

Daily Market View

Investment Strategy | February 16, 2026

Cooler US inflation steadies markets

Macro headlines

The US military is preparing for the possibility of sustained, weeks long operations against Iran if President Trump orders an attack, according to officials familiar with the planning. The disclosure raises the stakes ahead of renewed diplomacy, with Iranian officials signaling interest in a nuclear agreement that delivers economic benefits to both sides. A second round of talks between Washington and Tehran is scheduled for later this week. In Washington, regulators appear closer to proposing a revised version of the "Basel endgame" capital rules for large banks, according to recent filings. Meanwhile, the January CPI report showed US headline inflation rising 0.2% m/m, with core CPI up 0.3% m/m and 2.5% y/y – the smallest annual core increase in nearly five years. Softer gasoline prices and moderating rental inflation contributed to the weaker print, though services costs rose as businesses implemented start-of-year price adjustments. China's January credit data pointed to subdued private sector demand, though government support accelerated. Eurozone GDP growth for Q4 2025 was confirmed at 0.3% q/q and 1.4% y/y, matching the preliminary estimate and slightly above market expectations. Russia's central bank cut its key rate by 50bp to 15.5% and signaled further easing as the wartime economy struggles with high borrowing costs. The bank raised its inflation forecast for 2026 and lowered its oil price assumption by USD10. Japan's economy grew at an annualized 0.2% in Q4, well below expectations, as consumption slowed and cost-of-living pressures weighed on demand. Corporate earnings continued to show resilience. Of the 369 S&P 500 companies reporting so far, 74.5% beat expectations, above the long term average. In the STOXX 600, 60.3% of companies exceeded estimates.

Market performances

US equities ended Friday's session mixed as investors digested softer-than-expected January inflation data. The Dow rose 0.10% to 49,500.93, the S&P 500 gained 0.05% to 6,836.17, and the Nasdaq fell 0.22% to 22,546.67. All three indices posted slight weekly declines. The CPI report showed headline inflation rising slightly below expectations, reinforcing hopes that the Fed could deliver at least two rate cuts this year. Treasury yields fell, with the 10-year yield down to 4.048%. Global equities were softer. MSCI ACWI fell 0.24% to 1,042.75. The STOXX 600 slipped 0.13% but ended the week marginally higher. European markets were weighed down by ongoing concerns about AI related disruption in the technology sector. The dollar index was little changed at 96.90. The yen strengthened further, with the dollar falling to 152.75, as investors grew more confident in Prime Minister Takaichi's fiscal stance following her election victory. The euro edged down to USD1.1869. Bitcoin rose to USD69,050. Oil prices were steady. Brent rose USDc23 to USD67.75/bbl and WTI gained USDc5 to USD62.89/bbl. Aluminum prices fell to a one-week low after reports that President Trump plans to scale back tariffs on steel and aluminum goods. Gold rose to USD5,042/oz as softer inflation supported expectations of Fed easing later in the year.

What's next

The week ahead brings a dense macro calendar. Flash PMIs for February will provide early signals on global activity. Inflation data from the UK, US, and Japan will be closely watched, alongside Q4 GDP releases for the US and Japan. The January FOMC minutes may highlight differing views on the policy rate path and balance sheet strategy. In the UK, January CPI and RPI are expected to ease to 3.0% and 3.8% respectively, though services inflation remains firm. In the US, Q4 GDP slowed to an annualized 2.8% q/q, reflecting the impact of the 43-day federal shutdown on consumer spending. Corporate earnings continue, with Walmart leading the final stretch of the Q4 reporting season. Monday's releases include Switzerland's flash Q4 GDP and eurozone December industrial production in EMEA; and Singapore's January non oil domestic exports alongside Thailand's Q4 GDP in APAC. The day also marks the start of India's AI Impact Summit in New Delhi, bringing together senior global technology leaders. Markets in US, Canada, Brazil, China, Indonesia, South Korea, Taiwan, and Vietnam are closed for holidays on Monday. China markets are largely closed throughout the week.

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Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.65	0.00	1.00	-35.00
UAE Eibor 3m	3.55	-6.32	-6.16	-23.11
UAE Eibor 12m	3.69	1.51	10.80	-6.30
US 3m Bills	3.67	-0.93	5.93	-20.81
US 10yr Treasury	4.05	-4.98	-12.69	-7.09
German 10yr Bund	2.76	-2.40	-8.60	6.70
UK 10yr Gilt	4.42	-3.60	4.30	-2.10
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	510	0.02	1.75	2.15
Global Treasuries	212	0.00	1.84	1.76
Global Corporate	308	0.03	1.53	2.38
EM USD Sovereign	466	0.21	1.74	2.49
EM LCY Sovereign	166	-0.16	1.77	3.10
Global High Yield	1,886	-0.06	1.03	2.73
Currencies				
Dollar Index	96.92	-0.01	-1.97	-2.26
EUR USD	1.1868	0.03	1.71	1.86
GBP USD	1.3651	0.23	1.39	3.32
USD JPY	152.70	-0.10	-3.41	-1.05
Equities				
S&P 500	6,836	0.05	-2.02	1.46
Dow Jones	49,501	0.10	-0.18	4.31
NASDAQ	22,547	-0.22	-5.00	-1.42
STOXX 600	618	-0.13	1.10	6.38
DAX	24,915	0.25	-1.93	3.63
Nikkei 225	56,942	-1.21	9.63	11.04
FTSE 100	10,446	0.42	3.01	6.51
SENSEX	82,627	-1.25	-1.49	-2.19
Hang Seng	26,567	-1.72	-0.16	-1.87
MSCI World	4,510	-0.14	-0.28	3.49
MSCI EM	1,555	-0.98	6.06	10.31
Regional Equities				
ADX	10,636	-0.49	6.28	6.78
DFM	6,730	0.23	7.37	12.33
Tadawul*	11,229	-0.21	0.85	4.78
DSM*	11,469	-0.41	1.17	5.19
MSM30*	7,129	-0.68	14.71	19.82
BHSE*	2,048	-0.20	-0.24	-0.50
KWSE*	8,659	-0.51	-2.32	-4.40
Commodities				
BBG Commodity Index	117.3	0.23	3.11	6.49
Brent USD/bbl	67.75	0.34	6.07	7.52
WTI USD/bbl	62.89	0.08	5.70	7.16
Gold USD/t oz	5,042.0	2.04	9.22	20.00
Silver USD/t oz	77.4	2.83	-9.04	48.03
Platinum USD/t oz	2,066.8	3.07	-11.81	30.35
Aluminum	3,043.0	-0.83	-4.89	6.11
Copper USD/MT	12,719.0	-3.44	-4.44	16.24
Digital Assets				
Bitcoin	68,864.0	4.69	-24.30	-30.27
Ether	2,053.0	6.81	-33.55	-35.40
Solana	84.8	9.73	-38.86	-40.31
XRP	1.4	4.28	-31.19	-38.50
Volatility				
VIX	20.60	-1.06	36.24	3.00
MOVE	70.10	2.23	11.45	-11.38

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - February 16, 2026 unless stated otherwise. Performance in local currency.

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