

# The Weekly Market View

Investment Strategy | January 12 2026

## Markets advance as policy uncertainty rises and geopolitical risks intensify

### Macro headlines

Global macro conditions during the week were shaped by escalating geopolitical tensions, heightened policy uncertainty in the United States, and mixed signals from economic data. The dominant theme was the sharp escalation in US–Venezuela relations following President Trump’s decision to remove President Maduro from power and place Venezuela under temporary US oversight. The move triggered international backlash, with criticism from the UN Secretary General, France, and other US allies, while Russia and China demanded Maduro’s release. The situation in Venezuela remained volatile, with domestic unrest, arrests of journalists, and a sharp curtailment of oil production as PDVSA exports were disrupted before a subsequent agreement allowed limited Venezuelan crude flows to the US. The administration signaled its intention to reshape Venezuela’s energy sector under US control, even as OPEC+ kept production levels unchanged. Geopolitical tensions extended beyond Latin America, with the US reviving discussions around acquiring Greenland, expanding security guarantees to Ukraine, and intensifying frictions with China and Japan over technology and export controls. Domestically, the policy environment grew increasingly fraught as Washington–Federal Reserve tensions escalated sharply following reports of DOJ subpoenas linked to Chair Powell, raising concerns about central bank independence. Economic data painted a mixed picture: US manufacturing weakened further, with the ISM PMI falling to a 14-month low, while services activity strengthened to its best reading of 2025. US labor-market indicators pointed to cooling momentum, with softer payroll growth and falling job openings, even as wage growth remained firm. Inflation trends were mixed, with easing headline inflation in Europe but persistent core pressures, while China’s services activity slowed to its weakest pace in six months amid softening domestic and external demand.

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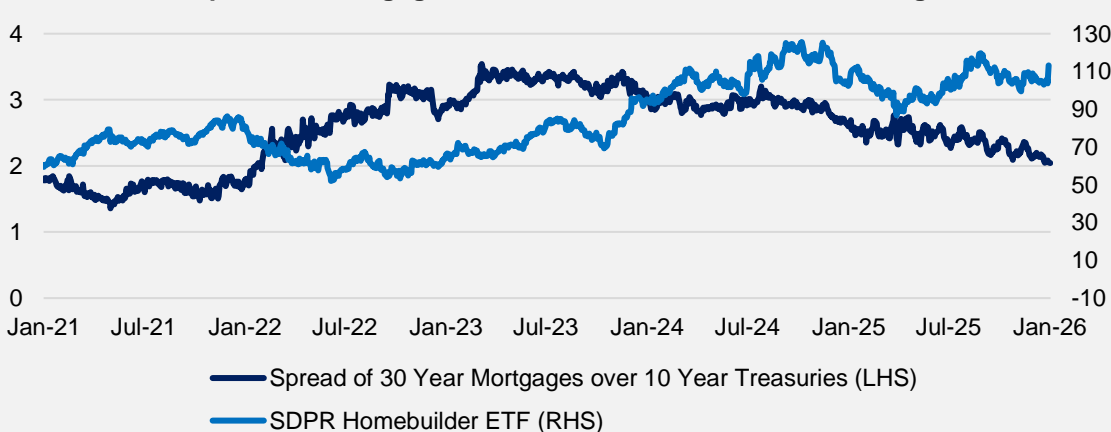
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### Market performances

Financial markets responded positively overall despite elevated uncertainty, with risk assets advancing across most regions. Global equities posted solid weekly gains, led by the Dow Jones (+2.32%), NASDAQ (+1.88%), and S&P 500 (+1.57%), while European markets also performed strongly, with the STOXX 600 up 2.27% and the DAX gaining 2.94%. Asian markets were mixed, with the Nikkei 225 rising 3.18%, offset by declines in Sensex (-2.55%) and modest losses in Hong Kong. Broader benchmarks reflected the positive tone, with MSCI World up 1.48% and MSCI Emerging Markets up 1.60%, while GCC equities were mixed, supported by gains in DFM (+1.83%), DSM (+1.92%), and MSM30 (+3.90%), offset by weakness in Tadawul (-0.72%). Fixed income performance was subdued, with the Global Aggregate Index down 0.03% and Global Treasuries down 0.16%, while Global High Yield gained 0.15%. Rates moved lower across most core markets, with declines in US Treasury, German Bund, and UK Gilt yields, while front-end money-market rates and UAE Eibor also eased. In currency markets, the US dollar strengthened, with the Dollar Index up 0.72%, weighing on EUR/USD (-0.70%) and GBP/USD (-0.39%), while USD/JPY rose 0.67%. Commodities delivered strong gains, led by energy and precious metals, with Brent crude up 4.26%, WTI up 3.14%, gold rising 4.09%, and silver posting outsized gains. Digital assets were mixed, with Bitcoin up 0.44%, Ether down 1.53%, and Solana up 3.00%, while volatility eased modestly, reflecting improving risk sentiment despite ongoing macro and geopolitical uncertainty.

### Chart of the Week: US Housing is Healthy

Spread of mortgage rates over Treasuries has been falling



Source: Bloomberg, and ADCB Asset Management

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## Global markets' performance snapshot

Performance snapshot*			
Rates	Latest	1W (bp)	3M (bp)
SOFR	3.64	-11.00	-51.00
UAE Eibor 3m	3.61	7.31	-33.43
UAE Eibor 12m	3.54	-8.67	-36.00
US 3m Bills	3.59	-2.06	-35.05
US 10yr Treasury	4.17	-2.54	13.31
German 10yr Bund	2.86	-3.70	21.90
UK 10yr Gilt	4.37	-16.30	-30.10
Fixed Income		1W (%)	3M (%)
Global Agg. Index	500	-0.03	0.46
Global Treasuries	208	-0.16	-0.08
Global Corporate	304	0.06	0.77
EM USD Sovereign	458	-0.10	2.84
EM LCY Sovereign	163	-0.10	1.78
Global High Yield	1,865	0.15	3.00
Currencies			
Dollar Index	99.03	0.72	0.16
EUR USD	1.1654	-0.70	0.15
GBP USD	1.3418	-0.39	0.33
USD JPY	158.14	0.67	4.43
Equities			
S&P 500	6,966	1.57	6.31
Dow Jones	49,504	2.32	8.85
NASDAQ	23,671	1.88	6.61
STOXX 600	610	2.27	8.07
DAX	25,262	2.94	4.21
Nikkei 225	51,940	3.18	8.01
FTSE 100	10,125	1.74	7.39
SENSEX	83,156	-2.55	1.30
Hang Seng	26,456	-0.41	-0.22
MSCI World	4,511	1.48	6.45
MSCI EM	1,452	1.60	6.35
Regional Equities			
ADX	10,010	0.15	-1.03
DFM	6,226	1.83	4.08
Tadawul*	10,473	-0.72	-9.58
DSM*	10,969	1.92	0.33
MSM30*	6,126	3.90	16.70
BHSE*	2,058	-0.40	4.45
KWSE*	8,838	-0.78	0.66
Commodities			
BBG Commodity Index	113.4	2.39	7.72
Brent USD/bbl	63.4	4.26	0.97
WTI USD/bbl	59.2	3.14	0.37
Gold USD/t oz	4,567.3	4.09	12.24
Silver USD/t oz	83.4	9.67	59.24
Platinum USD/t oz	2,349.9	6.36	42.72
Aluminum	3,148.9	4.99	14.07
Copper USD/MT	13,060.0	3.89	21.66
Digital Assets			
Bitcoin	92,090.8	0.44	-20.92
Ether	3,156.7	-1.53	-20.36
Solana	142.7	3.00	-30.99
XRP	2.1	3.70	-16.23
Volatility			
VIX	14.49	-0.14	-33.10
MOVE	61.55	-1.30	-24.62

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as of January 09 2026 unless stated otherwise; \*\*Data as of January 08 2026.

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## Forthcoming important economic data/events

### United States

Date & Time (GST)	Indicator	Period	Expected	Prior
1/13/2026 17:30	CPI YoY	Dec	2.70%	2.70%
1/13/2026 17:30	Core CPI YoY	Dec	2.70%	2.60%
1/13/2026 19:00	New Home Sales	Oct	714k	--
1/13/2026 23:00	Federal Budget Balance	Dec	--	-\$173.3b
1/14/2026 16:00	MBA Mortgage Applications	9-Jan	--	0.30%
1/14/2026 17:30	PPI Final Demand MoM	Nov	0.30%	--
1/14/2026 17:30	PPI Ex Food and Energy MoM	Nov	0.20%	--
1/14/2026 17:30	Retail Sales Advance MoM	Nov	0.40%	0.00%
1/14/2026 19:00	Existing Home Sales	Dec	4.23m	4.13m
1/15/2026 17:30	Philadelphia Fed Business Outlook	Jan	-2.9	-10.2
1/15/2026 17:30	Initial Jobless Claims	10-Jan	--	208k
1/15/2026 17:30	Continuing Claims	3-Jan	--	1914k
1/16/2026 17:30	New York Fed Services Business Activity	Jan	--	-20
1/16/2026 18:15	Industrial Production MoM	Dec	0.20%	0.20%
1/16/2026 18:15	Capacity Utilization	Dec	76.00%	76.00%
1/16/2026 19:00	NAHB Housing Market Index	Jan	--	39

### Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
1/13/2026 3:50	BoP Current Account Balance	Nov	¥3618.3b	¥2833.5b
1/13/2026 3:50	Trade Balance BoP Basis	Nov	¥519.5b	¥98.3b
1/13/2026 9:00	Eco Watchers Survey Current SA	Dec	49	48.7
1/13/2026 9:00	Eco Watchers Survey Outlook SA	Dec	50.5	50.3
1/14/2026 3:50	Money Stock M2 YoY	Dec	--	1.80%
1/14/2026 10:00	Machine Tool Orders YoY	Dec P	--	14.80%
1/15/2026 3:50	PPI YoY	Dec	2.40%	2.70%

### Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
1/12/2026 13:30	Eurozone Sentix Investor Confidence	Jan	--	-6.2
1/15/2026 11:45	France CPI EU Harmonized YoY	Dec F	--	0.70%
1/15/2026 11:45	France CPI YoY	Dec F	--	0.80%
1/15/2026 13:00	Eurozone ECB Publishes Economic Bulletin			
1/15/2026 14:00	Eurozone Industrial Production SA MoM	Nov	0.00%	0.80%
1/15/2026 14:00	Eurozone Industrial Production WDA YoY	Nov	2.00%	2.00%
1/16/2026 11:00	Germany CPI YoY	Dec F	1.80%	1.80%
1/16/2026 11:00	Germany CPI EU Harmonized YoY	Dec F	2.00%	2.00%

### United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
1/15/2026 4:01	RICS House Price Balance	Dec	--	-16.00%
1/15/2026 11:00	Industrial Production MoM	Nov	--	1.10%
1/15/2026 11:00	Manufacturing Production MoM	Nov	--	0.50%

### China & India

Date & Time (GST)	Indicator	Period	Expected	Prior
1/09/2026-1/15/2026	China Money Supply M2 YoY	Dec	8.00%	8.00%
1/12/2026 14:30	India CPI YoY	Dec	1.58%	0.71%
1/14/2026 10:30	India Wholesale Prices YoY	Dec	0.32%	-0.32%
1/14/2026	China Exports YoY	Dec	3.00%	5.90%
1/14/2026	China Imports YoY	Dec	0.80%	1.90%
1/14/2026	China Trade Balance	Dec	\$114.05b	\$111.68b

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## GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
1/08/2026-1/11/2026	Dubai CPI YoY	Dec	--	2.73%
1/08/2026-1/15/2026	Kuwait CPI YoY	Nov	--	--
1/09/2026-1/23/2026	Qatar CPI YoY	Dec	--	1.38%
1/15/2026 10:00	Saudi Arabia CPI YoY	Dec	--	1.90%
1/16/2026-1/21/2026	Oman CPI YoY	Dec	--	1.70%

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