

# Daily Market View

Investment Strategy | February 25, 2026

## Markets rebound as AI optimism offsets tariff confusion

### Macro headlines

President Trump, at the time of drafting this note was delivering his State of the Union address, touting a “roaring economy” and dismissing the affordability crisis as a “lie,” while emphasizing immigration and other campaign themes ahead of the midterms. The administration simultaneously faced renewed tariff uncertainty. After the Supreme Court struck down Trump’s emergency tariffs, the US began collecting a temporary 10% global import levy on Tuesday, though the White House is working to raise it to 15%. Customs and Border Protection notified shippers that the rate would remain 10% at the start of collections, adding to confusion. The House of Representatives failed to pass key aviation legislation after last-minute Pentagon objections, despite appeals from lawmakers and families of victims of the worst US aviation disaster since 2001. Separately, Iran is close to a deal with China to purchase anti-ship cruise missiles, according to multiple sources, as the US deploys a large naval force near Iran ahead of possible strikes. US ADP weekly employment data showed continued improvement, rising to 12,750 from 10,250, signaling strengthening private-sector hiring. Conference Board US Consumer confidence rose to 91.2 in February, though the share of respondents viewing jobs as “hard to get” reached a five-year high. Confidence improved among younger consumers and Republicans but remained subdued among older respondents and Democrats. US wholesale inventories rose 0.2% m/m in December, matching November’s pace, with strong increases in motor-vehicle and furniture stocks. China left its loan-prime rates unchanged for a ninth month. Anthropic reiterated that it will not relax restrictions on military use of its AI models. AMD announced a deal to sell up to USD60bn in AI chips to Meta over five years, allowing Meta to purchase up to 10% of AMD’s output.

### Market performances

Global equities rebounded on Tuesday after Anthropic unveiled 10 new AI-plugin use cases for business customers, reviving optimism that AI adoption could support corporate profitability across sectors such as investment banking, HR, and engineering. The Dow rose 0.76%, the S&P 500 gained 0.77%, and the Nasdaq advanced 1%. The recovery followed Monday’s tariff-driven selloff, as investors reassessed the balance between AI-related disruption and long-term productivity gains. European equities were mixed, with the STOXX 600 up 0.23% and the FTSE 100 flat. MSCI All Country World Index rose 0.52% after falling 0.62% the previous session. IBM shares rose 2.7% after Monday’s 13% plunge, its largest since 2000, as Anthropic highlighted new applications for Claude Code that could modernize legacy programming systems. Nvidia rose 0.7% ahead of its earnings release, a key market catalyst given its nearly 8% weight in the S&P 500. Treasury yields edged higher, with the 10-year at 4.033% and the 2-year at 3.444%. The yen weakened to 155.89 after reports that Prime Minister Takaichi expressed reservations about further rate hikes to Governor Ueda. Gold slipped to USD5,142/oz.

### What’s next

Wednesday brings a broad set of data releases across regions. In the Americas, Canada publishes preliminary January manufacturing sales. In EMEA, Austria releases its February manufacturing PMI, Germany publishes March GfK consumer confidence and final Q4 GDP, and the eurozone issues final January CPI. In APAC, South Korea reports February business confidence, Singapore releases final Q4 GDP, Australia publishes January inflation, and Thailand releases January trade data alongside the Bank of Thailand’s rate decision. Hong Kong SAR also publishes January inflation. Corporate earnings include Adecco, Ageas, Agilent Technologies, Alcon, Aston Martin Lagonda, Diageo, E.ON, Ferrovial, Fortescue, Fresenius, Haleon, Hammerson, Heathrow, Hiscox, HSBC, Iberdrola, Jet2, Lowe’s, Manchester United, Morgan Sindall, NVIDIA, Salesforce, St James’s Place, Shaftesbury Capital, TJX, Victorian Plumbing, Urban Outfitters, Wolters Kluwer, and Zoom.

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## Global markets' performance snapshot

| Performance snapshot* |          |         |         |         |  |
|-----------------------|----------|---------|---------|---------|--|
| Rates                 | Latest   | 1D (bp) | 1M (bp) | 3M (bp) |  |
| SOFR                  | 3.66     | 0.00    | 3.00    | -30.00  |  |
| UAE Eibor 3m          | 3.60     | -6.96   | 4.62    | -27.89  |  |
| UAE Eibor 12m         | 3.77     | 0.34    | 8.97    | 12.03   |  |
| US 3m Bills           | 3.66     | -0.55   | -0.73   | -15.51  |  |
| US 10yr Treasury      | 4.03     | -0.19   | -21.38  | 0.42    |  |
| German 10yr Bund      | 2.71     | -0.40   | -17.50  | 1.50    |  |
| UK 10yr Gilt          | 4.31     | -0.80   | -15.20  | -23.10  |  |
| Fixed Income          |          | 1D (%)  | 1M (%)  | 3M(%)   |  |
| Global Agg. Index     | 510      | -0.07   | 1.86    | 2.47    |  |
| Global Treasuries     | 212      | -0.10   | 2.11    | 2.32    |  |
| Global Corporate      | 308      | -0.09   | 1.36    | 2.29    |  |
| EM USD Sovereign      | 466      | -0.04   | 1.85    | 2.52    |  |
| EM LCY Sovereign      | 166      | 0.20    | 1.97    | 3.84    |  |
| Global High Yield     | 1,886    | -0.08   | 0.84    | 2.82    |  |
| Currencies            |          |         |         |         |  |
| Dollar Index          | 97.84    | 0.14    | -0.93   | -2.30   |  |
| EUR USD               | 1.1772   | -0.11   | 0.74    | 2.18    |  |
| GBP USD               | 1.3489   | -0.02   | 0.45    | 2.93    |  |
| USD JPY               | 155.87   | 0.79    | -1.54   | -0.65   |  |
| Equities              |          |         |         |         |  |
| S&P 500               | 6,890    | 0.77    | 0.21    | 2.76    |  |
| Dow Jones             | 49,175   | 0.76    | 0.20    | 5.87    |  |
| NASDAQ                | 22,864   | 1.04    | -1.55   | -0.04   |  |
| STOXX 600             | 629      | 0.23    | 4.39    | 11.77   |  |
| DAX                   | 24,986   | -0.02   | 1.73    | 7.52    |  |
| Nikkei 225            | 57,321   | 0.87    | 8.61    | 17.88   |  |
| FTSE 100              | 10,681   | -0.04   | 5.35    | 12.02   |  |
| SENSEX                | 82,226   | -1.28   | 0.39    | -3.15   |  |
| Hang Seng             | 26,590   | -1.82   | 0.02    | 3.40    |  |
| MSCI World            | 4,540    | 0.51    | 1.58    | 5.69    |  |
| MSCI EM               | 1,592    | 0.56    | 7.52    | 18.59   |  |
| Regional Equities     |          |         |         |         |  |
| ADX                   | 10,638   | -0.01   | 4.24    | 8.86    |  |
| DFM                   | 6,669    | -0.62   | 4.25    | 14.38   |  |
| Tadawul*              | 10,906   | -0.71   | -4.18   | 4.37    |  |
| DSM*                  | 11,290   | 0.07    | -0.18   | 5.96    |  |
| MSM30*                | 7,292    | 1.60    | 15.19   | 22.74   |  |
| BHSE*                 | 2,059    | 0.05    | 0.75    | -0.61   |  |
| KWSE*                 | 8,572    | -0.81   | 0.08    | -3.91   |  |
| Commodities           |          |         |         |         |  |
| BBG Commodity Index   | 119.8    | -0.15   | 2.09    | 11.48   |  |
| Brent USD/bbl         | 70.77    | -1.01   | 8.48    | 11.68   |  |
| WTI USD/bbl           | 65.63    | -1.03   | 8.26    | 11.54   |  |
| Gold USD/t oz         | 5,143.9  | -1.60   | 6.46    | 24.36   |  |
| Silver USD/t oz       | 87.2     | -1.18   | -6.34   | 69.69   |  |
| Platinum USD/t oz     | 2,175.3  | 0.94    | -12.59  | 40.07   |  |
| Aluminum              | 3,081.1  | 0.10    | -0.57   | 10.33   |  |
| Copper USD/MT         | 13,011.0 | 1.39    | 0.88    | 20.53   |  |
| Digital Assets        |          |         |         |         |  |
| Bitcoin               | 64,047.0 | -0.80   | -28.98  | -27.85  |  |
| Ether                 | 1,854.4  | -0.49   | -38.79  | -37.33  |  |
| Solana                | 78.6     | 0.27    | -40.01  | -43.44  |  |
| XRP                   | 1.4      | -0.71   | -31.49  | -39.69  |  |
| Volatility            |          |         |         |         |  |
| VIX                   | 19.55    | -6.95   | 15.68   | -4.73   |  |
| MOVE                  | 65.27    | -4.06   | 9.59    | -15.04  |  |

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - February 25, 2026 unless stated otherwise. Performance in local currency.

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