

# Daily Market View

Investment Strategy | February 23, 2026

## Tariff shock reverberates as Trump raises temporary levy to 15%

### Macro headlines

President Trump said he will raise a temporary tariff on all US imports from 10% to 15%, the maximum allowed under law, after the Supreme Court struck down his earlier tariff program. The ruling found that the administration exceeded its authority under emergency-powers legislation. The decision marks a rare judicial setback after the Court sided with Trump in multiple cases over the past year. Corporate America is now preparing to seek refunds on more than USD130bn in emergency tariffs deemed illegal. Geopolitical tensions escalated sharply. Officials across the Gulf and Europe warned that the US and Iran are "sliding rapidly" toward military conflict as hopes for a diplomatic solution fade. Trump warned Tehran it had 10-15 days to reach a nuclear agreement or face "really bad things," prompting Iranian threats to retaliate against US bases. US real GDP rose 1.4% annualized in Q4, well below the 2.8% consensus. Much of the downside surprise reflected volatile components such as net trade and inventories. Over 2025, real GDP grew 2.2%, while core private domestic final purchases rose 2.5%. Government spending posted its largest decline since 1972 due to last year's shutdown, but consumer and business spending remained resilient. Core PCE inflation rose 0.4% m/m in December and 3.0% y/y, both above expectations. Further acceleration in January is possible, reinforcing our expectations that the Fed will not cut rates before June. Consumer sentiment stagnated in February, with high prices cited by 46% of respondents. Sentiment remains 13% below a year ago and 21% below January 2025, with sharp divergences between higher-income and lower-income households. February Flash PMI data showed global divergence. US business activity slipped to a ten-month low. Japan's expansion hit a 33-month high, the UK posted its fastest growth in 22 months, and the eurozone recorded one of its strongest expansions since mid-2023.

### Market performances

US equities advanced on Friday as investors digested the Supreme Court ruling, weaker-than-expected GDP, and hotter inflation. The Dow rose 0.47% to 49,625.97, the S&P 500 gained 0.69% to 6,909.51, and the Nasdaq climbed 0.90% to 22,886.07. All three indices posted weekly gains. The ruling struck down Trump's sweeping tariffs, prompting immediate market reaction as investors reassessed corporate cost structures and global trade dynamics. European equities rallied, with the STOXX 600 rising 0.84% to a record close. MSCI All Country World Index gained 0.55% to 1,052.94. Emerging-market equities rose modestly, while Asia-Pacific markets were mixed: MSCI Asia ex-Japan rose 0.18%, and Japan's Nikkei fell 1.12% to 56,825.70. Gold prices rose to USD5,095/oz as investors weighed geopolitical risks and the tariff ruling. Oil prices stabilized after recent gains, with WTI down slightly to USD66.39/bbl and Brent up 0.14% to USD71.76/bbl. Treasury yields rose, with the 10-year at 4.083%, the 30-year at 4.724%, and the 2-year at 3.48%. The dollar eased slightly after the ruling but remained on track for its strongest weekly gain since October. The euro rose to USD1.1785, while the yen weakened to 155.03. Bitcoin gained to USD67,798.6 and Ethereum rose 1.35%.

### What's next

The week ahead features a dense macro calendar and heightened political attention as President Trump delivers his State of the Union address on Tuesday. Markets will focus on US PPI for January, expected to rise 0.3% m/m with headline inflation easing to 2.8% y/y. Germany's flash February CPI and HICP are expected to rise 0.4% and 0.5% m/m respectively. India's Q4 GDP is expected to moderate to 7.6% y/y due to base effects, though underlying momentum remains strong. Investors will closely watch Nvidia's earnings, seen as a bellwether for AI-related sentiment after recent market volatility. Monday's releases include: Germany ifo business climate (Feb), Israel base-rate decision, US December factory orders, Dallas Fed manufacturing survey, Brazil FGV consumer confidence (Feb), Mexico Q4 GDP (final), Peru Q4 GDP, and Singapore January CPI.

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## Global markets' performance snapshot

| Performance snapshot* |          |         |         |         |
|-----------------------|----------|---------|---------|---------|
| Rates                 | Latest   | 1D (bp) | 1M (bp) | 3M (bp) |
| SOFR                  | 3.67     | 0.00    | 2.00    | -24.00  |
| UAE Eibor 3m          | 3.58     | -0.61   | -1.51   | -23.56  |
| UAE Eibor 12m         | 3.75     | 1.77    | 10.63   | 9.48    |
| US 3m Bills           | 3.67     | -0.11   | 4.42    | -18.70  |
| US 10yr Treasury      | 4.08     | 1.53    | -14.03  | -0.19   |
| German 10yr Bund      | 2.74     | -0.60   | -10.20  | 2.10    |
| UK 10yr Gilt          | 4.35     | -1.50   | -6.20   | -23.30  |
| Fixed Income          |          | 1D (%)  | 1M (%)  | 3M (%)  |
| Global Agg. Index     | 509      | 0.13    | 1.79    | 2.64    |
| Global Treasuries     | 212      | 0.16    | 1.98    | 2.51    |
| Global Corporate      | 308      | 0.08    | 1.43    | 2.53    |
| EM USD Sovereign      | 466      | 0.01    | 1.65    | 2.58    |
| EM LCY Sovereign      | 166      | 0.10    | 1.77    | 3.39    |
| Global High Yield     | 1,887    | 0.08    | 1.03    | 3.07    |
| Currencies            |          |         |         |         |
| Dollar Index          | 97.80    | -0.13   | -1.61   | -2.36   |
| EUR USD               | 1.1784   | 0.09    | 1.18    | 2.22    |
| GBP USD               | 1.3480   | 0.11    | 0.41    | 3.11    |
| USD JPY               | 155.05   | 0.03    | -1.94   | -1.54   |
| Equities              |          |         |         |         |
| S&P 500               | 6,910    | 0.69    | -0.44   | 5.67    |
| Dow Jones             | 49,626   | 0.47    | 0.54    | 8.47    |
| NASDAQ                | 22,886   | 0.90    | -2.68   | 3.66    |
| STOXX 600             | 631      | 0.84    | 3.87    | 11.81   |
| DAX                   | 25,261   | 0.87    | 1.21    | 8.51    |
| Nikkei 225            | 56,826   | -1.12   | 6.05    | 14.05   |
| FTSE 100              | 10,687   | 0.56    | 4.82    | 12.17   |
| SENSEX                | 82,815   | 0.38    | -0.52   | -3.29   |
| Hang Seng             | 26,413   | -1.10   | -0.57   | 2.24    |
| MSCI World            | 4,555    | 0.59    | 1.01    | 8.01    |
| MSCI EM               | 1,567    | 0.25    | 5.42    | 14.27   |
| Regional Equities     |          |         |         |         |
| ADX                   | 10,581   | -0.26   | 4.03    | 7.04    |
| DFM                   | 6,591    | -0.26   | 3.89    | 11.50   |
| Tadawul*              | 10,947   | 0.00    | -3.82   | 4.76    |
| DSM*                  | 11,161   | -0.60   | -1.32   | 4.76    |
| MSM30*                | 7,217    | -0.11   | 14.01   | 21.48   |
| BHSE*                 | 2,062    | -0.12   | 0.89    | -0.47   |
| KWSE*                 | 8,605    | -0.45   | 0.46    | -3.54   |
| Commodities           |          |         |         |         |
| BBG Commodity Index   | 119.7    | 0.97    | 5.37    | 11.07   |
| Brent USD/bbl         | 71.76    | 0.14    | 12.23   | 13.22   |
| WTI USD/bbl           | 66.39    | -0.06   | 11.69   | 12.26   |
| Gold USD/t oz         | 5,107.5  | 2.23    | 9.35    | 25.27   |
| Silver USD/t oz       | 84.6     | 7.82    | -10.32  | 67.07   |
| Platinum USD/t oz     | 2,158.8  | 3.73    | -9.18   | 42.17   |
| Aluminum              | 3,092.4  | 1.20    | -2.57   | 10.61   |
| Copper USD/MT         | 12,750.0 | 0.98    | -1.92   | 18.18   |
| Digital Assets        |          |         |         |         |
| Bitcoin               | 67,798.6 | 1.35    | -27.05  | -22.25  |
| Ether                 | 1,974.1  | 1.35    | -38.53  | -31.36  |
| Solana                | 84.5     | 3.02    | -36.94  | -36.95  |
| XRP                   | 1.4      | 1.01    | -28.82  | -29.59  |
| Volatility            |          |         |         |         |
| VIX                   | 19.09    | -5.64   | 1.33    | -27.74  |
| MOVE                  | 64.27    | -5.53   | 10.71   | -17.40  |

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - February 23, 2026 unless stated otherwise. Performance in local currency.

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