

# Daily Market View

Investment Strategy | January 09, 2026

## US Supreme Court tariff ruling and jobs data loom over markets

### Macro headlines

Financial markets are bracing for a potentially consequential US Supreme Court ruling on President Trump's use of emergency tariff powers under the International Emergency Economic Powers Act. A decision could come as early as Friday, and a ruling against the administration would carry significant implications for trade policy, tariff authority, and market volatility. The case arrives at a moment when Congress is increasingly asserting itself: the Senate voted 52-47 to advance a resolution restricting President Trump from taking further military action in Venezuela without congressional approval, even as the president signaled that US oversight of the country could last for years. Meanwhile, the House passed legislation restoring expired health-insurance subsidies, aiming to offset rising coverage costs for millions of Americans. US' Geopolitical ambitions continued to widen. US officials have discussed offering lump-sum payments to Greenlanders to encourage secession from Denmark, part of a broader strategy to bring the island under US control. President Trump also ordered federal agencies to buy USD200bn in mortgage bonds to lower housing costs in the US, with Fannie Mae and Freddie Mac set to execute the purchases. Economic data showed strong productivity gains: nonfarm productivity rose at a 4.9% annualized rate in Q3, the fastest in two years, driven by heavy AI-related investment that helped depress labor costs. The US trade deficit narrowed sharply to USD29.4bn in October – the lowest since 2009 – as tariffs continued to reshape import flows. Consumer sentiment data from the New York Fed showed rising concerns about job prospects, particularly among US households earning under USD100k, even as worries about personal finances eased. Inflation expectations ticked higher. Labor-market indicators were mixed. Challenger job-cut announcements fell 50.2% m/m in December to 35,553, though full-year cuts totaled 1.2m – the highest since 2020. In China, CPI rose 0.8% y/y in December, the fastest in nearly three years, though full-year inflation was the lowest in 16 years. Germany's factory orders surged 5.6% m/m in November, far exceeding expectations, while eurozone unemployment held at 6.3%. Business confidence in the eurozone slipped, with the European Commission's sentiment index falling to 96.7.

### Market performances

Markets traded cautiously on Thursday as investors positioned ahead of Friday's US employment report. The Dow rose 0.55% to 49,266.11, the S&P 500 ended nearly flat at 6,921.46, and the Nasdaq fell 0.44% to 23,480.02. Sector rotation remained active: technology stocks lagged, with Nvidia down 2.2%, Broadcom down 3.2%, and Microsoft down 1.1%, while energy stocks outperformed. Defense shares rallied sharply as President Trump pushed for a USD1.5trn military budget, with the aerospace and defense index hitting an all-time high and European defense stocks also reaching new records. GCC equities were mixed on Thursday, tracking firmer oil prices as investors awaited key US labour data. Global equities softened modestly. MSCI World fell 0.13%, while the STOXX 600 slipped 0.19% as investors digested US-Venezuela developments and eurozone inflation data showing CPI at 2.0% y/y. Oil prices rebounded after two days of declines, supported by ongoing developments in Venezuela and expectations of tighter supply. Brent rose 3.4% to USD61.99/bbl, and WTI gained 3.2% to USD57.76/bbl. The US energy secretary reiterated that Washington intends to control Venezuelan oil sales indefinitely to stabilize the country's economy and rebuild its oil sector. Venezuela's defaulted bonds cooled after a 40% surge earlier in the week. Industrial metals retreated: copper fell sharply from its record high, dropping to USD12,885.0/ton, while nickel also declined as investors locked in profits. Gold stabilised as traders booked gains from earlier sessions. Treasury yields rose, with the 10-year climbing to 4.183% and the yield curve steepening slightly. The dollar strengthened, with the dollar index rising to 98.922. Traders continued to price in at least two Fed rate cuts for 2026, despite the Fed's December projection of only one. Market sentiment remained constructive but cautious, with investors focused on labor-market data as the key determinant of near-term rate expectations.

### What's next

Friday brings a critical set of US macro releases that will shape market direction into next week. The December payrolls report and unemployment rate are the centerpiece, with investors watching closely for signs of labor-market cooling after job openings fell to a 14-month low and private payrolls undershot expectations. Markets are pricing in two Fed rate cuts for 2026, and a softer-than-expected report could reinforce expectations for earlier easing. Alongside payrolls, the US will release October housing starts and building permits, the University of Michigan's preliminary January consumer-sentiment survey, and October trade data. Germany publishes November trade and industrial-production figures, offering further insight into whether the strong rebound in factory orders is translating into broader momentum. Italy and the eurozone release November retail-sales data, which will help clarify the region's consumption outlook as inflation returns to the ECB's 2% target. The eurozone also reports unemployment and business-climate indicators. In the US, Minneapolis Fed President Kashkari and Fed President Barkin are scheduled to speak, providing additional policy signals ahead of the January FOMC meeting. Corporate updates include results from Sainsbury, Polestar, TSMC's December revenue, Tesco's Christmas trading statement, and several US industrial and consumer companies. With markets finely balanced between geopolitical developments, tariff uncertainty, and incoming labor data, today's releases will play a decisive role in shaping early-January sentiment.

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.65	0.00	-28.00	-47.00
UAE Eibor 3m	3.48	4.69	-18.44	-49.92
UAE Eibor 12m	3.56	-4.45	-6.12	-34.00
US 3m Bills	3.59	-0.03	-10.72	-34.38
US 10yr Treasury	4.17	1.97	3.21	5.01
German 10yr Bund	2.86	5.10	6.50	18.40
UK 10yr Gilt	4.40	-1.20	-7.20	-30.50
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	500	-0.16	0.34	0.53
Global Treasuries	208	-0.15	0.21	0.12
Global Corporate	303	-0.24	0.33	0.68
EM USD Sovereign	457	-0.27	0.18	2.73
EM LCY Sovereign	163	0.00	1.19	1.59
Global High Yield	1,864	-0.11	0.81	2.38
Currencies				
Dollar Index	98.93	0.25	-0.06	0.02
EUR USD	1.1651	-0.32	0.08	0.40
GBP USD	1.3436	-0.27	0.81	0.37
USD JPY	156.81	0.12	0.95	2.65
Equities				
S&P 500	6,921	0.01	0.74	2.48
Dow Jones	49,266	0.55	2.73	5.72
NASDAQ	23,480	-0.44	-0.42	1.89
STOXX 600	604	-0.19	4.33	5.24
DAX	25,127	0.02	4.58	2.16
Nikkei 225	51,117	-1.63	1.24	7.09
FTSE 100	10,045	-0.04	3.91	5.19
SENSEX	84,181	-0.92	-1.79	2.94
Hang Seng	26,149	-1.17	0.25	-2.54
MSCI World	4,484	-0.13	1.49	3.04
MSCI EM	1,453	-0.70	4.85	5.88
Regional Equities				
ADX	10,040	-0.08	0.90	-0.89
DFM	6,253	0.07	4.50	4.91
Tadawul*	10,473	0.17	-1.10	-8.80
DSM*	10,969	-0.84	1.96	-0.53
MSM30*	6,126	0.43	2.34	7.95
BHSE*	2,058	-0.27	0.02	-0.97
KWSE*	8,838	-0.25	-2.03	-1.56
Commodities				
BBG Commodity Index	111.4	-0.32	-0.57	4.14
Brent USD/bbl	61.99	3.39	-2.76	-6.43
WTI USD/bbl	57.76	3.16	-3.86	-7.66
Gold USD/t oz	4,463.5	0.26	6.33	10.03
Silver USD/t oz	77.0	-1.52	31.98	57.50
Platinum USD/t oz	2,278.5	-0.98	38.63	37.45
Aluminum	3,091.1	0.36	7.71	12.06
Copper USD/MT	12,885.0	-1.98	10.65	19.99
Digital Assets				
Bitcoin	91,200.0	0.21	2.24	-25.80
Ether	3,116.4	-0.99	3.18	-30.82
Solana	139.5	2.50	5.34	-38.75
XRP	2.1	-1.81	5.42	-26.11
Volatility				
VIX	15.45	0.46	0.26	-5.21
MOVE	66.94	1.19	-0.51	-10.59

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - January 09, 2026 unless stated otherwise. Performance in local currency.

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