

Daily Market View

Investment Strategy | January 06, 2026

Dow hits record as energy stocks surge and safe-haven demand lifts gold

Macro headlines

Global attention remained fixed on Venezuela after President Trump's dramatic capture of President Maduro triggered a wave of geopolitical reactions and domestic crackdowns. Maduro pleaded not guilty in New York to narcotics charges, while Caracas descended into turmoil as authorities arrested journalists and deployed paramilitary forces to suppress demonstrations. UN secretary general Guterres, said the US raid violated the UN charter, and several US allies, including France, criticized the operation. Russia and China demanded Maduro's release, underscoring the geopolitical rifts now widening around the crisis. The Trump administration, meanwhile, is preparing to meet US oil executives to discuss boosting Venezuelan production following the ousting of Maduro, signaling a rapid shift toward reshaping the country's energy sector under temporary American control. In a separate domestic policy shift, the US ended longstanding guidance recommending universal childhood vaccination against flu and three other diseases – a major change aligned with Health Secretary Kennedy's long-term goals. On the economic front, Minneapolis Fed President Kashkari said inflation is trending lower but warned the jobless rate could "pop" higher, reflecting the delicate balance the Fed faces as it navigates a cooling labor market. US manufacturing activity weakened further, with the ISM PMI falling to 47.9 in December – a 14-month low and the tenth consecutive month below the 50 threshold. New orders contracted again, input costs rose, and survey respondents continued to cite tariffs as a major headwind. Beyond manufacturing, the AI sector continues to expand rapidly: Nvidia CEO Huang said the company's next-generation chips are now in full production and deliver five times the AI-computing power of previous models, reinforcing the sector's central role in US investment momentum.

Market performances

Markets reacted with surprising calm to the geopolitical shock surrounding Venezuela, with major US indexes rising sharply and energy stocks leading gains. The Dow surged 1.23% to a record 48,977.18, the S&P 500 climbed 0.64% to 6,902.05, and the Nasdaq advanced 0.69% to 23,395.82. Energy shares were the standout performers: the S&P 500 energy index reached its highest level since March 2025, with Exxon Mobil up 2.2% and Chevron up 5.1%. Defense stocks also gained more than 1%, reflecting heightened geopolitical uncertainty. Markets largely ignored the political implications of the US strike on Venezuela, focusing instead on its limited macroeconomic impact and the potential boost to US oil companies. MSCI World gained 0.82%, while the STOXX 600 rose 0.94% and emerging-market equities climbed 1.51%. Asia-Pacific equities outside Japan advanced 1.75%. Oil prices rose as traders assessed the risk of supply disruptions from Venezuela, home to the world's largest crude reserves. Brent settled at USD61.76/bbl and WTI at USD58.32/bbl. Safe-haven demand lifted gold to a one-week high, with spot prices rising c2.9% to USD4,443.6/oz. The dollar index eased to 98.27 after touching a four-week high, as traders focused on upcoming US economic data, including Friday's jobs report. Treasury yields edged lower, with the 10-year falling to 4.165%. Market participants emphasized that this week's data – including PMIs, inflation prints, and labor-market indicators – will be crucial for shaping expectations around the Fed's policy path, especially as officials continue to debate the pace of future rate cuts.

What's next

Tuesday brings a concentrated set of data releases that will help refine the early-year macro narrative. Final December PMIs for services and composite activity across major economies are due, offering a clearer picture of global momentum heading into 2026. These readings will be closely watched given the divergence between weakening manufacturing and more resilient service-sector activity across major markets. The UAE PMI is also scheduled, providing insight into regional non-oil growth at a time when Gulf economies are navigating softer energy prices and shifting global demand. In Europe, France and Germany release December inflation data, which will help shape expectations ahead of upcoming ECB communications. UK new-car registrations are due, offering a timely gauge of consumer demand and the health of the auto sector. Germany's Bundesbank representative Mauderer is also scheduled to speak, potentially offering additional color on the Eurozone's policy outlook. Corporate updates include results from AAR and AngioDynamics, a trading update from Next, and Q1 results from Penguin Solutions. With markets still digesting the geopolitical shock from Venezuela and awaiting key US data later in the week, today's releases will help determine whether the early-January rally can sustain momentum or whether volatility returns as investors reassess growth, inflation, and policy trajectories. For our thoughts on potential implications of the Venezuela developments see <https://www.adcbam.com/en/insights/pdfs/express-insights-20260105.pdf>.

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Global markets' performance snapshot

Performance snapshot*					
Rates	Latest	1D (bp)	1M (bp)	3M (bp)	
SOFR	3.75	0.00	-26.00	-43.00	
UAE Eibor 3m	3.63	10.00	-9.51	-33.26	
UAE Eibor 12m	3.64	0.66	-0.01	-24.89	
US 3m Bills	3.59	-2.10	-14.93	-35.95	
US 10yr Treasury	4.16	-2.95	7.47	4.20	
German 10yr Bund	2.87	-3.00	12.10	17.20	
UK 10yr Gilt	4.51	-3.10	3.70	-18.40	
Fixed Income		1D (%)	1M (%)	3M(%)	
Global Agg. Index	501	0.05	0.44	0.03	
Global Treasuries	208	0.03	0.33	-0.63	
Global Corporate	304	0.09	0.46	0.48	
EM USD Sovereign	459	0.09	0.71	3.10	
EM LCY Sovereign	163	0.07	1.32	1.71	
Global High Yield	1,864	0.09	1.12	2.12	
Currencies					
Dollar Index	98.27	-0.16	-1.09	0.56	
EUR USD	1.1715	-0.03	0.93	-0.23	
GBP USD	1.3533	0.57	2.57	0.39	
USD JPY	156.33	-0.33	0.24	6.01	
Equities					
S&P 500	6,902	0.64	1.06	2.77	
Dow Jones	48,977	1.23	3.17	4.75	
NASDAQ	23,396	0.69	-0.08	2.70	
STOXX 600	602	0.94	4.54	5.49	
DAX	24,869	1.34	4.88	2.01	
Nikkei 225	51,833	2.97	5.13	13.25	
FTSE 100	10,005	0.54	3.12	5.41	
SENSEX	85,440	-0.38	0.35	5.21	
Hang Seng	26,347	0.03	0.97	-2.92	
MSCI World	4,478	0.74	2.10	3.24	
MSCI EM	1,451	1.51	5.62	5.62	
Regional Equities					
ADX	9,944	-0.51	2.02	-1.28	
DFM	6,130	0.27	5.03	3.60	
Tadawul*	10,325	-0.37	-3.65	-11.42	
DSM*	10,968	1.69	0.59	0.10	
MSM30*	6,006	1.12	0.95	7.05	
BHSE*	2,067	0.00	0.41	0.20	
KWSE*	8,832	-0.20	-2.50	-2.21	
Commodities					
BBG Commodity Index	111.8	2.08	1.34	6.10	
Brent USD/bbl	61.76	1.66	-1.10	-4.29	
WTI USD/bbl	58.32	1.74	-0.55	-4.20	
Gold USD/t oz	4,443.6	2.57	5.95	14.33	
Silver USD/t oz	76.6	5.18	30.99	59.56	
Platinum USD/t oz	2,276.8	6.25	38.46	41.84	
Aluminum	3,068.5	2.31	7.92	13.23	
Copper USD/MT	12,884.0	2.49	14.17	22.27	
Digital Assets					
Bitcoin	94,095.5	4.52	2.71	-23.22	
Ether	3,236.9	3.42	8.00	-28.67	
Solana	138.4	4.96	-0.53	-40.61	
XRP	2.3	15.83	7.70	-23.17	
Volatility					
VIX	14.90	2.69	-10.19	-10.51	
MOVE	64.71	3.77	-7.44	-6.93	

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - January 06, 2026 unless stated otherwise. Performance in local currency.

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