Market Insights & Strategy

Global Markets

5th November 2026



Please click **here** to view our recent publications on MENA and Global Markets

Your attention is drawn to the Important Notice on the final page of this communication

Morning news summary

Global News

- **Democrats win control of both House and Senate in US midterm elections:** Bloomberg reported that the Democrats captured both chambers of Congress in the US midterms, dealing a major setback to US President Donald Trump and his Republican Party. Democrats officially cleared the 218-seat threshold on their way to a commanding 240 confirmed seats in the House of representatives. Democrats also comfortably passed the 51-seat requirement for an outright majority in the Senate, reaching 54 seats by pulling off 7 net flips against the Republicans' 44 seats. As per Bloomberg, Democrats successfully tapped into voter frustrations with the economy and the high cost of living. Some 65% of Americans disapprove of Trump's handling of the economy, according to a RealClearPolling average of surveys conducted over the last three weeks in October. Trump deflected responsibility for the historic rout of his party: "I wasn't on the Ballot and if I was, we would have won IN A LANDSLIDE!" he wrote in a Truth Social post. Vice President JD Vance pointed to voter frustration over the Iran war and the US relationship with Israel. According to Bloomberg, the new Democratic majority is expected to ramp up oversight of the Trump administration and roll back parts of its agenda when the next Congress kicks off in January.
  Source: Bloomberg

- **Trump plays down prospect of Iran strikes after midterm rout:** US President Donald Trump said he has no immediate plans to launch strikes on Iran following midterm elections in which the Democrats took control of Congress in a landslide win over his Republican party, Bloomberg reported. Trump said the US is still prepared for an escalation with Iran if necessary, and that "we're locked and loaded if we need to go, but there may be no reason for it." Trump insisted the war, now into its ninth month, wasn't a primary reason for the Republicans being routed. Mohammad Bagher Ghalibaf, Iran's parliament speaker and a senior negotiator with the US, said the midterms showed Americans have voted "NO TO WAR." He warned the US of a "nightmare" if it does opt to restart mass attacks on Iran. According to Bloomberg, the next few weeks will be key, with Trump either being chastened by the election results or thinking he needs to act before the new Congress members take office in early January.
  Source: Bloomberg

- **US slaps sanctions on Indian, Turkish firms and people for aiding Iran**: Reuters reported that the US Treasury imposed new sanctions on companies and individuals in India and Turkey for allegedly supporting Iran, as part of the Trump administration's efforts to curb Tehran's oil exports. The measures target a network run by India-based Suniel Kumar Sharma and Jaspreet Preeti Shahid, which the US Treasury said supplied false vessel flags and maritime certifications to ships transporting Iranian petroleum, including vessels linked to the Iranian military and its proxies. The sanctions also target Turkey-based Fugo Ground Services for providing services to sanctioned Iranian

Iranian airlines. US Treasury Secretary Scott Bessent said Washington would continue pursuing entities supporting Iran "by land, sea, or air," while the US Treasury also issued new guidance warning companies about the risks of dealing with falsely flagged vessels.
Source: Reuters

- **US services sector activity cools slightly in October; inflation remains elevated:** Citing analysis by the Institute for Supply Management (ISM), Reuters reported that US services sector growth slowed marginally in October amid a moderation in new orders, but supply chains remained strained, keeping prices for inputs elevated. The ISM's nonmanufacturing Purchasing Managers' Index dipped to 54.5 last month from 54.9 in September but stayed above the 50-point mark indicating expansion. Economists polled by Reuters had forecast the PMI little changed at 54.8. The survey's measure of new orders received by services businesses decreased to 55.9 last month from 59.8 in September. The survey's measure of supplier deliveries jumped to 56.7 from 53.2 in September. A reading above 50 indicates slower deliveries. Deliveries have slowed for 23 consecutive months, keeping input prices high. The survey's measure of prices paid by businesses for inputs eased to a still-high 73.0 last month from 74.0 in September. The ISM survey showed a marginal increase in services sector employment, aligning with economists' expectations for moderate growth in nonfarm payrolls in October. The survey's measure of services employment rose to 51.4 from 50.1 in September.
  Source: Reuters

- **US trade deficit narrows slightly in September; imports hit record high:** Citing the US Commerce Department, Reuters reported that the US trade deficit contracted 0.7% MoM to $105bn in September. Economists polled by Reuters had forecast the deficit would be $108bn. Imports increased 1.2% to $426.6bn in September, a record high. Goods imports rose 1.3% to $346.9bn, also an all-time high. Capital goods imports shot up by $11.6bn to a record high $158bn as the AI buildout drew in imports of computers and computer accessories. Exports advanced 1.9% to $321.5bn. Goods exports increased 2.5% to $211bn. Exports of capital goods rose by $3.8bn to an all-time high of $73.3bn, driven by computers, computer accessories and civilian aircraft.
  Source: Reuters

- **US private payrolls rise in October, ADP says:** The ADP National Employment Report showed that US private payrolls growth increased further in October, Reuters reported. Private employment rose by 86,000 jobs last month after a downwardly revised 86,000 gain in September. Economists polled by Reuters had forecast private employment increasing by 69,000 after a previously reported 90,000 advance in September. ADP has been a poor gauge of the BLS' private payrolls estimate. The labor market remains on a firmer footing, despite the uncertainty caused by the US-Israeli war with Iran.
  Source: Reuters

- **Japan services activity expands for fifth month, PMI shows:** Citing analysis by S&P Global, Reuters reported that the S&P Global final Japan Services Purchasing Managers' Index (PMI) edged higher to 51.7 in October from 51.3 in September, marking a fifth straight month of expansion but coming in below the flash reading of 52.0. New orders increased for a 28th straight month, with the pace of growth picking up from September, as firms cited firmer domestic demand, new clients and business development efforts as factors. In contrast, foreign demand remained weak, though the decline in new export orders eased to its slowest since April. Cost pressures eased further, with input price inflation decelerating for a fourth straight month to an eight-month low. Output price inflation also moderated, although charges have now risen every month for the past four and a half years. Business confidence weakened to its lowest level since March, as concerns over inflation, an ageing population and labour shortages tempered optimism about growth in the defence and technology sectors, business expansion plans and increased tourism. Employment rose only marginally, marking the weakest pace of job creation in the current 14-month hiring stretch. Japan's composite output index slipped to 52.1 from 52.3, its softest growth pace since May.
  Source: Reuters

Classified : Public

- **Post-midterm rotation hurts chips; Oil falls for a fourth day on expectations for lower risk of Iran war escalation:** Bloomberg reported that a stock-rotation trade fuelled by the US midterm elections swept Asia, denting regional chipmakers and boosting unfavoured markets from China to Australia. As of 09:05 AM GST, South Korea's Kospi index slumped 4.9% and Japan's Nikkei 225 index dropped 1.3%. Conversely, Hong Kong's Hang Seng index jumped 3.1% and China's CSI 300 index gained 0.4%. S&P 500 futures slipped 0.2% and Nasdaq 100 futures traded 1.1% lower during Asia trade. The yield on the US benchmark 10-year Treasury tightened 4bps to 4.847%. In commodity markets, spot gold rose 1.9% to $4,136.69 an ounce and spot silver gained 1.6% to $53.05 an ounce. In currencies, the DXY index slipped 0.3% to 101.261. The US dollar was down 0.3% against the Japanese yen at 157.91. The euro gained 0.3% against the greenback to 1.1263.
  Reuters reported that oil prices fell for a fourth day on Thursday on expectations the losses US President Donald Trump's Republican Party suffered in Congressional elections this week may reduce the risk of further escalation of the US-Israeli war on Iran. Meanwhile, US crude, gasoline and distillate inventories all fell last week as demand hit its highest in a year, the Energy Information Administration said. In Asia trade, Brent futures (January contract) dropped 0.9% to $93.74/bbl and WTI futures (January contract) traded 1.5% lower at $85.81/bbl. Both benchmarks tumbled by more than 8% in the previous session to settle at their lowest since August 31.
  Source: Bloomberg, Reuters

Middle East & Africa News

- **Abu Dhabi attracts leading PE firms as demand grows for secondary market deals with SWFs:** As per Gulf News, Abu Dhabi is strengthening its position as a global hub for private market investing, with leading secondary-market firms including EQT, Pantheon, Eurazeo, Ardian and HarbourVest Partners expanding their presence in the emirate to tap opportunities linked to sovereign wealth funds and private asset portfolios. The private asset secondary market is expected to reach $250bn this year, with transaction volumes hitting a record $121bn in H1 2026, driven by demand for liquidity and portfolio rebalancing amid higher interest rates. Firms are increasing partnerships with major Abu Dhabi investors such as ADIA and Mubadala, while PGIM has also expanded its regional secondaries business from Abu Dhabi. The trend highlights Abu Dhabi's growing role not only as a source of capital but also as a global centre for secondary private market transactions, supported by the emirate's large institutional investor base and ADGM's investor-friendly regulatory framework.
  Source: Gulf News

- **UAE's Gulf Cryo to start production at Abu Dhabi carbon capture plant within weeks:** Industrial gases supplier Gulf Cryo said its new carbon capture facility in Abu Dhabi will begin production within weeks, adding to its existing facility in Ras Al Khaimah, as the UAE remains the company's largest market, Trade Arabia reported. Speaking at ADIPEC 2026, Chief Commercial Officer Georgios Beretsos said the company continues to invest in oxygen, nitrogen and argon production while expanding decarbonization initiatives. Gulf Cryo is developing carbon capture and circular economy solutions that capture and purify emissions for use in sectors such as desalination and food production, helping industrial customers reduce emissions. The company operates across 10 countries and supplies industrial and medical gases to industries including petrochemicals, healthcare, manufacturing and oil and gas.
  Source: Trade Arabia, Zawya

- **ADNOC Gas, EtihadWE sign pact to power Northern Emirates:** Gulf News reported that ADNOC Gas has signed an agreement with Etihad Water and Electricity (EtihadWE) to explore natural gas supply for new power generation projects in the Northern Emirates, supporting the UAE's growing electricity demand. The deal would provide EtihadWE with long-term fuel supplies for future power plants while creating a new domestic market for ADNOC Gas' expanding gas production. The agreement aligns with ADNOC Gas' Rich Gas Development and Estidama programmes, which aim to increase gas processing capacity and expand pipeline infrastructure to deliver more gas to customers across the UAE. The companies said the

Classified : Public

partnership will help strengthen the country's energy security by linking new power capacity to domestically supplied natural gas.
Source: Gulf News

- **DIFC surpasses 600 wealth and asset management firms:** Dubai International Financial Centre (DIFC) said the number of wealth and asset management firms operating in its ecosystem has surpassed 600, which it said is three times the number of comparable firms in other financial centers in the market, UAE state news agency WAM reported. The announcement, made during Dubai Future Finance Week, highlights Dubai's growing role as a global centre for private wealth management and alternative investments, supporting the Dubai Economic Agenda (D33). DIFC also unveiled new Islamic finance initiatives, including specialized training programmes, an Islamic Finance Innovation Challenge, and plans to establish an Islamic Finance Innovation Centre to accelerate technology adoption and innovation across the sector.
Source: WAM, Zawya

- **Riyadh invites private sector to develop 30,015-sq-m mixed-use project site:** Riyadh Region Municipality, in coordination with the Ministry of Municipalities and Housing and the National Center for Privatization & PPP (NCP), has launched a tender to develop a mixed-use residential, commercial and recreational project on a 30,015 sq m site in northern Riyadh under a 50-year public-private partnership agreement, Trade Arabia reported. The project, the municipality's first under this investment model, will be built on a site located on Zaid bin Asim Street, with the selected private-sector partner responsible for the design, construction, operation and maintenance of the development. The initiative aims to attract local and international investors, operators and financial institutions to support Riyadh's urban growth and infrastructure development, with project documents available through the NCP investor portal until February 3, 2027.
Source: Trade Arabia, Zawya

- **Oman's trade surplus widens 65% YoY to $17bn in 8 months of 2026:** Citing the National Centre for Statistics and Information (NCSI), Muscat Daily reported that Oman's trade surplus widened by more than 65% YoY to OMR 6.5bn ($17bn) in the first eight months of 2026, as robust growth in oil and gas, non-oil merchandise and re-exports outpaced a modest increase in imports, strengthening the sultanate's external trade position. Merchandise exports rose by 19.7% YoY to OMR 18.3bn. Imports, meanwhile, increased by 4.4% YoY to OMR 11.9bn, highlighting the widening gap between the value of goods Oman sold abroad and those it purchased from international markets. Oil and gas exports remained the main driver of export growth, rising by 23.9% to OMR 12.1bn. The increase underlined the continued importance of the energy sector to Oman's merchandise trade, while growth across other export categories pointed to broader gains. Non-oil merchandise exports rose by 10.5% to OMR 4.9bn, while re-exports increased by 19.7% to OMR 1.3bn. The UAE remained Oman's largest destination for non-oil merchandise exports, with shipments valued at OMR 1.6bn, up 91.8% YoY, followed by Saudi Arabia (OMR 478m) and India OMR (445mn). Re-exports also recorded strong growth, with Iran emerging as the leading destination, receiving goods worth OMR 342m, an increase of 69.6% YoY, followed by the UAE (OMR 293m). On the import side, the UAE remained Oman's largest trading partner, with merchandise imports increasing by 21% YoY to OMR 3.3bn followed by China (OMR 1.7bn).
Source: Muscat Daily, Zawya

- **Oman's Ministry of Labour reaches 89% employment and training targets for 2026:** Citing an official statement, Times of Oman reported that Oman's Ministry of Labour achieved an 89% completion rate of its 2026 employment and on-the-job training targets by the end of September, totalling 53,525 opportunities out of a targeted 60,000. Statistical indicators for the implementation of the employment and on-the-job training plan show that the total number of job and replacement opportunities reached 41,024, achieving a 95% completion rate. Meanwhile, the number of on-the-job training opportunities reached 12,501, representing a 74% completion rate. Regarding employment and localisation opportunities, the government sector completed 14,235 opportunities, exceeding its target of 10,000. Meanwhile, the private

Classified : Public

sector completed 26,789 opportunities out of a target of 33,000 first-time jobs. In the area of on-the-job training, the government sector completed 2,370 opportunities, exceeding its target of 2,000, while the private sector completed 10,131 opportunities out of a target of 15,000. Data indicates that the total number of job placement, replacement, and on-the-job training opportunities reached 95,323, of which 41,798 were for those with prior work experience.
Source: Times of Oman, Zawya

- **Oman-GCC power link reaches 35% completion:** Construction of Oman's direct electricity interconnection with the GCC power grid has reached around 35% completion, with investment exceeding OMR 268m and commissioning targeted by the end of 2027, Oman Daily Observer reported. The 530-km, 400-kV transmission link between Ibri and Al Sila in the UAE, led by the GCC Interconnection Authority, is designed to improve power supply reliability, operational flexibility and cross-border electricity trading while reducing fuel and operating costs. Officials speaking at GCC POWER 2026 in Muscat also highlighted the need for coordinated Gulf investment in electricity manufacturing, as the region targets more than 200GW of renewable energy capacity, creating demand for cables, storage systems and other grid infrastructure.
Source: Oman Daily Observer, Zawya

- **Turkey targets 70% renewable energy by 2040, plans billions in investments:** Turkey aims to meet around 70% of its energy needs from renewable sources by 2040 as part of its upcoming National Energy 2040 strategy, Energy Minister Alparslan Bayraktar said as per Turkey Today. The roadmap envisions billions of dollars of investment across power generation, transmission and energy infrastructure, with electrification at the center of the country's energy transition. Bayraktar said the plan is designed to strengthen energy security, reduce reliance on imported energy and support Turkey's 2053 net-zero target. The strategy, to be formally launched in Istanbul ahead of COP31 in Antalya, will also outline investments and structural reforms needed to build a more resilient, flexible and interconnected energy system.
Source: Turkey Today

Classified : Public

FAB Global Markets

Market Insights & Strategy		
Simon Ballard	Chief Economist & Head of Market Insights & Strategy	Simon.Ballard@bankfab.com
Glenn Wepener	Chief Strategist	Glennmaurice.Wepener@bankfab.com
Rakesh Sahu	Analyst	Rakesh.Sahu@bankfab.com
Mohamed Al Shamsi	Analyst	Mohamedali.Alshamsi@bankfab.com
Almaha Al Nuaimi	Analyst	Almaha.Alnuaimi@bankfab.com
Saloni Chadha	Analyst	Saloni.Chadha@bankfab.com
Rohan Chawla	Analyst	Rohan.Chawla@bankfab.com

Group email: MarketInsights&Strategy@bankfab.com

Please click here to view our recent publications on MENA and Global Markets

Important Notice: This communication has been prepared by individual personnel of First Abu Dhabi Bank PJSC or its affiliates (collectively, "FAB") and, accordingly, it may not represent the views of FAB. FAB is licensed and regulated by the Central Bank of the United Arab Emirates and its registered office address is P.O. Box 6316, 1 – Al Qurm, Abu Dhabi, the United Arab Emirates. This communication is directed at persons (i) who have been or can be classified by FAB as eligible counterparties, professional clients or sophisticated investors, (ii) who have experience in matters relating to investments and (iii) other persons to whom it may otherwise lawfully be communicated. No other person should review the contents or access the products or transactions discussed in this communication. All material contained herein, including any proposed terms and conditions, is indicative and for discussion purposes only, is subject to change without notice, is strictly confidential, may not be reproduced and is intended for your consideration only. It does not include a number of terms and conditions that will be included in any actual transaction and final terms and conditions are subject to further discussion and negotiation nor does it purport to identify all applicable risks. This communication is not a commitment to deal in any product, offer financing or enter into any transaction described herein. FAB is not acting as your agent, fiduciary or investment adviser and is not managing your account. The provision of information in this communication is not based on your individual circumstances and must not be relied upon as an assessment of suitability for you of a particular product or transaction. It does not constitute investment advice and FAB makes no recommendation as to the suitability of any of the products or transactions mentioned. Even if FAB possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this is not sufficient for, and does not constitute, any assessment of suitability for you of any transaction, series of transactions or trading strategy. Save in those jurisdictions where it is not permissible to make such a statement, FAB hereby informs you that this communication should not be considered as a solicitation or offer to sell or purchase any securities, deal in any product or enter into any transaction. You should make any trading or investment decisions in reliance on your own analysis and judgment and/or that of your independent advisors and not in reliance on FAB and any decision whether or not to adopt any strategy or engage in any transaction will not be FAB's responsibility. FAB does not provide investment, accounting, tax, financial, legal, regulatory or other advice; such matters as well as the suitability of a potential transaction or product or investment should be discussed with your independent advisors. Prior to dealing in any product or entering into any transaction, you and the senior management in your organization should determine, without reliance on FAB, (i) the economic risks or merits, as well as the investment, accounting, tax, financial, legal and regulatory characteristics and consequences of dealing with any product or entering into the transaction (ii) that you are able to assume these risks, (iii) that such product or transaction is appropriate for a person with your experience, investment goals, financial resources or any other relevant circumstance or consideration. Where you are acting as an adviser or agent, you should evaluate this communication in light of the circumstances applicable to your principal and the scope of your authority. Any prices used herein, unless otherwise specified, are indicative. Although all information has been obtained from, and is based upon sources believed to be reliable, it may be incomplete or condensed, it has not been verified by FAB and its accuracy cannot be guaranteed. FAB makes no representation or warranty, expressed or implied, as to the accuracy of the information, the reasonableness of any assumptions used in calculating any illustrative performance information or the accuracy (mathematical or otherwise) or validity of such information. Any opinions attributed to FAB constitute FAB's judgment as of the date of the relevant material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given. Commissions and other costs relating to any dealing in any products or entering into any transactions referred

Classified : Public

to in this communication may not have been taken into consideration. Any scenario analysis or information generated from a model is for illustrative purposes only. Where the communication contains "forward-looking" information, such information may include, but is not limited to, projections, forecasts or estimates of cashflows, yields or return, scenario analyses and proposed or expected portfolio composition. Any forward-looking information is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which are specified herein or can be ascertained at this time). It does not represent actual termination or unwind prices that may be available to you or the actual performance of any products and neither does it present all possible outcomes or describe all factors that may affect the value of any applicable investment or product. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed. FAB shall not be under an obligation to update any information contained in this communication. Illustrative performance results may be based on mathematical models that calculate those results by using inputs that are based on assumptions about a variety of future conditions and events and not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results may vary and the variations may be substantial. The products or transactions identified in any of the illustrative calculations presented herein may therefore not perform as described and actual performance may differ, and may differ substantially, from those illustrated in this communication. When evaluating any forward looking information you should understand the assumptions used and, together with your independent advisors, consider whether they are appropriate for your purposes. You should also note that the models used in any analysis may be proprietary, making the results difficult or impossible for any third party to reproduce. This communication is not intended to predict any future events. Past performance is not indicative of future performance. FAB accepts no responsibility and makes no representation to you or to any third parties for, and has not independently verified, the quality, accuracy, timeliness, continued availability or completeness of any data or calculations contained and/or referred to in this communication and FAB shall not be liable for any special, direct, indirect, incidental or consequential loss or damage which may be sustained because of the use of the information contained and/or referred to in this communication or otherwise arising in connection with the information contained and/or referred to in this communication, provided that this exclusion of liability shall not exclude or limit any liability under any law or regulation applicable to FAB that may not be excluded or restricted. The transactions and any products described herein may be subject to fluctuations of their mark-to-market price or value and such fluctuations may, depending on the type of product or security and the financial environment, be substantial. Where a product or transaction provides for payments linked to or derived from prices or yields of, without limitation, one or more securities, other instruments, indices, rates, assets or foreign currencies, such provisions may result in negative fluctuations in the value of and amounts payable with respect to such product prior to or at redemption. You should consider the implications of such fluctuations with your independent advisers. The products or transactions referred to in this communication may be subject to the risk of loss of some or all of your investment, for instance (and the examples set out below are not exhaustive), as a result of fluctuations in price or value of the product or transaction or a lack of liquidity in the market or the risk that your counterparty or any guarantor fails to perform its obligations or, if this the product or transaction is linked to the credit of one or more entities, any change to the creditworthiness of the credit of any of those entities. FAB (whether through the individual sales and/trading personnel involved in the preparation or issuance of this communication or otherwise) may from time to time have long or short principal positions and/or actively trade, for its own account and those of its customers, by making markets to its clients, in products identical to or economically related to the products or transactions referred to in this communication. FAB may also undertake hedging transactions related to the initiation or termination of a product or transaction, that may adversely affect the market price, rate, index or other market factor(s) underlying the product or transaction and consequently its value. FAB may have an investment banking or other commercial relationship with and access to information from the issuer(s) of securities, products, or other interests underlying a product or transaction. FAB may also have potential conflicts of interest due to the present or future relationships between FAB and any asset underlying the product or transaction, any collateral manager, any reference obligations or any reference entity. Any decision to purchase any product or enter into any transaction referred to in this communication should be based upon the information contained in any associated offering document if one is available (including any risk factors or investment considerations mentioned therein) and/or the terms of any agreement. Any securities which are the subject of this communication have not been and will not be registered under the United States Securities Act of 1933 as amended (the Securities Act) or any United States securities law, and may not be offered or sold within the United States or to, or for the account or benefit of, any US person, except pursuant to an exemption from, or in a product or transaction, not subject to, the registration requirements of the Securities Act. This communication is not intended for distribution to, or to be used by, any person or entity in any jurisdiction or country which distribution or use would be contrary to law or regulation. FAB may process your personal data to provide you with information or promotional and advertising communications on products, services, other events and campaigns.

If you wish not to receive email from the Market Insights team at FAB, please click here to send us your request to unsubscribe, and you shall no longer receive such information. You can also let us know by contacting your usual FAB representative should you wish to no longer receive any such further information. You may be entitled according to the applicable laws to exercise your rights to access, to rectification, to erasure and to portability of your personal data, to restrict the use of and to object to the processing of your personal data. You may exercise any such aforesaid rights by sending your request to FAB at the following address: privacy@bankfab.com.

Classified : Public