Daily Market View

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بنك أبوظبي التجاري
ADCB
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US stocks pressured as AI disruption hits software and analytics companies

Macro headlines

Tensions in the Middle East escalated after the US shot down an Iranian drone and armed boats approached a US-flagged vessel in the Strait of Hormuz, raising concerns that planned US-Iran talks could be disrupted. Diplomats had been working to arrange a meeting in Turkey on Friday focused initially on Iran's nuclear program. US President Trump signed a spending deal that ends the partial US government shutdown and gives lawmakers time to negotiate potential limits on immigration enforcement. Trump also said federal agents should be involved in counting votes, despite the Constitution assigning that responsibility to states. Turning to macro data, China's services sector expanded at its fastest pace in three months in January. The RatingDog China General Services PMI rose to 52.3 from 52.0, supported by stronger new orders and the highest hiring levels since July. In Turkey, January inflation rose 4.84% m/m, above expectations, though annual inflation eased slightly to 30.7% due to base effects. The ECB's quarterly Bank Lending Survey showed eurozone banks tightened access to corporate credit in Q4 and expect further tightening amid economic uncertainty and trade-policy concerns. Lending growth continues but remains below pre-pandemic levels. In the corporate sector, Nvidia's AI chip sales to China have stalled due to a US security review, according to the Financial Times. AMD forecast a slight decline in Q1 revenue despite stronger-than-expected AI-chip sales to China, raising questions about its ability to challenge Nvidia. Anthropic launched new productivity tools for its Claude Cowork platform aimed at automating legal work. Novo Nordisk warned profits and sales could fall as much as 13% this year due to heavy price pressure from the Trump administration and intensifying competition in the weight-loss market.

Market performances

Global equities were little changed on Tuesday as Wall Street declined, oil prices rose, and precious metals rebounded after a sharp two-day selloff. On Wall Street, technology stocks weighed on major indexes amid concerns about AI disruption and AI-chip competition. Nvidia fell 2.8% after reports that OpenAI is seeking faster alternatives to its chips. AMD dropped 1.7% during the session and fell further after hours following its quarterly report. Super Micro Computer rose more than 6% in late trading. The Dow fell 0.34% to 49,240.99, the S&P 500 declined 0.84% to 6,917.81, and the Nasdaq dropped 1.43% to 23,255.19. Precious metals regained some ground after steep losses. Gold rose to USD4,929.2/oz after falling nearly 13% over the prior two sessions. Silver rose 7.43% to USD85.2 /oz after tumbling 27% on Friday and 6% on Monday. Oil prices climbed more than USD1/bbl as geopolitical tensions intensified. WTI rose 1.72% to USD63.21/bbl and Brent gained 1.55% to USD67.33/bbl. The moves followed reports of US-Iran incidents and were supported by optimism around the US-India trade agreement and concerns that Russia's attacks on Ukraine could keep its oil exports constrained. The dollar eased slightly after two days of gains. The dollar index fell 0.20% to 97.44, with the euro rising to USD1.1816. The Australian dollar strengthened 1.08% after the Reserve Bank of Australia raised rates by 25bp to 3.85%, joining Japan as the only developed market central banks to tighten policy. The dollar rose modestly against the yen to 155.72. The Indian rupee recorded its strongest one-day gain in more than seven years, rising 1.36%, while the Nifty 50 gained 2.6%. Treasury yields dipped as investors assessed potential shifts in Fed policy under Warsh and monitored delays in US economic data due to the recent shutdown. The 10-year yield fell to 4.268% and the 30-year to 4.898%.

What's next

Wednesday brings a full slate of macro releases. The eurozone publishes flash January HICP and core HICP, alongside December PPI. Italy releases flash January HICP. France and Germany publish final January composite and services PMIs, followed by the eurozone's final readings. The UK releases final January composite and services PMIs. The UAE publishes January PMI. In the US, ADP releases January employment data, followed by the ISM services index and the final S&P Global services PMI. Poland announces its base rate decision. In Asia, India releases final January composite and services PMIs, Japan publishes December unemployment and preliminary industrial production. Russia publishes December industrial production. Corporate earnings include Alphabet, Qualcomm, Uber, Eli Lilly, Novartis, Equinor, Santander, UBS, Panasonic, MediaTek, and many others across the US, Europe, and Asia.

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Global markets' performance snapshot

Performance snapshot*				
Rates	**Latest**	**1D (bp)**	**1M (bp)**	**3M (bp)**
SOFR	3.69	0.00	-18.00	-44.00
UAE Eibor 3m	3.60	-0.11	12.56	-17.29
UAE Eibor 12m	3.72	3.41	10.42	0.87
US 3m Bills	3.66	0.22	3.68	-19.65
US 10yr Treasury	4.27	-1.19	9.85	15.51
German 10yr Bund	2.89	2.30	3.60	22.40
UK 10yr Gilt	4.52	1.10	3.80	8.20
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	504	0.11	0.57	1.22
Global Treasuries	209	0.12	0.45	0.69
Global Corporate	306	0.10	0.60	1.67
EM USD Sovereign	460	0.00	0.29	1.27
EM LCY Sovereign	165	0.44	1.25	2.70
Global High Yield	1,880	0.05	0.95	2.62
Currencies				
Dollar Index	97.44	-0.20	-0.90	-2.44
EUR USD	1.1816	0.14	0.68	2.51
GBP USD	1.3696	0.26	1.81	4.19
USD JPY	155.72	0.14	-0.71	1.02
Equities				
S&P 500	6,918	-0.84	1.06	0.96
Dow Jones	49,241	-0.34	2.45	4.02
NASDAQ	23,255	-1.43	0.06	-2.43
STOXX 600	618	0.10	4.35	7.98
DAX	24,781	-0.07	1.19	2.69
Nikkei 225	54,721	3.92	8.70	4.41
FTSE 100	10,315	-0.26	3.86	6.32
SENSEX	83,739	2.54	-1.74	-0.29
Hang Seng	26,835	0.22	4.70	2.59
MSCI World	4,523	-0.34	2.09	2.92
MSCI EM	1,536	2.82	9.37	8.90
Regional Equities				
ADX	10,473	1.30	4.80	4.48
DFM	6,614	0.61	9.37	9.88
Tadawul*	11,329	0.07	8.17	6.46
DSM*	11,421	0.14	4.12	7.29
MSM30*	6,322	1.10	3.19	12.16
BHSE*	2,056	0.28	-0.09	0.82
KWSE*	8,790	1.34	-0.54	-0.53
Commodities				
BBG Commodity Index	117.8	2.36	7.41	8.81
Brent USD/bbl	67.33	1.55	10.65	3.76
WTI USD/bbl	63.21	1.72	10.08	3.54
Gold USD/t oz	4,929.2	5.45	14.05	23.04
Silver USD/t oz	85.2	7.43	18.84	77.13
Platinum USD/t oz	2,217.6	4.01	7.63	41.16
Aluminum	3,095.1	1.63	3.91	6.81
Copper USD/MT	13,295.0	2.37	6.33	22.28
Digital Assets				
Bitcoin	76,140.5	-2.96	-13.13	-28.75
Ether	2,282.4	-2.49	-23.35	-36.62
Solana	100.2	-4.41	-19.40	-39.62
XRP	1.6	-1.33	-12.96	-30.74
Volatility				
VIX	18.00	10.16	20.40	4.83
MOVE	57.54	-2.97	-10.04	-14.41

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - February 04, 2026 unless stated otherwise. Performance in local currency.

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