

The Weekly Market View

Investment Strategy | February 23 2026

Geopolitics and tariff shifts drive oil strength and market divergence

Macro headlines

The macro narrative this week was dominated by rising geopolitical tensions, renewed tariff policy shifts, and mixed growth signals. US-Iran negotiations initially showed tentative progress, with both sides agreeing on guiding principles, but tensions quickly escalated as Washington deployed additional military assets and warned Tehran it had 10-15 days to reach a nuclear agreement. Markets also absorbed a significant policy shift after the Supreme Court struck down the administration's earlier tariff framework, prompting President Trump to impose a new temporary 15% levy on all imports. The ruling created uncertainty around trade policy and triggered corporate claims for tariff refunds. US economic data were mixed: Q4 GDP grew 1.4% annualized, below expectations, while core private domestic demand remained resilient. Core PCE inflation surprised to the upside at 3.0% y/y, reinforcing expectations that rate cuts may be delayed until mid-year. Industrial data were more constructive, with factory production and housing activity strengthening, though durable-goods orders declined. Globally, activity diverged. Eurozone industrial production weakened, and sentiment deteriorated, while UK inflation eased and Japan's inflation slowed to target, complicating policy normalization. Flash PMI data highlighted uneven momentum, with US activity softening while Japan and the UK accelerated. Trade dynamics also remained a key theme, particularly in India where elevated precious-metal imports widened the deficit ahead of tariff reductions.

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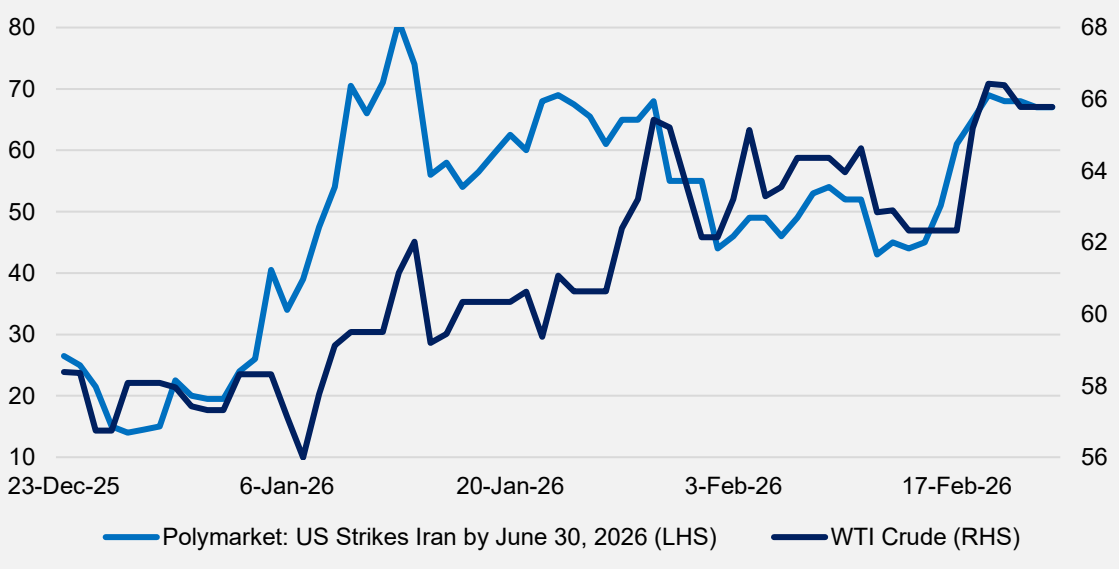
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Market performances

Markets reflected geopolitical risk and policy uncertainty, with commodities leading gains while equities showed regional divergence. Global equities were broadly positive, the S&P 500 rose 1.07% w/w, the NASDAQ gained 1.51%, and the STOXX 600 advanced 2.08%, supported by energy and industrial sectors. The DAX climbed 1.39% and the FTSE 100 added 2.30%, while Asian performance was mixed as the Nikkei edged lower and Hang Seng declined. Emerging markets outperformed modestly. Fixed income weakened slightly, with the Global Aggregate Index down 0.17% as US 10-year yields rose. The US dollar strengthened 0.91% w/w, weighing on the euro and sterling while the yen weakened. Commodities were the strongest segment: Brent surged nearly 6% and WTI rose over 5% to six-month highs amid conflict risk, while gold gained 1.3% and broader metals advanced on supply and AI-driven demand expectations. Digital assets remained under pressure, with Bitcoin declining and broader crypto markets weaker. Volatility fell over the week, with the VIX dropping more than 7%, suggesting markets partially absorbed geopolitical risks despite elevated headline uncertainty.

Chart of the Week: Oil rises with odds of US-Iran strike



Source: Bloomberg, and ADCB Asset Management

Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1W (bp)	3M (bp)	YTD (bp)
SOFR	3.67	1.00	-26.00	-20.00
UAE Eibor 3m	3.58	2.66	-26.78	10.61
UAE Eibor 12m	3.75	6.24	4.86	14.03
US 3m Bills	3.67	0.30	-14.71	4.79
US 10yr Treasury	4.08	3.43	1.93	-8.44
German 10yr Bund	2.74	-1.80	3.40	-11.80
UK 10yr Gilt	4.35	-6.30	-19.30	-12.60
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	509	-0.17	2.52	1.56
Global Treasuries	212	-0.18	2.34	1.54
Global Corporate	308	-0.15	2.50	1.37
EM USD Sovereign	466	0.07	2.66	1.59
EM LCY Sovereign	166	-0.06	3.64	1.81
Global High Yield	1,887	0.05	3.15	1.34
Currencies				
Dollar Index	97.51	0.91	-2.38	-0.53
EUR USD	1.1817	-0.71	2.35	0.32
GBP USD	1.3516	-1.25	2.91	0.04
USD JPY	154.46	1.54	-0.87	-1.06
Equities				
S&P 500	6,910	1.07	4.64	0.94
Dow Jones	49,626	0.25	7.31	3.25
NASDAQ	22,886	1.51	2.75	-1.53
STOXX 600	631	2.08	12.18	6.48
DAX	25,261	1.39	9.39	3.15
Nikkei 225	56,826	-0.20	16.86	12.88
FTSE 100	10,687	2.30	12.03	7.61
SENSEX	83,220	0.23	-2.84	-2.82
Hang Seng	26,989	-0.58	4.73	3.05
MSCI World	4,555	1.01	7.36	2.82
MSCI EM	1,567	0.78	17.49	11.60
Regional Equities				
ADX	10,581	-0.52	8.02	5.89
DFM	6,591	-2.07	12.94	8.99
Tadawul*	10,947	-2.71	-0.58	4.35
DSM*	11,229	-2.49	5.86	4.33
MSM30*	7,225	0.66	27.94	23.15
BHSE*	2,065	0.62	2.14	-0.08
KWSE*	8,644	-0.69	-2.12	-2.96
Commodities				
BBG Commodity Index	120.2	2.00	11.31	9.11
Brent USD/bbl	70.9	5.92	14.71	17.93
WTI USD/bbl	65.6	5.57	14.35	15.62
Gold USD/t oz	5,156.1	1.30	25.64	18.25
Silver USD/t oz	87.2	9.34	69.22	18.12
Platinum USD/t oz	2,172.2	4.45	41.89	4.77
Aluminum	3,092.4	1.62	11.73	3.81
Copper USD/MT	12,750.0	0.24	19.32	1.97
Digital Assets				
Bitcoin	65,166.1	-1.55	-20.35	-22.65
Ether	1,869.4	-3.85	-28.61	-33.70
Solana	77.9	-0.31	-34.37	-31.99
XRP	1.3	0.91	-27.21	-22.69
Volatility				
VIX	19.09	-7.33	-18.52	27.69
MOVE	64.27	-8.32	-18.45	0.48

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of February 20 2026 unless stated otherwise; **Data as of February 19 2026.

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Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
2/23/2026 17:30	Chicago Fed Nat Activity Index	Jan	--	-0.04
2/23/2026 19:00	Factory Orders	Dec	1.00%	2.70%
2/23/2026 19:00	Durable Goods Orders	Dec F	--	-1.40%
2/23/2026 19:30	Dallas Fed Manf. Activity	Feb	--	-1.2
2/24/2026 18:00	FHFA House Price Index MoM	Dec	0.30%	0.60%
2/24/2026 19:00	Richmond Fed Manufact. Index	Feb	--	-6
2/24/2026 19:00	Wholesale Inventories MoM	Dec F	--	0.20%
2/24/2026 19:30	Dallas Fed Services Activity	Feb	--	2.7
2/25/2026 16:00	MBA Mortgage Applications	20-Feb	--	2.80%
2/26/2026 17:30	Initial Jobless Claims	21-Feb	--	206k
2/26/2026 17:30	Continuing Claims	14-Feb	--	1869k
2/26/2026 20:00	Kansas City Fed Manf. Activity	Feb	--	0
2/27/2026 17:30	PPI Final Demand MoM	Jan	0.30%	0.50%
2/27/2026 17:30	PPI Ex Food and Energy MoM	Jan	0.30%	0.70%
2/27/2026 18:45	MNI Chicago PMI	Feb	52.5	54
2/27/2026 19:00	Construction Spending MoM	Dec	0.30%	--

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
2/25/2026 3:50	PPI Services YoY	Jan	--	2.60%
2/26/2026 9:00	Leading Index CI	Dec F	--	110.2
2/26/2026 9:00	Coincident Index	Dec F	--	114.5
2/26/2026 10:00	Machine Tool Orders YoY	Jan F	--	25.30%
2/27/2026 3:30	Tokyo CPI YoY	Feb	1.40%	1.50%
2/27/2026 3:30	Tokyo CPI Ex-Fresh Food, Energy YoY	Feb	2.30%	2.40%
2/27/2026 3:50	Retail Sales YoY	Jan	0.10%	-0.90%
2/27/2026 3:50	Industrial Production MoM	Jan P	5.30%	-0.10%
2/27/2026 9:00	Housing Starts YoY	Jan	-2.00%	-1.30%
2/27/2026 9:00	Annualized Housing Starts	Jan	0.760m	0.771m

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
2/23/2026 13:00	Germany IFO Business Climate	Feb	88.2	87.6
2/23/2026 13:00	Germany IFO Current Assessment	Feb	86	85.7
2/23/2026 13:00	Germany IFO Expectations	Feb	90	89.5
2/24/2026 11:45	France Manufacturing Confidence	Feb	--	105
2/25/2026 11:00	Germany GfK Consumer Confidence	Mar	-22.5	-24.1
2/25/2026 11:00	Germany GDP WDA YoY	4Q F	0.40%	0.40%
2/25/2026 14:00	Eurozone CPI YoY	Jan F	1.70%	1.70%
2/25/2026 14:00	Eurozone CPI Core YoY	Jan F	2.20%	2.20%
2/26/2026 13:00	Eurozone M3 Money Supply YoY	Jan	2.90%	2.80%
2/27/2026 11:45	France CPI EU Harmonized YoY	Feb P	--	0.40%
2/27/2026 11:45	France CPI YoY	Feb P	--	0.30%
2/27/2026 11:45	France PPI YoY	Jan	--	-2.00%
2/27/2026 11:45	France CPI EU Harmonized YoY	Feb P	--	0.40%
2/26/2026 14:00	Eurozone Consumer Confidence	Feb F	--	-12.2
2/27/2026 12:55	Germany Unemployment Change (000's)	Feb	0.0k	0.0k
2/27/2026 17:00	Germany CPI YoY	Feb P	2.00%	2.10%
2/27/2026 17:00	Germany CPI EU Harmonized YoY	Feb P	2.10%	2.10%
2/27/2026-3/02/2026	Germany Retail Sales NSA YoY	Jan	--	3.20%

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
2/27/2026 4:01	GfK Consumer Confidence	Feb	--	-16
2/28/2026-3/06/2026	Nationwide House Px NSA YoY	Feb	--	1.00%

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China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
2/24/2026 5:00	China 5-Year Loan Prime Rate	24-Feb	3.50%	3.50%
2/24/2026 5:00	China 1-Year Loan Prime Rate	24-Feb	3.00%	3.00%
2/27/2026 14:30	India GDP YoY	4Q	7.30%	8.20%

GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
2/19/2026-3/02/2026	Dubai CPI YoY	Jan	--	2.99%
2/23/2026-2/27/2026	Bahrain CPI YoY	Jan	--	0.50%
2/26/2026	Saudi Arabia M3 Money Supply YoY	Jan	--	8.40%

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