Cross-Asset Performance Summary

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ADCB ASSET MANAGEMENT LIMITED

January 2026: Global stability amid uncertainty: Markets brace for policy and political shifts

Mohammed Al Hemeiri
Senior Analyst
Tel: +971 (0)2 812 6450
mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati
Head - Investment Strategy
Tel: +971 (0)2 812 6457
kishore.muktinutalapati@adcb.com

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Global macroeconomic and market conditions in January 2026 were dominated by rapid geopolitical developments, widening trade frictions, and rising policy uncertainty, with volatility emanating from both Washington and global flashpoints. The most defining event was the dramatic US-led operation to remove Venezuelan President Maduro, triggering diplomatic backlash and a temporary collapse in Venezuela's crude exports. The US declared transitional oversight over the country, prompting disruptions in PDVSA output, with knock-on effects on oil markets. Simultaneously, OPEC+ maintained output levels, avoiding open discussion of internal geopolitical tensions, despite growing instability across member states.

Geopolitical risk continued to rise throughout the month. In the US, Administration-Federal Reserve relationship deteriorated sharply following the DOJ's criminal investigation into Fed Chair Powell, raising serious concerns about central bank independence. President Trump deepened trade tensions, announcing a slew of tariffs – on AI chips, South Korean autos, Canadian goods, and any country dealing with Iran. Europe prepared retaliation after Trump linked tariff threats to the controversial push for US control over Greenland, a move that escalated into open diplomatic confrontation with Denmark and NATO allies, before ultimately de-escalating into a negotiated Arctic security arrangement. The US also revived contentious foreign policy fronts, expanding security guarantees to Ukraine and taking firmer positions against China, Iran, and Venezuela.

Economic data showed mixed but resilient signals. In the US, consumer activity held firm, with GDP growth revised higher, a sharp rebound in durable goods orders, and improving manufacturing and productivity metrics. However, housing and consumer sentiment softened, and labor-market indicators signaled cooling momentum, with lower job openings and payroll growth. The Fed held rates steady at 3.50–3.75%, signaling patience amid moderating inflation and easing labor pressures. Wage growth remained robust, but broader inflation trends stabilized.

The Eurozone and UK continued to show signs of bottoming out. Euro area inflation dropped to 1.7% YoY in January – below the ECB's 2% target for the first time since 2021 – while sentiment and industrial production improved. Germany's Ifo and ZEW surveys suggested cautious optimism, while French and Italian output recovered modestly. In the UK, retail sales and PMI surveys bounced back, though wage growth and services inflation remained sticky. The Bank of England held rates unchanged but acknowledged that the disinflation trend may warrant policy easing later in the year.

In Asia, China confirmed it met its 2025 growth target of 5.0%, yet challenges persisted. The services sector softened, and property indicators continued to flash red. The PBoC held its policy rates steady (1Y LPR at 3.45%), signaling patience. In contrast, India reported robust expansion, with January PMIs remaining well in expansion territory and inflation trending lower. Taiwan and South Korea also posted improved manufacturing and export data, while Japan faced political uncertainty, with snap elections called and new fiscal measures proposed.

Brent crude spiked above USD90/bbl in early January due to Venezuelan supply disruptions and heightened Middle East tensions, before easing later in the month. Regional economies remained stable, with Saudi Arabia and the UAE reaffirming their fiscal targets. The Saudi Central Bank maintained its policy rate at 6.00%, while the UAE Central Bank kept its benchmark at 5.40%, aligning with the Fed's pause. Inflation remained well-contained across the GCC, and non-oil growth continued to support economic diversification targets.

Cross-asset (page 2): Global risk assets advanced in January. Global equities rose +2.92%, led by emerging markets and Asia-Pacific. Global high yield credit also performed well (+0.99%), buoyed by investor risk appetite. Global aggregate bonds saw moderate gains (+0.94%) amid easing yields. Commodities surged (+10.04%), driven by sharp rallies in energy, industrial, and precious metals. In contrast, cryptocurrencies continued to decline (-6.57%), extending recent underperformance. The USD Index weakened slightly (-1.35%) as markets began pricing in potential Fed easing later in 2026.

Fixed income (page 3): Global bond markets posted positive returns across most segments in January. Inflation-linked bonds rose +1.64%, while emerging market local currency sovereign debt gained +1.07%. Global aggregate bonds increased by +0.94%, supported by expectations of a soft landing in major economies. Global treasuries advanced +0.87%, while global corporates gained +0.87%. The US Treasury Index saw a mild decline in longer maturities (20+ year: -0.52%) but short-dated bonds remained stable. EU sovereigns posted modest gains across maturities, with the 10+ year segment rising +0.91%, indicating investor preference for duration within the euro area

Currencies (page 3): The US dollar saw broad weakness in January, with the Dollar Index spot falling by -1.35%, reflecting renewed investor risk appetite. Among G10 currencies, the Swiss franc (USD-CHF) led gains, surging +2.57%, followed by the Japanese yen (USD-JPY) at +1.35%, as markets shifted toward safe havens. The British pound (GBP-USD) rose +1.74%, while the euro (EUR-USD) also appreciated +0.98%. Emerging market currencies rallied +2.29%, supported by easing US yields and improved global sentiment. On the crosses, EUR/GBP edged up +0.59%, reflecting relative euro strength.

Commodities (page 4): Commodities posted mixed performance in January. Silver was the standout, surging +18.89%, buoyed by industrial demand and a weaker dollar. Gold and precious metals gained +13.24% and +10.66%, respectively, amid safe-haven flows. Energy prices rose +11.27%, led by Brent crude (+8.64%) and WTI (+8.21%), supported by supply constraints. Industrial metals advanced +11.89%, with copper up +6.92%, and aluminum and platinum gaining +5.04% and +6.54%, respectively. Agricultural commodities underperformed, slipping -0.63%, as improved weather conditions boosted crop outlooks.

Equities (pages 4): Global equities advanced +2.92%, with broad-based gains across regions. Emerging markets outperformed (+8.85%), especially LatAm (+15.33%), EMEA (+8.79%), and Asia ex-Japan (+8.00%). Japan rose +6.59%, helped by currency weakness and export resilience. GCC equities gained +7.78%, led by Saudi Arabia and the UAE. In developed markets, the UK (+5.16%), Europe ex-UK (+4.24%), and Canada (+1.12%) posted gains. The US saw more muted gains (+1.27%) amid tech sector volatility. Sector-wise, energy (+11.73%), materials (+9.77%), and industrials (+7.40%) led, while technology (+0.90%) and consumer discretionary (+0.72%) lagged.

Digital Assets (page 5): Digital assets extended their downtrend in January. Ether dropped -9.27%, while Bitcoin declined -3.98%. Solana and XRP also posted losses (-5.64% and -6.07%, respectively). Weaker sentiment, reduced institutional flows, and broader risk aversion weighed on digital tokens. The ongoing regulatory uncertainty and shift away from speculative assets further dampened momentum.

Cross-asset

Exhibit 1: Performance of major asset classes

Major asset classes	1Y	YTD	6M	3M	1M
Commodity Aggregate	18.00%	10.04%	19.29%	12.49%	10.04%
Global Equities	20.16%	2.92%	12.33%	3.78%	2.92%
Global REIT	5.61%	2.82%	5.56%	2.59%	2.82%
Global HY Credit	11.64%	0.99%	5.54%	2.55%	0.99%
Global Aggregate Bonds	8.56%	0.94%	3.32%	1.43%	0.94%
Dollar Index spot	-10.50%	-1.35%	-2.98%	-2.82%	-1.35%
Cryptocurrencies index	-28.81%	-6.57%	-31.93%	-29.58%	-6.57%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of February 02, 2026.

Fixed Income

Exhibit 2: Performance of major global bond indices

Global bond indices*	1Y	YTD	6M	3M	1M
Global Infl-Linked	9.86%	1.64%	4.18%	2.22%	1.64%
EM LCY sovereign	8.91%	1.07%	4.02%	2.44%	1.07%
Global High Yield	11.64%	0.99%	5.54%	2.55%	0.99%
Global Aggregate	8.56%	0.94%	3.32%	1.43%	0.94%
Global Aggregate Credit	10.83%	0.93%	4.31%	1.75%	0.93%
Global Treasuries	7.14%	0.87%	2.27%	0.98%	0.87%
Global Corporate	10.56%	0.87%	4.25%	1.69%	0.87%
EU IG	3.36%	0.76%	1.44%	0.32%	0.76%
EU HY	5.31%	0.70%	1.98%	1.19%	0.70%
EU Treasury	1.46%	0.69%	0.96%	0.02%	0.69%
US HY	7.70%	0.51%	3.94%	1.66%	0.51%
EM USD Corp + Quasi-Sov	8.85%	0.49%	4.06%	0.90%	0.49%
EM USD sovereign	11.84%	0.24%	6.53%	1.17%	0.24%
US IG	7.37%	0.18%	3.57%	0.63%	0.18%
US Treasury	5.67%	-0.09%	2.74%	0.19%	-0.09%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of February 02, 2026.

Exhibit 3: Performance of US Treasury index – by maturity

US Treasury Index by maturity*	1Y	YTD	6M	3M	1M
1-3 Year	4.91%	0.19%	2.53%	0.99%	0.19%
3-5 Year	6.24%	0.01%	2.69%	0.75%	0.01%
5-7 Year	7.12%	-0.19%	2.88%	0.40%	-0.19%
10-20 Year	5.79%	-0.41%	3.33%	-1.05%	-0.41%
7-10 Year	7.24%	-0.41%	3.08%	0.02%	-0.41%
20+ Year	3.74%	-0.52%	2.53%	-2.37%	-0.52%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of February 02, 2026.

Exhibit 4: Performance of EU Treasury index – by maturity

EU Treasury Index by maturity*	1Y	YTD	6M	3M	1M
10+ Year	-2.02%	0.91%	0.04%	-0.92%	0.91%
7-10 Year	2.62%	0.89%	1.45%	0.21%	0.89%
20+ Year	-6.43%	0.87%	-1.58%	-1.93%	0.87%
5-7 Year	3.21%	0.78%	1.51%	0.37%	0.78%
3-5 Year	2.98%	0.56%	1.24%	0.39%	0.56%
1-3 Year	2.47%	0.32%	1.02%	0.45%	0.32%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of February 02, 2026.

Currencies

Exhibit 5: Currency performance

Currency pairs and Currency index*	1Y	YTD	6M	3M	1M
GBP-USD	10.42%	1.74%	3.50%	4.06%	1.74%
EUR-USD	14.37%	0.98%	3.75%	2.72%	0.98%
EM FX	6.96%	0.59%	1.83%	1.21%	0.59%
EURGBP	3.61%	-0.71%	0.27%	-1.26%	-0.71%
USD-JPY	-0.26%	-1.31%	2.71%	0.51%	-1.31%
Dollar Index spot	-10.50%	-1.35%	-2.98%	-2.82%	-1.35%
USD-CHF	-15.14%	-2.57%	-4.85%	-3.93%	-2.57%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of February 02, 2026.

Commodities

Exhibit 6: Commodities performance

Commodities agg. and individual commodities*	1Y	YTD	6M	3M	1M
Energy	1.95%	20.28%	4.60%	11.27%	20.28%
Silver USD/t oz	172.16%	18.89%	132.07%	74.99%	18.89%
Brent USD/bbl	-7.91%	16.17%	-2.54%	8.64%	16.17%
WTI USD/bbl	-10.09%	13.57%	-5.85%	6.94%	13.57%
Gold USD/t oz	74.89%	13.24%	48.53%	22.27%	13.24%
Precious Metals	78.39%	10.66%	57.47%	29.39%	10.66%
Commodity Aggregate	18.00%	10.04%	19.29%	12.49%	10.04%
Copper USD/MT	49.39%	6.92%	39.18%	22.64%	6.92%
Platinum USD/t oz	123.43%	6.54%	69.91%	39.45%	6.54%
Industrial Metals	21.41%	5.32%	24.11%	11.89%	5.32%
Aluminum	20.22%	5.04%	22.04%	8.70%	5.04%
Agriculture	-10.83%	-0.63%	-1.11%	-5.04%	-0.63%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of February 02, 2026.

Equities

Exhibit 7: Performance of equities – by region

Equities: Regions*	1Y	YTD	6M	3M	1M
EM LatAm	63.04%	15.33%	43.88%	23.64%	15.33%
EM	42.84%	8.85%	23.72%	9.43%	8.85%
EM EMEA	37.20%	8.79%	20.53%	11.82%	8.79%
APac ex Japan	38.02%	8.00%	20.03%	7.81%	8.00%
GCC	10.53%	7.78%	6.67%	2.14%	7.78%
Japan	30.77%	6.59%	20.55%	6.42%	6.59%
UK	35.04%	5.16%	18.12%	10.66%	5.16%
Europe ex UK	31.55%	4.24%	16.71%	9.96%	4.24%
ACWI	21.87%	2.96%	12.93%	4.03%	2.96%
DM	19.58%	2.24%	11.65%	3.36%	2.24%
US	15.32%	1.27%	9.46%	1.24%	1.27%
Canada	34.24%	1.12%	19.14%	8.53%	1.12%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of February 02, 2026.

Exhibit 8: Performance of equities – by sector

Equities: Sectors*	1Y	YTD	6M	3M	1M
Energy	23.90%	11.73%	18.46%	14.34%	11.73%
Materials	37.94%	9.77%	30.46%	19.13%	9.77%
Industrials	29.23%	7.40%	12.64%	7.78%	7.40%
Cons. Staples	11.98%	4.95%	6.95%	7.49%	4.95%
Comm. Services	28.47%	4.47%	18.51%	6.75%	4.47%
Utilities	25.85%	3.93%	9.46%	3.14%	3.93%
Real Estate	8.60%	3.79%	4.02%	3.73%	3.79%
Health Care	9.31%	1.19%	17.72%	8.04%	1.19%
Financials	22.60%	1.04%	10.45%	7.50%	1.04%
IT	28.89%	0.90%	12.38%	-3.23%	0.90%
Cons. Discr.	5.79%	0.72%	8.55%	-0.74%	0.72%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of February 02, 2026.

Exhibit 9: Performance of equities – by factors and themes

Equities: Factors and themes*	1Y	YTD	6M	3M	1M
Momentum	25.23%	6.02%	15.78%	7.76%	6.02%
Small cap	23.58%	5.90%	16.19%	8.21%	5.90%
Dividend yield	24.39%	5.78%	16.05%	9.69%	5.78%
Value	23.10%	5.16%	15.06%	9.02%	5.16%
Quality	18.31%	3.94%	15.47%	5.89%	3.94%
Mid cap	19.03%	3.92%	9.80%	5.37%	3.92%
HK Tech**	21.05%	3.67%	4.86%	-3.21%	3.67%
Large cap	22.39%	2.79%	13.50%	3.78%	2.79%
Nasdaq-100*	18.97%	1.20%	10.05%	-1.18%	1.20%
Growth	20.21%	0.71%	10.55%	-0.62%	0.71%
US Large Cap Growth	17.48%	-1.91%	8.46%	-3.98%	-1.91%
NYSE FANG+*	13.25%	-3.01%	0.78%	-9.37%	-3.01%

Source: MSCI, NYSE, Hang Seng, Nasdaq, Bloomberg, and ADCB Asset Management | Notes: based on MSCI total return indices in USD terms as at February 02, 2026; *price return indices in USD terms as at close of February 02, 2026.

Exhibit 10: Performance of select country equity indices

Equities: Select countries*	1Y	YTD	6M	3M	1M
South Korea	140.88%	28.11%	76.80%	32.97%	28.11%
Brazil	55.53%	16.78%	45.28%	24.13%	16.78%
Netherlands	49.42%	14.90%	38.79%	15.67%	14.90%
Taiwan	49.62%	11.15%	33.07%	11.71%	11.15%
Saudi Arabia	2.21%	10.49%	9.93%	1.09%	10.49%
Hong Kong	52.26%	10.34%	17.42%	12.61%	10.34%
Mexico	65.02%	9.63%	30.94%	16.48%	9.63%
South Africa	82.60%	8.25%	47.67%	22.87%	8.25%
UAE	29.07%	6.94%	2.40%	5.42%	6.94%
Australia	16.43%	6.64%	9.10%	6.66%	6.64%
Japan	30.77%	6.59%	20.55%	6.42%	6.59%
Qatar	13.94%	5.44%	1.41%	4.23%	5.44%
Spain	77.70%	5.21%	32.34%	16.71%	5.21%
UK	35.04%	5.16%	18.12%	10.66%	5.16%
China	36.08%	4.70%	11.68%	0.82%	4.70%
China A	32.98%	2.90%	21.22%	4.88%	2.90%
Switzerland	26.68%	2.65%	17.26%	12.06%	2.65%
Germany	26.70%	1.67%	5.03%	6.52%	1.67%
US	15.32%	1.27%	9.46%	1.24%	1.27%
France	20.29%	1.20%	9.17%	3.64%	1.20%
Canada	34.24%	1.12%	19.14%	8.53%	1.12%
Kuwait	12.96%	-3.24%	-3.26%	-3.87%	-3.24%
India	0.97%	-5.10%	-3.19%	-4.74%	-5.10%

Source: MSCI, Bloomberg, and ADCB Asset Management | Notes: *based on MSCI total return indices in USD terms as at close of February 02, 2026.

Digital Assets

Exhibit 11: Performance of digital assets

Digital assets*	1Y	YTD	6M	3M	1M
Bitcoin (USD)	-17.58%	-3.98%	-27.75%	-23.09%	-3.98%
Solana (USD)	-49.05%	-5.64%	-33.15%	-37.23%	-5.64%
XRP (USD)	-43.11%	-6.07%	-43.39%	-31.20%	-6.07%
Ether (USD)	-18.58%	-9.27%	-27.66%	-30.00%	-9.27%

Source: Bloomberg, and ADCB Asset Management | Notes: *based on Bloomberg total return indices in USD terms as at close of February 02, 2026.

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