

The Weekly Market View

Investment Strategy | January 26 2026

Markets stabilise as Greenland risks ease and commodities surge

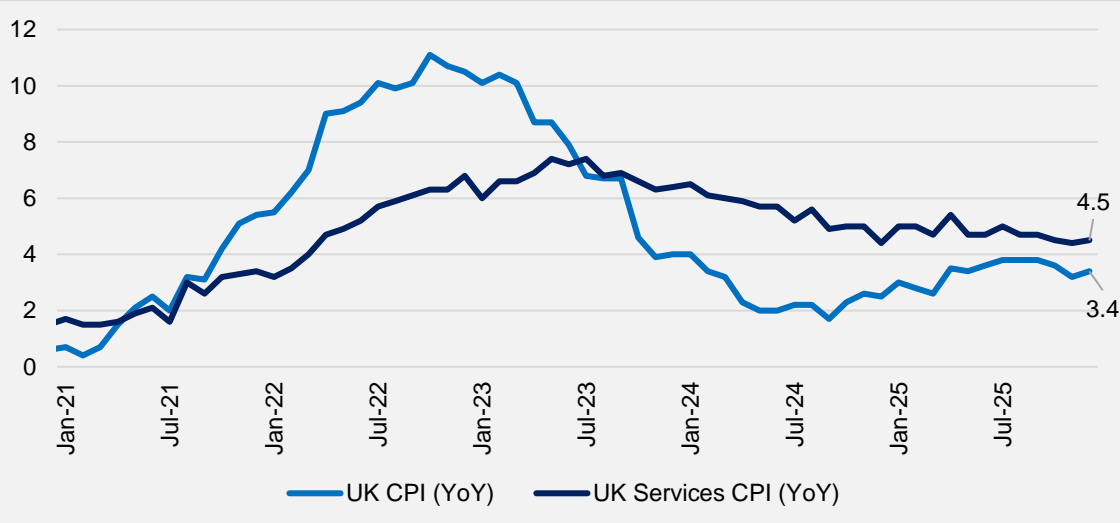
Macro headlines

The macro narrative this week was dominated by heightened geopolitical uncertainty early on, followed by a partial de-escalation that helped stabilise sentiment. Tensions rose sharply after President Trump intensified his push to secure control of Greenland, repeatedly refusing to rule out the use of force and threatening additional tariffs on European nations, prompting Denmark to reinforce its military presence and the EU to prepare retaliatory measures. Japan entered a new political phase as Prime Minister Takaichi called a snap election and pledged food tax relief, triggering a sharp selloff in Japanese government bonds amid concerns over fiscal sustainability. Market anxiety peaked as global investors reassessed US geopolitical risk, before easing later in the week when President Trump stepped back from tariff threats and signalled that a negotiated outcome with NATO allies was within reach. By week's end, the US announced it had secured broad access to Greenland under a NATO-backed framework, shifting the focus toward Arctic security commitments rather than trade confrontation. Economic data were mixed but broadly constructive. The IMF upgraded its 2026 global growth forecast to 3.3%, while eurozone inflation eased below 2% and sentiment indicators improved sharply. US data showed resilient consumer activity, with GDP growth revised higher, firm income and spending trends, and improving manufacturing surveys, even as housing indicators weakened. In Asia, China maintained accommodative policy while meeting its growth target, Japan grappled with weak industrial output but improving PMIs, and India and Taiwan reported strengthening activity. Overall, the week underscored how rapidly shifting geopolitics are now interacting with macro fundamentals to drive global market direction.

Market performances

Market performance reflected the shift from early-week stress to late-week stabilisation. Global equities finished modestly lower on the week, with the MSCI World down 0.22%, as US and European indices softened amid headline-driven volatility. US equities edged lower, with the S&P 500 (-0.35%), Dow Jones (-0.53%), and NASDAQ (-0.06%) all posting small declines, while Europe underperformed, led by losses in the STOXX 600 (-0.98%) and DAX (-1.57%). Asian equities were mixed, with Nikkei 225 down 0.17% but MSCI Emerging Markets rising 1.09%, supported by stronger Chinese and regional data. GCC markets were firmer, led by gains in DFM (+2.66%), Tadawul (+2.91%), and DSM (+2.43%). Fixed income assets performed well as yields stabilised, with the Global Aggregate Index up 0.46% and Global High Yield up 0.48%, while EM debt outperformed. The US dollar weakened meaningfully, with the Dollar Index down 1.80%, supporting gains in EUR/USD (+1.98%) and GBP/USD (+1.97%). Commodities were the standout performer, led by precious metals and energy: gold surged 8.52% to above USD5,000/oz, silver and platinum posted double-digit gains, and Brent and WTI crude rose around 2.7% on the week. Digital assets corrected, with Bitcoin (-6.54%), Ether (-10.68%), and Solana (-12.39%) under pressure after recent rallies, while volatility remained contained despite persistent geopolitical risk.

Chart of the Week: UK's sticky services inflation



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	3.64	-1.00	-60.00	-23.00
UAE Eibor 3m	3.57	-2.11	-19.20	9.68
UAE Eibor 12m	3.67	3.66	-0.79	5.58
US 3m Bills	3.65	3.39	-18.06	3.76
US 10yr Treasury	4.22	0.23	22.45	5.82
German 10yr Bund	2.91	7.10	28.00	5.10
UK 10yr Gilt	4.51	11.20	8.00	3.30
Fixed Income		1W (%)	3M (%)	YTD (%)
Global Agg. Index	502	0.46	0.17	0.14
Global Treasuries	208	0.41	-0.41	-0.09
Global Corporate	305	0.57	0.50	0.38
EM USD Sovereign	460	0.24	2.11	0.19
EM LCY Sovereign	163	0.49	2.00	0.49
Global High Yield	1,876	0.48	2.71	0.74
Currencies				
Dollar Index	97.09	-1.80	-1.37	-0.74
EUR USD	1,1864	1.98	1.73	0.78
GBP USD	1,3667	1.97	2.49	1.42
USD JPY	154.13	-1.53	1.86	-0.72
Equities				
S&P 500	6,916	-0.35	1.82	1.02
Dow Jones	49,099	-0.53	4.01	2.15
NASDAQ	23,501	-0.06	1.28	1.12
STOXX 600	608	-0.98	5.66	2.73
DAX	24,901	-1.57	2.73	1.68
Nikkei 225	52,908	-0.17	9.22	6.97
FTSE 100	10,143	-0.90	5.16	2.14
SENSEX	81,538	-2.43	-3.18	-4.32
Hang Seng	26,709	-0.36	2.25	4.37
MSCI World	4,505	-0.22	3.06	1.69
MSCI EM	1,501	1.09	8.04	6.89
Regional Equities				
ADX	10,286	1.61	0.83	2.93
DFM	6,454	2.66	6.89	7.23
Tadawul*	11,134	2.91	-4.12	6.13
DSM*	11,337	2.43	4.22	5.33
MSM30*	6,214	-0.15	15.71	5.92
BHSE*	2,053	0.40	3.03	-0.65
KWSE*	8,865	1.32	-0.65	-0.48
Commodities				
BBG Commodity Index	121.0	5.27	11.37	9.02
Brent USD/bbl	65.9	2.73	-0.09	8.27
WTI USD/bbl	61.1	2.74	-0.70	6.36
Gold USD/t oz	5,077.1	8.52	21.26	15.40
Silver USD/t oz	107.6	14.50	112.20	43.99
Platinum USD/t oz	2,847.2	18.71	72.62	34.85
Aluminum	3,161.1	0.56	10.63	6.12
Copper USD/MT	12,920.5	-0.61	19.56	3.33
Digital Assets				
Bitcoin	87,669.3	-6.54	-19.55	1.81
Ether	2,865.1	-10.68	-25.35	-1.23
Solana	122.1	-12.39	-34.39	2.23
XRP	1.9	-7.55	-23.79	4.20
Volatility				
VIX	16.09	1.45	-1.71	7.63
MOVE	56.25	-3.10	-18.41	-12.05

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as of January 23 2026 unless stated otherwise; **Data as of January 22 2026.

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Forthcoming important economic data/events

United States

Date & Time (GST)	Indicator	Period	Expected	Prior
1/26/2026 17:30	Chicago Fed Nat Activity Index	Nov	--	-0.21
1/26/2026 17:30	Durable Goods Orders	Nov P	3.00%	-2.20%
1/27/2026 18:00	FHFA House Price Index MoM	Nov	--	0.40%
1/27/2026 19:00	Conf. Board Consumer Confidence	Jan	90.1	89.1
1/28/2026 16:00	MBA Mortgage Applications	23-Jan	--	14.10%
1/28/2026 23:00	FOMC Rate Decision (Upper Bound)	28-Jan	3.75%	3.75%
1/28/2026 23:00	FOMC Rate Decision (Lower Bound)	28-Jan	3.50%	3.50%
1/28/2026 23:00	Fed Interest on Reserve Balances Rate	29-Jan	--	3.65%
1/28/2026 23:00	Fed Reverse Repo Rate	29-Jan	--	3.50%
1/29/2026 17:30	Nonfarm Productivity	3Q F	4.90%	4.90%
1/29/2026 17:30	Initial Jobless Claims	24-Jan	--	--
1/29/2026 17:30	Continuing Claims	17-Jan	--	--
1/29/2026 19:00	Factory Orders	Nov	--	-1.30%
1/29/2026 19:00	Wholesale Inventories MoM	Nov F	--	0.20%
1/30/2026 17:30	PPI Final Demand MoM	Dec	0.20%	0.20%
1/30/2026 18:45	MNI Chicago PMI	Jan	44	43.5

Japan

Date & Time (GST)	Indicator	Period	Expected	Prior
1/27/2026 3:50	PPI Services YoY	Dec	--	2.70%
1/27/2026 10:00	Machine Tool Orders YoY	Dec F	--	10.60%
1/30/2026 3:30	Tokyo CPI YoY	Jan	1.70%	2.00%
1/30/2026 3:30	Tokyo CPI Ex-Fresh Food, Energy YoY	Jan	2.50%	2.60%
1/30/2026 3:30	Jobless Rate	Dec	2.60%	2.60%
1/30/2026 3:50	Retail Sales YoY	Dec	0.70%	1.00%
1/30/2026 3:50	Industrial Production MoM	Dec P	-0.40%	-2.70%
1/30/2026 9:00	Housing Starts YoY	Dec	-4.80%	-8.50%
1/30/2026 9:00	Annualized Housing Starts	Dec	0.738m	0.718m

Eurozone

Date & Time (GST)	Indicator	Period	Expected	Prior
1/26/2026 13:00	Germany IFO Business Climate	Jan	--	87.6
1/26/2026 13:00	Germany IFO Current Assessment	Jan	--	85.6
1/26/2026 13:00	Germany IFO Expectations	Jan	--	89.7
1/27/2026 11:45	France Consumer Confidence	Jan	--	90
1/28/2026 11:00	Germany GfK Consumer Confidence	Feb	--	-26.9
1/29/2026 14:00	Eurozone Consumer Confidence	Jan F	--	--
1/30/2026 10:30	France GDP QoQ	4Q P	--	0.50%
1/30/2026 11:45	France PPI YoY	Dec	--	-3.30%
1/30/2026 12:55	Germany Unemployment Change (000's)	Jan	--	3.0k
1/30/2026 12:55	Germany Unemployment Claims Rate SA	Jan	--	6.30%
1/30/2026 13:00	Germany GDP SA QoQ	4Q P	--	0.00%
1/30/2026 14:00	Eurozone GDP SA QoQ	4Q A	--	0.30%
1/30/2026 14:00	Eurozone GDP SA YoY	4Q A	--	1.40%
1/30/2026 14:00	Eurozone Unemployment Rate	Dec	--	6.30%
1/30/2026 17:00	Germany CPI YoY	Jan P	--	1.80%
1/30/2026 17:00	Germany CPI EU Harmonized YoY	Jan P	--	2.00%

United Kingdom

Date & Time (GST)	Indicator	Period	Expected	Prior
1/30/2026 13:30	Net Consumer Credit	Dec	--	2.1b
1/30/2026 13:30	Consumer Credit YoY	Dec	--	8.10%
1/30/2026 13:30	Mortgage Approvals	Dec	--	64.5k
1/30/2026-2/05/2026	Nationwide House Px NSA YoY	Jan	--	0.60%

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China & India



Date & Time (GST)	Indicator	Period	Expected	Prior
1/27/2026 5:30	China Industrial Profits YoY	Dec	--	-13.10%
1/28/2026 14:30	India Industrial Production YoY	Dec	--	6.70%
1/31/2026 5:30	China Manufacturing PMI	Jan	--	50.1
1/31/2026 5:30	China Non-manufacturing PMI	Jan	--	50.2

GCC



Date & Time (GST)	Indicator	Period	Expected	Prior
1/23/2026-1/27/2026	Bharain CPI YoY	Dec	--	1.10%
2/01/2026	Saudi Arabia GDP Constant Prices YoY	4Q P	--	4.80%

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