

The Weekly Market View

Investment Strategy | February 16 2026

Resilient US data and cooling inflation drive risk rotation

Macro headlines

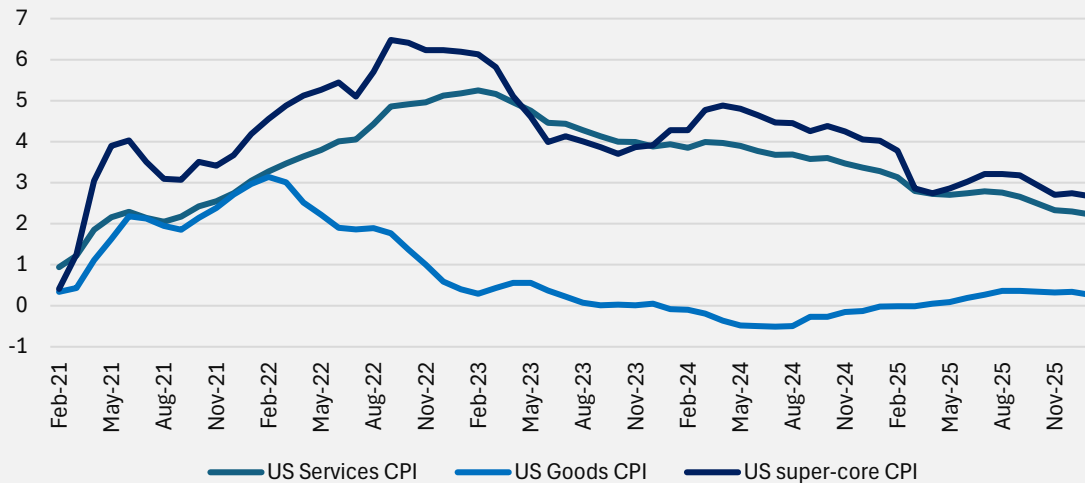
The macro backdrop this week was shaped by stronger-than-expected US labor data, softer inflation, and continued geopolitical positioning. US employers added 130,000 jobs in January, nearly double expectations, while the unemployment rate edged down to 4.3%, tempering near-term rate-cut expectations despite downward revisions to prior months. However, the seasonally unadjusted jobless rate rose to 4.6%, highlighting mixed underlying momentum. Inflation data later in the week helped steady markets: headline CPI rose 0.2% m/m, while core CPI increased 0.3% m/m and slowed to 2.5% y/y — the lowest annual core reading in nearly five years. Fiscal dynamics improved modestly, with the January deficit narrowing 26% y/y. Trade policy remained fluid, with the House voting to disapprove tariffs on Canada and the administration finalizing a reciprocal 15% tariff agreement with Taiwan while pausing certain tech restrictions on China ahead of leadership talks. Geopolitical risks persisted, particularly around Iran, as Washington prepares for possible extended military operations even while diplomatic negotiations continue. Globally, growth signals were mixed: UK GDP rose only 0.1% q/q in Q4, Japan's Q4 growth undershot expectations, and China's inflation data pointed to ongoing disinflationary pressure. Eurozone Q4 growth was confirmed at 0.3% q/q, while Russia cut rates by 50bp. Corporate earnings remained supportive, with beat ratios above long-term averages in both the US and Europe.

Market performances

Markets reflected shifting rate expectations and policy uncertainty. US equities softened modestly, with the S&P 500 down 1.39% w/w, the Dow falling 1.23%, and the NASDAQ declining 2.10%, while global benchmarks showed mixed performance — the STOXX 600 rose 0.09% and the DAX gained 0.78%, supported by improving sentiment indicators. The Nikkei advanced 4.96%, while Hang Seng declined 1.14%. Emerging markets outperformed (+3.24%). In fixed income, global bonds rallied, with the Global Aggregate Index up 1.01% and Treasuries gaining 1.20%, as US 10-year yields declined 15.8bp w/w. The US dollar weakened 0.74% w/w, supporting gains in the euro and sterling, while the yen strengthened sharply. Commodities were broadly softer: Brent fell 0.44% and WTI declined 1.04%, while gold eased 0.54% after recent record highs. Digital assets remained under pressure, with Bitcoin down 2.06% w/w and broader crypto markets weaker. Volatility rose, with the VIX climbing nearly 16% over the week, reflecting sensitivity to geopolitical developments and evolving Fed expectations.

Chart of the Week: US Inflation Moderates

Price gains slow in services, goods, and super-core



Source: Bloomberg, and ADCB Asset Management

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.65	1.00	-30.00	-22.00
UAE Eibor 3m	3.55	-0.16	-30.61	7.95
UAE Eibor 12m	3.69	3.83	-4.61	7.80
US 3m Bills	3.67	0.22	-20.43	4.49
US 10yr Treasury	4.05	-15.77	-10.00	-11.87
German 10yr Bund	2.76	-8.70	3.50	-10.00
UK 10yr Gilt	4.42	-9.80	-15.80	-6.30
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	510	1.01	2.41	1.73
Global Treasuries	212	1.20	2.07	1.72
Global Corporate	308	0.71	2.63	1.52
EM USD Sovereign	466	0.94	2.65	1.53
EM LCY Sovereign	166	0.85	3.20	1.87
Global High Yield	1,886	0.29	2.88	1.29
Currencies				
Dollar Index	96.93	-0.74	-2.40	-1.43
EUR USD	1.1866	0.45	2.13	1.12
GBP USD	1.3640	0.29	3.64	1.48
USD JPY	153.08	-2.87	-1.20	-2.63
Equities				
S&P 500	6,836	-1.39	1.52	-0.14
Dow Jones	49,501	-1.23	4.99	2.99
NASDAQ	22,547	-2.10	-1.55	-2.99
STOXX 600	618	0.09	7.46	4.31
DAX	24,915	0.78	4.35	1.73
Nikkei 225	56,947	4.96	13.03	13.12
FTSE 100	10,446	0.74	7.71	5.19
SENSEX	82,679	-1.14	-2.29	-3.04
Hang Seng	26,706	0.03	-0.02	3.65
MSCI World	4,510	-0.43	3.82	1.79
MSCI EM	1,555	3.24	12.23	10.73
Regional Equities				
ADX	10,636	0.69	7.25	6.44
DFM	6,730	0.58	13.12	11.30
Tadawul*	11,252	0.56	0.66	7.26
DSM*	11,516	1.41	5.09	7.00
MSM30*	7,178	11.72	25.41	22.34
BHSE*	2,052	-0.38	-0.68	-0.69
KWSE*	8,704	0.14	-2.14	-2.29
Commodities				
BBG Commodity Index	117.3	-0.52	7.56	6.98
Brent USD/bbl	67.8	-0.44	5.22	11.34
WTI USD/bbl	62.9	-1.04	4.66	9.53
Gold USD/t oz	4,976.6	1.56	23.46	16.66
Silver USD/t oz	75.2	-0.54	53.04	8.03
Platinum USD/t oz	2,050.9	-1.71	33.73	0.30
Aluminum	3,043.0	-0.87	7.57	2.16
Copper USD/MT	12,719.0	-0.94	17.22	1.72
Digital Assets				
Bitcoin	68,740.8	-2.06	-27.49	-21.43
Ether	1,969.0	0.01	-35.13	-31.05
Solana	85.5	-3.67	-39.68	-31.77
XRP	1.5	-3.36	-38.08	-23.39
Volatility				
VIX	20.60	15.99	3.88	37.79
MOVE	70.10	10.19	-12.06	9.60

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of February 13 2026 unless stated otherwise; **Data as of February 12 2026.

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Forthcoming important economic data/events

United States



Date & Time (GST)	Indicator	Period	Expected	Prior
2/17/2026 17:30	Empire Manufacturing	Feb	6.2	7.7
2/18/2026 16:00	MBA Mortgage Applications	13-Feb	--	-0.30%
2/18/2026 17:30	Durable Goods Orders	Dec P	-2.00%	5.30%
2/18/2026 17:30	Housing Starts	Dec	1307k	--
2/18/2026 17:30	Building Permits	Dec P	1404k	--
2/18/2026 18:15	Industrial Production MoM	Jan	0.40%	0.40%
2/18/2026 18:15	Capacity Utilization	Jan	76.50%	76.30%
2/18/2026 19:00	Leading Index	Dec	-0.20%	-0.30%
2/18/2026 23:00	FOMC Meeting Minutes	28-Jan	--	--
2/19/2026 17:30	Wholesale Inventories MoM	Dec P	0.20%	0.20%
2/19/2026 17:30	Initial Jobless Claims	14-Feb	225k	227k
2/19/2026 17:30	Continuing Claims	7-Feb	1860k	1862k
2/19/2026 19:00	Pending Home Sales MoM	Jan	2.00%	-9.30%
2/20/2026 17:30	Personal Income	Dec	0.30%	0.30%
2/20/2026 17:30	Personal Spending	Dec	0.40%	0.50%
2/20/2026 17:30	PCE Price Index YoY	Dec	2.80%	2.80%
2/20/2026 17:30	GDP Annualized QoQ	4Q A	3.00%	4.40%
2/20/2026 17:30	GDP Price Index	4Q A	2.90%	3.80%
2/20/2026 18:45	S&P Global US Manufacturing PMI	Feb P	52.3	52.4
2/20/2026 18:45	S&P Global US Services PMI	Feb P	52.9	52.7
2/20/2026 19:00	New Home Sales	Dec	730k	--
2/20/2026 19:00	U. of Mich. Sentiment	Feb F	57.3	57.3
2/20/2026 19:00	U. of Mich. 1 Yr Inflation	Feb F	--	3.50%
2/20/2026 19:00	U. of Mich. 5-10 Yr Inflation	Feb F	--	3.40%

Japan



Date & Time (GST)	Indicator	Period	Expected	Prior
2/16/2026 3:50	GDP Annualized SA QoQ	4Q P	1.60%	-2.30%
2/16/2026 3:50	GDP SA QoQ	4Q P	0.40%	-0.60%
2/16/2026 3:50	GDP Deflator YoY	4Q P	3.20%	3.40%
2/16/2026 8:30	Industrial Production MoM	Dec F	--	-0.10%
2/17/2026 8:30	Tertiary Industry Index MoM	Dec	-0.20%	-0.20%
2/19/2026 3:50	Core Machine Orders MoM	Dec	5.00%	-11.00%
2/20/2026 3:30	Natl CPI YoY	Jan	1.50%	2.10%
2/20/2026 3:30	Natl CPI Ex Fresh Food, Energy YoY	Jan	2.70%	2.90%
2/20/2026 4:30	S&P Global Japan PMI Mfg	Feb P	--	51.5

Eurozone



Date & Time (GST)	Indicator	Period	Expected	Prior
2/16/2026 14:00	Eurozone Industrial Production WDA YoY	Dec	1.30%	2.50%
2/17/2026 11:00	Germany CPI YoY	Jan F	2.10%	2.10%
2/17/2026 11:00	Germany CPI EU Harmonized YoY	Jan F	2.10%	2.10%
2/17/2026 14:00	Eurozone ZEW Survey Expectations	Feb	--	40.8
2/18/2026 11:45	France CPI EU Harmonized YoY	Jan F	0.40%	0.40%
2/18/2026 11:45	France CPI YoY	Jan F	0.30%	0.30%
2/19/2026	France Retail Sales SA YoY	Jan	--	-1.00%
2/19/2026 19:00	Eurozone Consumer Confidence	Feb P	-11.7	-12.4
2/20/2026 11:00	Germany PPI YoY	Jan	-2.10%	-2.50%
2/20/2026 12:15	France HCOB Manufacturing PMI	Feb P	51	51.2
2/20/2026 12:15	France HCOB Services PMI	Feb P	49.1	48.4
2/20/2026 12:30	Germany HCOB Services PMI	Feb P	52.4	52.4
2/20/2026 12:30	Germany HCOB Manufacturing PMI	Feb P	49.5	49.1
2/20/2026 13:00	Eurozone HCOB Manufacturing PMI	Feb P	50	49.5
2/20/2026 13:00	Eurozone HCOB Services PMI	Feb P	51.9	51.6

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United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
2/17/2026 11:00	ILO Unemployment Rate 3Mths	Dec	5.10%	5.10%
2/17/2026 11:00	Claimant Count Rate	Jan	--	4.40%
2/17/2026 11:00	Jobless Claims Change	Jan	--	17.9k
2/18/2026 11:00	CPI YoY	Jan	3.00%	3.40%
2/18/2026 11:00	CPI Core YoY	Jan	3.00%	3.20%
2/18/2026 11:00	RPI YoY	Jan	3.80%	4.20%
2/18/2026 13:30	House Price Index YoY	Dec	--	2.50%
2/20/2026 11:00	Retail Sales Inc Auto Fuel MoM	Jan	0.20%	0.40%
2/20/2026 11:00	Retail Sales Ex Auto Fuel YoY	Jan	3.60%	3.10%
2/20/2026 13:30	S&P Global UK Services PMI	Feb P	53.5	54
2/20/2026 13:30	S&P Global UK Manufacturing PMI	Feb P	51.5	51.8

China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
2/16/2026 10:30	Wholesale Prices YoY	Jan	1.40%	0.83%
2/20/2026 9:00	HSBC India PMI Composite	Feb P	--	58.4
2/20/2026 9:00	HSBC India PMI Mfg	Feb P	--	55.4
2/20/2026 9:00	HSBC India PMI Services	Feb P	--	58.5

GCC

Date & Time (GST)	Indicator	Period	Expected	Prior
2/09/2026-2/23/2026	Qatar CPI YoY	Jan	--	1.95%
2/12/2026-2/17/2026	Kuwait CPI YoY	Dec	--	2.38%
2/10/2026-2/19/2026	Dubai CPI YoY	Jan	--	2.99%
2/16/2026-2/21/2026	Oman CPI YoY	Jan	--	1.60%
2/15/2026-2/16/2026	Saudi Arabia CPI YoY	Jan	--	2.10%

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