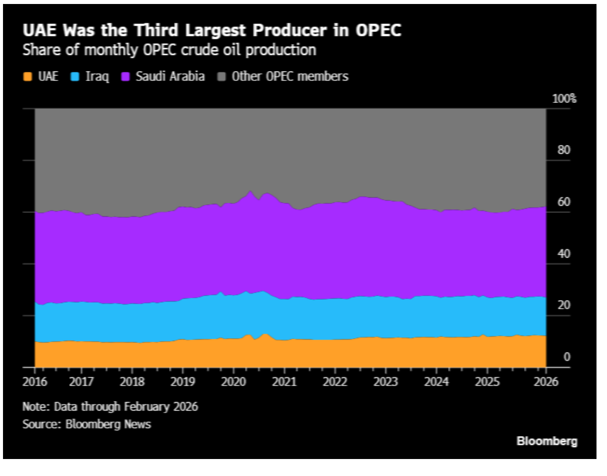
Commodities

Precious Metals			WoW		YtD
Gold	4,592.04	▼	- 1.9%	▲	+ 6.3%
Silver	74.99	▼	- 0.7%	▲	+ 4.6%
Platinum	2,000.90	▲	+ 0.7%	▼	- 2.9%
Palladium	1,523.38	▲	+ 3.5%	▼	- 6.0%
Industrial Metals					
Copper	593.20	▼	- 1.6%	▲	+ 3.4%
Aluminum	3,590.91	▼	- 1.9%	▲	+ 20.5%
Nickel	19,216.38	▲	+ 1.8%	▲	+ 16.1%
Zinc	3,346.13	▼	- 4.3%	▲	+ 8.2%
Lithium	20,850.00	▲	+ 1.6%	▲	+ 85.8%
Energy					
Crude Oil	100.90	▲	+ 4.7%	▲	+ 77.0%
Brent	107.25	▼	- 0.9%	▲	+ 78.1%
Natural Gas	2.84	▲	+ 11.3%	▼	- 17.3%
Agriculture					
Wheat	624.50	▲	+ 2.7%	▲	+ 20.4%
Corn	466.75	▲	+ 1.3%	▲	+ 4.1%
Soybeans	1,193.00	▲	+ 1.3%	▲	+ 12.4%

FX & Crypto

FX & Crypto			WoW		YtD
DXY	98.11	▼	- 0.4%	▼	- 0.2%
EUR/USD	1.17	▲	+ 0.1%	▼	- 0.1%
USD/CNY	6.83	▲	+ 0.0%	▼	- 2.3%
USD/JPY	156.79	▲	+ 1.7%	▲	+ 8.1%
BTC	79,913.95	▲	+ 5.6%	▼	- 8.8%
ETH	2,375.76	▲	+ 3.8%	▼	- 20.1%

Chart: *The UAE accounted for over 10% of OPEC's total production*, making it the third-largest producer in the group before its exit. Its departure weakens OPEC's ability to control supply, highlighting growing fragmentation and raising the risk of future competition for market share once production constraints ease.



ECONOMIC CALENDAR

4 May 2026

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Key Events Ahead. The week ahead is centered on labor market data and services activity. In the U.S., focus will be on Nonfarm Payrolls, unemployment rate, wage growth, jobless claims, JOLTS, and ISM services PMI, alongside ADP employment and housing data, shaping expectations for growth and Fed policy. Globally, China and Japan PMIs, Eurozone and German manufacturing/services PMIs, and UK housing and construction data will provide insight into global demand conditions. Overall, with a heavy U.S. labor data calendar and broad PMI releases, markets are likely to remain highly sensitive to growth signals and rate expectations.

	Day	Time	Region	Event	Forecast (cons.)	Previous	Market relevance
4-May-26	Monday	All Day	CN	Labor Day Holiday	-	-	High
4-May-26	Monday	All Day	JP	Greenery Day Holiday	-	-	High
4-May-26	Monday	All Day	UK	Early May Bank Holiday	-	-	High
4-May-26	Monday	10:55	DE	HCOB Germany Manufacturing PMI (Apr)	51.2	52.2	Medium
4-May-26	Monday	11:00	EU	HCOB Eurozone Manufacturing PMI (Apr)	52.2	51.6	Medium
4-May-26	Monday	17:00	US	Factory Orders (MoM) (Mar)	0.5%	0.0%	Medium
5-May-26	Tuesday	All Day	CN	Labor Day Holiday	-	-	High
5-May-26	Tuesday	All Day	JP	National Sovereignty and Children's Day Holiday	-	-	High
5-May-26	Tuesday	15:30	US	Trade Balance (Mar)	-59.00B	-57.30B	Medium
5-May-26	Tuesday	16:45	US	S&P Global Services PMI (Apr)	51.3	49.8	High
5-May-26	Tuesday	17:00	US	New Home Sales (Mar)	1K	587K	High
5-May-26	Tuesday	17:00	US	JOLTS Job Openings (Mar)	6.870M	6.882M	High
5-May-26	Tuesday	17:00	US	ISM Non-Manufacturing PMI (Apr)	53.8	54.0	High
6-May-26	Wednesday	All Day	JP	Constitution Day Holiday	-	-	High
6-May-26	Wednesday	4:45	CN	RatingDog Services PMI (Apr)	52.0	52.1	Medium
6-May-26	Wednesday	10:55	DE	HCOB Germany Services PMI (Apr)	46.9	46.9	Medium
6-May-26	Wednesday	11:00	EU	HCOB Eurozone Services PMI (Apr)	47.4	47.4	Medium
6-May-26	Wednesday	11:30	UK	S&P Global Services PMI (Apr)	52.0	52.0	Medium
6-May-26	Wednesday	15:15	US	ADP Nonfarm Employment Change (Apr)	90K	62K	High
7-May-26	Thursday	9:00	DE	German Factory Orders (MoM) (Mar)	1.1%	0.9%	Medium
7-May-26	Thursday	11:30	UK	S&P Global Construction PMI (Apr)	46.0	45.6	Medium
7-May-26	Thursday	15:30	US	Initial Jobless Claims	203K	189K	High
7-May-26	Thursday	15:30	US	Nonfarm Productivity (QoQ) (Q1)	1.0%	1.8%	Medium
7-May-26	Thursday	15:30	US	Unit Labor Costs (QoQ) (Q1)	2.5%	4.4%	Medium
7-May-26	Thursday	17:00	US	Construction Spending (MoM) (Mar)	0.4%	-0.3%	Medium
8-May-26	Friday	3:30	JP	S&P Global Services PMI (Apr)	51.2	51.2	Medium
8-May-26	Friday	9:00	DE	German Trade Balance (Mar)	18.1B	19.8B	Medium
8-May-26	Friday	9:00	DE	German Industrial Production (MoM) (Mar)	0.4%	-0.3%	Medium
8-May-26	Friday	9:00	UK	Halifax House Price Index (MoM) (Apr)	0.2%	-0.5%	Medium
8-May-26	Friday	15:30	US	Average Hourly Earnings (MoM) (Apr)	0.3%	0.2%	High
8-May-26	Friday	15:30	US	Nonfarm Payrolls (Apr)	73K	178K	High
8-May-26	Friday	15:30	US	Unemployment Rate (Apr)	4.3%	4.3%	High

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