

Daily Market View

Investment Strategy | February 02, 2026

PPI surprise lifts dollar; gold and silver unwind record highs

Macro headlines

President Trump named former Fed governor Warsh as his pick to lead the Federal Reserve, calling him a “high-quality person” who should have no difficulty securing Senate confirmation. Trump said he believes Warsh could attract support from some Democrats. The announcement came as the US federal government entered a partial shutdown after a funding lapse at midnight on Saturday. The Senate passed a bipartisan package funding most agencies until September, with a two-week extension for the Department of Homeland Security to allow further negotiations on immigration-enforcement reforms. House Speaker Johnson said he believes he has the votes to end the shutdown within days. India’s budget placed manufacturing at the center of its strategy, prioritizing semiconductors, biopharma, and renewables. However, the absence of broader reforms and an increase in the derivatives-transaction tax triggered a nearly 2% decline in equities, the worst budget-day performance in six years. In the US, producer prices rose by the most in five months in December, driven by higher services costs, including trade margins, hotel rates, and airfares. Goods prices were unchanged. Services prices rose 0.7% m/m, the largest increase since July, while goods prices were up 2.5% y/y. The Chicago PMI rose sharply to 54.0 in January, its highest level in more than two years and the first expansion since late 2023. The Eurozone economy grew 0.3% q/q in Q4 2025, beating expectations and marking a ninth consecutive quarter of expansion. German inflation edged up to 2.1% y/y in January, slightly above expectations. Corporate earnings data showed strong beat ratios across major indices: 76.5% of S&P 500 companies reporting so far have exceeded expectations, alongside 67.3% in the Russell 2000 and 76.5% in the STOXX 600.

Market performances

Global equities fell for a second straight session on Friday as investors reacted to Trump’s nomination of Warsh as the next Fed chair and to stronger-than-expected US producer-price data. The Dow fell 0.36%, the S&P 500 declined 0.43%, and the Nasdaq dropped 0.94%. Despite the pullback on Friday, the S&P 500 recorded its first weekly gain in three weeks. MSCI World fell 0.55% to 1,044.45 but registered a weekly gain and its strongest monthly performance since September. The STOXX 600 rose 0.64%, supported by strong earnings and marking its seventh consecutive monthly gain, the longest streak since 2021. The dollar strengthened following the PPI data and Warsh announcement. The dollar index rose 0.74% to 96.99, while the euro fell to USD1.1851. Treasury yields edged higher, with the 10-year at 4.239%, on track for a second straight monthly increase. Market expectations for rate cuts were little changed, with no greater than a 50% probability priced before June. Gold retreated sharply after hitting a record near USD5,600/oz on Thursday. Though it remained up nearly 14% in January, the strongest monthly performance since 1999. Silver dropped 27% to USD84.45/oz. Oil prices eased slightly, with WTI down 0.75% to USD64.93/bbl and Brent down 0.03% to USD70.63/bbl, after Trump said he planned to speak with Iran’s leadership even as the Pentagon prepared for possible strikes.

What’s next

The week ahead is busy across macro data, central-bank decisions, and corporate earnings. Global markets will track January labor-market data from the US, final January PMIs worldwide, and decisions from seven central banks, including the ECB, BoE, RBI, RBA, Mexico, Poland, and the Czech Republic. On the US labor market, early indicators have been mixed. ADP data point to subdued job creation of roughly 40,000 per month, while initial jobless claims remain low. Consumer confidence weakened sharply in January, with households reporting less favorable job availability. Forecasts point to a 65,000 increase in non-farm payrolls and a rise in the unemployment rate to 4.5% after dipping to 4.4% in December. Policy expectations suggest the ECB, BoE, and RBI will keep rates unchanged, while the RBA is expected to raise rates by 25bp due to elevated inflation and a tighter labor market. Monday brings final January manufacturing PMIs across major economies, US S&P Global manufacturing PMI, ISM manufacturing, and ISM prices paid are worth watching closely. Europe releases German retail sales, UK house-price data, French and German manufacturing PMIs, and the eurozone bank-lending survey. Corporate earnings accelerate, with 56 STOXX 600 companies and 128 S&P 500 companies scheduled to report during the week. Monday’s releases include updates from major US and European manufacturers and consumer-goods companies.

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Global markets’ performance snapshot

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Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.65	0.00	-12.00	-39.00
UAE Eibor 3m	3.61	1.18	-9.46	-10.51
UAE Eibor 12m	3.62	-6.55	5.51	-9.85
US 3m Bills	3.65	-0.62	3.65	-18.18
US 10yr Treasury	4.24	0.42	12.53	13.85
German 10yr Bund	2.84	0.30	1.40	20.00
UK 10yr Gilt	4.52	1.10	3.60	9.80
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	506	-0.21	0.75	1.35
Global Treasuries	210	-0.29	0.65	0.93
Global Corporate	306	-0.13	0.67	1.51
EM USD Sovereign	460	-0.07	0.19	1.18
EM LCY Sovereign	164	-0.23	1.22	2.47
Global High Yield	1,881	-0.04	1.00	2.50
Currencies				
Dollar Index	96.99	0.74	-1.07	-2.55
EUR USD	1.1851	-0.88	0.84	2.46
GBP USD	1.3686	-0.81	1.48	4.05
USD JPY	154.78	1.23	-0.90	0.44
Equities				
S&P 500	6,939	-0.43	0.48	1.71
Dow Jones	48,892	-0.36	0.89	2.88
NASDAQ	23,462	-0.94	-0.05	-0.51
STOXX 600	611	0.64	3.69	6.29
DAX	24,539	0.94	0.77	1.74
Nikkei 225	53,323	-0.10	5.53	3.89
FTSE 100	10,224	0.51	3.62	4.75
SENSEX	82,270	-0.36	-2.86	-2.53
Hang Seng	27,387	-2.08	6.83	4.20
MSCI World	4,528	-0.41	1.49	3.34
MSCI EM	1,528	-1.72	9.02	8.25
Regional Equities				
ADX	10,282	-0.79	2.19	0.69
DFM	6,435	-0.71	4.86	5.41
Tadawul*	11,167	-1.89	6.63	4.95
DSM*	11,340	0.26	3.38	6.53
MSM30*	6,247	-1.32	1.97	10.83
BHSE*	2,047	0.16	-0.53	0.37
KWSE*	8,657	1.07	-2.05	-2.04
Commodities				
BBG Commodity Index	120.7	-3.12	9.40	13.00
Brent USD/bbl	70.69	-0.03	14.13	8.75
WTI USD/bbl	65.21	-0.32	12.28	7.66
Gold USD/t oz	4,894.2	-8.26	13.08	22.21
Silver USD/t oz	85.2	-26.36	18.11	74.13
Platinum USD/t oz	2,195.3	-16.95	4.03	36.65
Aluminum	3,129.0	-2.30	6.69	9.45
Copper USD/MT	13,369.5	-3.43	8.64	22.11
Digital Assets				
Bitcoin	84,162.4	-0.26	-3.50	-21.72
Ether	2,701.7	-4.03	-7.91	-28.09
Solana	117.3	-0.03	-4.95	-35.65
XRP	1.7	-4.20	-6.73	-28.82
Volatility				
VIX	17.44	3.32	22.82	3.13
MOVE	59.20	-2.52	-0.02	-11.48

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - February 02, 2026 unless stated otherwise. Performance in local currency.

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