Market Insights & Strategy

Global Markets

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Morning news summary

Global News

- **Fed officials make case for rate hikes amid ongoing inflation concerns:** According to Reuters, a trio of Federal Reserve officials made the case for more interest rate increases to combat high levels of inflation, in the first round of commentary made by central bankers after this week's monetary policy meeting that saw short-term borrowing costs left steady. Calling the current level of price pressures and the time inflation has been above the 2% "unacceptable," Federal Reserve Bank of Dallas President Lorie Logan said the central bank has more work to do. "It remains clear to me, given the current outlook, that the (Federal Open Market Committee) needs to implement at least two more 25-basis-point rate increases," Logan said. Speaking separately, Federal Reserve Bank of St. Louis President Alberto Musalem also argued for higher rates. "Incremental adjustments made earlier are usually less disruptive than larger and abrupt actions taken later," he said. Musalem said that inflation remains too high relative to the 2% target and added that it was unlikely to ease absent Fed action. Meanwhile, Richmond Fed leader Thomas Barkin said that "inflation's high, demand is solid, unemployment is relatively low. So I think the direction of travel is pretty straightforward" for future interest rate increases. "The question, though, is pace ... We signaled a gradual approach. Gradual makes sense when you're not much behind the curve, where you want time to learn," Barkin said.
  Source: Reuters

- **Iran threatens wider US strikes even as talks make progress:** Bloomberg reported that Iran's Supreme Leader ordered his top military commanders to prepare for renewed confrontation with the US and Israel and expand Tehran's options for retaliation. The supreme leader told the military to update its lists of potential targets to bring "all types of material and immaterial assets" of the US and Israel "within the armed forces' reach". He also "described intelligent combat readiness for a powerful confrontation with the enemies as one of the prerequisites of maximum deterrence," and urged the military to strengthen its capabilities with new technologies. US Secretary of State Marco Rubio said the US hasn't made any decision to renews strikes on Iran and that US President Donald Trump prefers a diplomatic resolution. Trump told Israel's Prime Minister Benjamin Netanyahu of his preference for diplomacy in a phone call, Axios reported citing unnamed sources. Iranian Foreign Minister Abbas Araghchi said an Iranian delegation was in Qatar for talks with mediators there. Iran suggested accelerating the implementation of its previous 7-day proposal for reopening the Strait of Hormuz to two days, Araghchi told Al Jazeera in an interview.
  Source: Bloomberg, Axios, Al Jazeera

- **US pushes for Russia to resume gas sales to Europe, WSJ reports:** Citing anonymous sources, The Wall Street Journal (WSJ) reported that US officials are promoting a plan for Russia to resume sales of natural gas to Europe via pipelines running through Ukraine,

Bloomberg noted. The idea was promoted by US envoys Jared Kushner and Steve Witkoff during trips to Moscow and Kyiv in September and would involve selling Russian gas via a US intermediary to avoid European restrictions. The proposal was put on the back burner last month after Ukraine unilaterally stopped striking Russian refineries under pressure from US President Donald Trump, according to WSJ. However, Kyiv has since resumed its attacks. The push from the White House comes as the European Union is set to phase out imports of Russian gas next year, which will finally sever ties between the bloc and its once-primary energy supplier. Pipelines running through Ukraine are intact and gas flows could resume quickly if the US plan becomes reality. Russian exports to Europe via Ukraine were halted when a transit agreement between the two countries expired at the end of 2024, and Kyiv refused to renew it.
Source: The Wall Street Journal, Bloomberg

- **Trump floats 'concept' of US-Canada deal that includes pipeline talking to Carney:** US President Donald Trump said that his administration has the "concept" of a new trade deal with Canada while Prime Minister Mark Carney said the two leaders had a good conversation on the future of trade between their countries, Reuters reported. Trump said the scope of an agreement would include the Keystone XL pipeline project that he supports, though it was not immediately clear how the project would be revived. Former President Joe Biden in 2021 revoked a key permit for the project, which was a private sector initiative. The proposed pipeline would have carried 830,000 barrels per day of oil from the oil sands of northern Alberta to the major US storage hub at Cushing, Oklahoma, and then on to Gulf Coast refineries. Canada, the world's fourth-largest oil exporter, sends more than 90% of its crude oil production to the US.
Source: Reuters

- **Trump's tariffs fail to cut US trade deficit, IW report shows:** According to a study by the German Economic Institute IW seen by Reuters, US President Donald Trump's economic agenda has delivered robust growth and strong investment but failed to reduce the trade deficit. Trump's tax cuts, tariffs and drive to revive domestic manufacturing had produced mixed results. GDP growth remained solid and AI-related investment was buoyant, but job creation lagged the prior administration and inflation remained above the Federal Reserve's 2% target. The US goods trade deficit reached $130bn in August, exceeding its level two years earlier, despite sweeping import tariffs. The EU's share of the deficit fell to 7% from 20% in August 2024. China's share of the trade deficit declined to 14% from 29%. Efforts to bring manufacturing back have so far fallen short. FDI inflows fell 8.2% to $248bn in 2025, 18% below the 2015–2024 average. The US-Israeli war against Iran is increasing already high public debt and pushing up interest rates, with creditors questioning whether the US can sustain its outstanding debt of $40tn.
Source: Reuters

- **Slower wage growth curbs US labor costs in Q3 2026:** Citing the US Labor Department's Bureau of Labor Statistics (BLS), Reuters reported that the US Employment Cost Index (ECI), the broadest measure of labor costs, rose 0.8% in Q3 2026 after increasing 0.9% in the April-June period, in line with economists' expectations. Labor costs advanced 3.4% in the 12 months through September after rising by the same margin in the year through June. Wages and salaries, which account for the bulk of labor costs, climbed 0.7% in Q3 2026 after rising 0.9% in Q2 2026. In the 12 months through September, wages increased 3.1%, mostly lagging inflation. They had advanced 3.2% in the year through June. The BLS report showed wages adjusted for inflation dropped 0.6% in the 12 months through September after declining 0.3% in the year through June. Private sector wages and salaries rose 0.8% in Q3 2026 after increasing 0.9% in the prior quarter. They advanced 3.1% in the year through September. Public sector wages climbed 0.6% in Q3 2026 after gaining 0.9% in Q2 2026. They advanced 3.2% in the 12 months through September.
Source: Reuters

- **China factory growth slows in October as export orders ease, private PMI shows:** Citing analysis by S&P Global, Reuters reported that the RatingDog China General Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, edged down to 52.0 in October from 52.1 in September, although it stayed above the 50-point mark indicating expansion and beat a forecast of 51.6 in a Reuters poll. The reading contrasted with China's official PMI released that showed factory activity unexpectedly falling. The

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new orders index edged down to 53.3 from 53.4 in September. Growth in export orders slowed to a three-month low, as makers of consumer and intermediate goods eased while investment goods producers accelerated. Output prices fell after rising in September, as intense competition forced firms to cut prices to support sales, while easing input costs also allowed for discounting. Export prices declined for the first time since November 2025. Employment rose for a second straight month, but only marginally. The backlog of work increased for a ninth month as heavier workloads continued to strain capacity. Purchasing activity grew at the fastest pace since February, and stocks of purchased goods rose at the strongest pace in five months.
Source: Reuters

- **Japan's October factory growth slows as costs pick up, PMI shows:** Citing analysis by S&P Global, Reuters reported that Japan's manufacturing sector expanded at its slowest pace in seven months in October, with the S&P Global Japan Manufacturing Purchasing Managers' Index (PMI) easing to 53.3 in October from 54.1 in September. Nevertheless, it stayed above the 50-point mark indicating expansion. Output rose for a 10th straight month, supported by greater order volumes and stronger demand for semiconductors, although the pace was the softest since March. New orders also increased for a 10th consecutive month, as firms cited more favourable market conditions and AI-related demand strength, but the pace of increase was the softest in seven months. Overseas demand remained supportive, but export order growth was the weakest since March. Employment growth held steady and stayed close to the fastest seen in the past eight-and-a-half years. Input price inflation accelerated in October, while output charge inflation eased to a six-month low. Stocks of purchases increased at the fastest rate in almost four years as firms sought to guard against further price rises.
  Source: Reuters

- **Most Asian stocks rise with US futures; Oil falls as report says Trump to give Iran diplomacy more time:** Bloomberg reported that most Asian stocks rose with US equity futures as investors recovered their risk appetite following last week's slump in tech shares. As of 09:00 AM GST, South Korea's Kospi index surged 3.1%, China's CSI 300 index jumped 1.3%, Hong Kong's Hang Seng index rose 0.6% and Japan's Nikkei 225 index climbed 0.4%. S&P 500 futures gained 0.5% and Nasdaq 100 futures traded 0.9% higher during Asia trade. The yield on the US benchmark 10-year Treasury was steady at 4.934%. In commodity markets, spot gold rose 0.7% to $3.902.49 an ounce and spot silver jumped 2% to $50.07 an ounce. In currencies, the DXY index was broadly unchanged at 101.917. The US dollar was up 0.2% against the Japanese yen at 157.88. The euro added 0.1% against the greenback to 1.1175.
  Bloomberg reported that dropped after a report said US President Donald Trump wants to give diplomacy more time before deciding whether to resume strikes on Iran following Tuesday's midterm elections. The push for talks tempered concerns about renewed hostilities even as attacks on vessels around the Strait of Hormuz continued. Separately, OPEC+ agreed over the weekend to keep output quotas unchanged in December after unwinding the last of its voluntary cuts in September. In Asia trade, Brent futures (January contract) slumped 3% to $110.01/bbl and WTI futures (January contract) traded 3% lower at $99.18/bbl.
  Source: Bloomberg

Middle East & Africa News

- **Fitch affirms Abu Dhabi at 'AA' with stable outlook:** Fitch Ratings affirmed Abu Dhabi's long-term issuer default ratings at "AA" with a stable outlook, citing high GDP per capita, very strong fiscal and external metrics, and low government debt, Arab News reported. Fitch estimated the emirate's sovereign net foreign assets at 300% of GDP at the end of 2025 and government debt at 19.3% of GDP, with the stable outlook reflecting the resilience of oil export revenue during the US-Iran war, allowing a continued increase in fiscal and external buffers. Fitch said the rating is constrained by reliance on hydrocarbons, geopolitical risks, contingent liabilities linked to government-related entities and a relatively weak, though improving, economic policy framework. Abu Dhabi's GDP grew 7.7% YoY in Q3 2025, while its non-oil economy expanded 7.6%, accounting for 54% of total output.
  Source: Arab News

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- **UAE's CEPA with Democratic Republic of Congo enters into force:** The UAE's state news agency WAM reported that the UAE's Comprehensive Economic Partnership Agreement (CEPA) with the Democratic Republic of Congo (DRC) entered into force, removing tariffs on the vast majority of product lines, harmonizing customs procedures, and reducing unnecessary barriers to trade. The deal has been designed to enhance trade flows, facilitate bilateral investment flows into important sectors such as logistics, energy and manufacturing, and support the economic growth ambitions of both countries. The DRC is one of the ten largest economies in Africa, with a GDP of $122.3bn and a growth rate of 5.2%. This CEPA will build on growing bilateral relations between the two nations, which resulted in non-oil bilateral trade worth $3.5bn in 2025, a growth of 38.5% YoY. It is an important destination for UAE exports such as vehicles, machinery, electronics and construction materials, while the UAE serves as an important conduit for DRC's exports from metals to food, cotton and other agricultural products.
  Source: WAM, Zawya

- **Dubai bourse profit drops as trading income weakens:** Dubai Financial Market (DFM) said trading commission fees fell 11% YoY to AED 101m ($28m) in Q3 2026, while clearing, settlement and depositary fees declined 29% to AED 15m, as the Iran war increased volatility across Gulf markets, AGBI reported. The company said an escalation in geopolitical tensions had contributed to increased volatility in regional and global financial markets, adding that "the evolving situation makes it challenging to reliably estimate any potential impact" on financial position or performance. Net profit fell 7% YoY to AED 130m in the quarter despite a 16% gain in investment income. Despite the Q3 decline, trading commission income rose 26% and clearing, settlement and depositary fees increased 38% in the first nine months of the year, while average daily traded value increased 26% over the same period.
  Source: AGBI

- **Dubai introduces world's first city-led tourism membership programme:** Dubai will allow visitors to apply for tourist visas through its official tourism website, Visit Dubai, from November 2026, as part of two new initiatives announced by HH Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, Deputy Prime Minister and Minister of Defence, and Chairman of The Executive Council of Dubai, Gulf News reported. Under the new visa service, travellers will be able to apply for single-entry and multiple-entry tourist visas through Visit Dubai. The changes will also include the launch of Dubai Access Club, an invitation-only membership programme offering exclusive benefits and experiences to repeat visitors. Sheikh Hamdan said the initiatives were intended to improve different stages of the visitor journey and support Dubai's ambition to rank among the world's top three destinations for business and leisure under the Dubai Economic Agenda, D33.
  Source: Gulf News

- **DEWA steps up global expansion push with Shanghai Electric deal:** Citing a press release, The National reported that the international arm of Dubai Electricity and Water Authority (DEWA) has signed an agreement with China's Shanghai Electric to explore energy and water investments in global markets, as the emirate seeks to expand its footprint in the international utilities sector. The deal covers potential projects in solar and wind energy, battery storage, desalination, green hydrogen and conventional power generation, as well as electricity transmission and distribution. The agreement establishes a framework for identifying, evaluating, developing and investing in projects, including participation in international tenders. DEWA established its international subsidiary in June to pursue overseas projects and partnerships. At its launch, HE Saeed Mohammed Al Tayer, MD & CEO of DEWA and Chairman of DEWA International, said global demand for energy and water infrastructure was expected to exceed $20tn by 2035, presenting substantial opportunities for international expansion.
  Source: The National

- **Dubai South, Phoenix Aviation sign agreement for new airside facility at MBRAH:** Citing an official statement, The UAE's state news agency WAM reported that Dubai South, the largest single urban master development focused on aviation, logistics and real estate, has signed an agreement with Phoenix Aviation for a new airside plot at Mohammed bin Rashid Aerospace Hub (MBRAH). The development will establish

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a centre of excellence for wide-body aircraft MRO, cabin modifications and completion and cargo conversion, supporting growing demand for specialised aviation services. It will strengthen the aviation ecosystem at Dubai South by introducing additional capacity and services for airlines across Europe, the Middle East, Africa and Asia.
Source: WAM, Zawya

- **Real estate valuation transactions in Ajman reached $901m in Q3 2026:** Citing the Ajman Department of Land and Real Estate Regulation, the UAE's state news agency WAM reported that Ajman recorded 738 real estate valuation transactions in Q3 2026, with a total value exceeding AED 3.3bn ($901m). Eng. Omar bin Omair Al Muhairi, Director-General of the Ajman Department of Land and Real Estate Regulation, stated that 165 property unit valuation transactions were recorded in real estate projects, valued at AED 130m. He explained that the department also recorded 414 real estate valuation transactions related to investors applying for Golden Visas, with a total value exceeding AED 981m. He noted that commercial real estate accounted for 102 valuation transactions, with a total value exceeding AED 2bn, ahead of residential properties, valued at AED 677m. Industrial properties ranked third, with a total value of AED 278m.
Source: WAM, Zawya

- **Saudi non-oil growth accelerates to 1.9% in Q3 2026:** Saudi Arabia's non-oil activities grew 1.9% YoY in Q3 2026, accelerating from 0.8% in the previous quarter, Arab News reported. Q3 2026 Real GDP fell 3.8% from a year earlier after a 4.7% contraction in Q2 2026, according to GASTAT flash estimates. Oil activities declined 20.4% annually, compared with a 24.8% fall in the preceding quarter, while government activities contracted 2.7%, reversing Q2's 0.9% growth. Oil activities contributed negatively to real GDP growth by 4.7 percentage points, while non-oil activities added 1.1 percentage points, net taxes on products contributed 0.1 percentage points and government activities subtracted 0.4 percentage points. On a seasonally adjusted basis, the economy expanded 1.3% quarter-on-quarter, reversing a 4.8% contraction in Q2, with oil activities increasing 5.7%, non-oil activities rising 0.6% and government activities falling 1.2%.
Source: Arab News

- **Saudi Arabia raises wage support threshold for nationals:** Saudi Arabia will raise the minimum salary threshold for workers covered by the Human Resources Development Fund (Hadaf) employment support programme, with the minimum monthly salary for new Saudi private-sector workers increasing from SAR 4,000 to SAR 5,000 from April 2027 and to SAR 6,000 by April 2028, Arab News reported. Saudi employees paid less than SAR 4,000 will not count towards Saudization quotas, while Hadaf will continue to contribute up to 50% of monthly wages, capped at SAR 3,000 per month, to support private-sector employment. The move comes as Saudi Arabia's annual inflation rose to 1.9% in September from 1.8% in August, with the government also announcing an increase in electricity and water tariffs from Jan. 1, 2027.
Source: AGBI

- **Aramco closes $2.6bn deal for 49% stake in Humain:** Saudi Aramco completed its acquisition of a 49% stake in AI company Humain in a transaction involving approximately SAR 9.9bn ($2.6bn) in cash contributions during 2026, while the Public Investment Fund retains a 51% stake, Arab News reported. The transaction also involves Aramco contributing AI, computing and digital assets to the company. Humain plans to deploy 3 gigawatts of AI data centre capacity by 2030 and expand its operations across computing infrastructure, advanced models, applications and industry solutions serving public- and private-sector customers. Aramco said the partnership will support the deployment of AI across its industrial operations, while Humain is targeting 3GW of AI data centre capacity by 2030 as it seeks to meet growing regional and international demand for computing power and establish itself as a global exporter of AI capabilities.
Source: Arab News

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- **Saudi Arabia's internet penetration hits 99.6%:** Citing GASTAT data, Arab News reported that Saudi Arabia's internet usage rate reached 99.6% among individuals aged 15 to 74 in 2026, with the 15-to-24 age group recording the highest usage rate at 99.9%. Mobile phones were the most widely used means of accessing the internet at 98.4%, while participation in social networking platforms ranked as the leading internet activity, accounting for 99.7% of all internet users. The survey also showed that 98.4% of individuals use online government services, with accessing electronic government forms accounting for 89% of users.
  Source: Arab News

- **EBRD arranges $265m financing for Egypt hospitality expansion:** The European Bank for Reconstruction and Development (EBRD) has arranged a syndicated financing package of up to $265m for ADD Properties to support the development of a new Grand Hyatt hotel in West Cairo, as well as the expansion and modernization of the company's hospitality portfolio, Arab News reported. The EBRD is providing $127.5m, while the International Finance Corp. is extending a loan of $60m under the Mutual Reliance Framework. Egypt received 12.7 million tourists in the first eight months of 2026, compared with 12.2 million a year earlier, while tourism revenues increased to $12bn from $11.8bn. The financing will also support further investment across ADD Properties' portfolio and be complemented by technical assistance aimed at improving workforce skills, corporate governance and environmental upgrades across its hospitality assets.
  Source: Arab News

- **Turkey reopens $1bn loan package for SMEs looking for cheaper financing:** Turkey is reopening applications for its Nefes SME financing programme on Nov. 3, adding TLR 50bn ($1bn) in new loans and raising the maximum loan per company to TLR 5m from TLR 3m, Turkey Today reported. Businesses can borrow for up to 48 months, including a six-month grace period for principal repayments, with annual interest rates of 36% for maturities of up to 24 months and 34% for longer terms. The initiative, coordinated by TOBB, the Credit Guarantee Fund and participating banks, aims to help SMEs meet their working capital needs. The latest allocation comes after the programme extended TLR 45bn in loans in the five months following its launch in June, while 61,000 companies benefited from the scheme in 2025, with total lending reaching TLR 81bn. TOBB initially announced a TLR 25bn allocation for the 2026 round, targeting a total lending volume of TLR 100bn through additional tranches during the year.
  Source: Turkey Today

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