

# Daily Market View

Investment Strategy | January 14, 2026

## Financials drag Wall Street indices lower as CPI stabilizes

### Macro headlines

US senators introduced legislation aimed at preventing the American military from occupying or annexing NATO territories, including Greenland – a direct response to President Trump’s renewed interest in the island and broader geopolitical ambitions. The move underscores growing congressional unease with the administration’s expansive foreign-policy posture, which now includes a 25% tariff threat on any country doing business with Iran. Tehran said communication channels with Washington remain open as President Trump considers how to respond to Iran’s deadly crackdown on nationwide protests, one of the most serious challenges to the regime since 1979. In a major policy shift, the administration formally approved China-bound sales of Nvidia’s H200 AI chips, subject to third-party testing to ensure compliance with export-control thresholds. China cannot receive more than 50% of the volume sold to US customers, but the decision is expected to restart shipments despite opposition from China hawks in Washington. Domestically, the proposed 10% cap on credit-card interest rates drew sharp criticism from JPMorgan executives, including CEO Dimon, who warned the measure would severely harm consumers by restricting access to credit. The pushback comes as inflation data showed US consumer prices rising 2.7% y/y in December, with shelter and food costs driving a 0.3% m/m increase. Food prices rose 0.7% m/m and 3.1% y/y, while energy prices increased 0.3% m/m. Inflation eased from its September peak but remains uneven across categories. US new-home sales slipped 0.1% in October to 737,000 units after two months of gains, though declining prices and elevated inventory may support the sector in 2026. The US government posted a USD145bn budget deficit in December, up 67% y/y, driven by record outlays and calendar-shift effects. Customs receipts from tariffs totaled USD27.9bn, well above the USD6.8bn recorded a year earlier. Internationally, Türkiye’s current-account balance swung to a USD4bn deficit in November, reversing four months of surpluses. China’s December trade data surprised to the upside, with exports up 6.6% y/y and imports up 5.7% y/y, contributing to a record USD1.189trn trade surplus for 2025.

### Market performances

Financial stocks dragged US markets lower on Tuesday as investors reacted to warnings from major banks about the potential impact of President Trump’s proposed credit-card interest-rate cap. The Dow fell 0.80% to 49,191.99, the S&P 500 slipped 0.19% to 6,963.74, and the Nasdaq edged down 0.1% to 23,709.87. The S&P 500 banking index dropped more than 2%, while Visa and Mastercard fell as much as 5%. JPMorgan shares initially rose after reporting Q4 earnings that beat expectations but later reversed, falling up to 4% after executives warned the rate cap would restrict credit access for millions of households and small businesses. Gold surged to another record high, hitting USD4,634/oz before settling at USD4,591/oz, supported by safe-haven demand and reinforced expectations of Fed rate cuts. Silver also reached a fresh peak. Oil prices climbed sharply as unrest in Iran raised concerns about potential supply disruptions. Brent rose 2.51% to USD65.47/bbl, while WTI gained 2.77% to USD61.15/bbl. Worries over Iranian exports overshadowed expectations of increased Venezuelan supply following US intervention. The dollar strengthened, with the dollar index rising 0.3% to 99.17, while the euro-dollar fell to 1.1643. Traders had positioned for a stronger CPI print, and risk-sensitive currencies rallied after the data came largely unchanged. Treasury yields were mixed: the 10-year fell to 4.189%, while the 2-year climbed to 3.538%. Markets continue to navigate a dense mix of geopolitical flashpoints – Iran, Greenland, Venezuela – alongside concerns about elevated equity valuations and the intensifying conflict between the White House and the Fed.

### What’s next

Wednesday brings a broad set of macro releases across regions. In the US, November PPI, November retail sales, December existing-home sales, and October business-inventory data will help refine expectations for the Fed’s policy path. With CPI confirming a 2.7% y/y inflation rate and core rising 0.2% m/m, markets are watching for signs of continued disinflation in producer prices and consumer demand. In Asia, South Korea releases December export and import prices, New Zealand publishes November building permits, and China releases December trade data alongside M2, loan-growth, and new-loan figures. India’s December WPI will offer another read on inflation dynamics after CPI undershot expectations. OPEC publishes its Monthly Oil Market Report, which will be closely watched given rising geopolitical tensions and renewed concerns about Iranian supply. Corporate earnings continue with Bank of America, Citigroup, Wells Fargo, Infosys, Pearson, and several UK corporates reporting. With financials under pressure from policy uncertainty and credit-market concerns, today’s bank results will be a key focus for equity markets.

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.64	0.00	-26.00	-51.00
UAE Eibor 3m	3.61	-0.31	-6.97	-23.91
UAE Eibor 12m	3.63	5.02	-1.29	-26.27
US 3m Bills	3.63	2.03	-3.32	-31.00
US 10yr Treasury	4.18	0.40	3.24	14.70
German 10yr Bund	2.85	0.60	-0.40	21.10
UK 10yr Gilt	4.40	2.50	-10.80	-26.00
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	500	-0.16	0.48	0.47
Global Treasuries	208	-0.25	0.26	-0.16
Global Corporate	304	0.00	0.53	0.91
EM USD Sovereign	458	0.03	0.61	2.81
EM LCY Sovereign	163	-0.08	1.40	1.86
Global High Yield	1,867	0.00	1.14	3.14
Currencies				
Dollar Index	99.13	0.28	0.35	-0.14
EUR USD	1.1646	-0.20	-0.11	0.60
GBP USD	1.3434	-0.22	0.66	0.78
USD JPY	159.03	0.59	1.74	4.43
Equities				
S&P 500	6,964	-0.19	1.12	4.64
Dow Jones	49,192	-0.80	2.36	6.78
NASDAQ	23,710	-0.10	0.24	4.47
STOXX 600	610	-0.08	5.58	7.73
DAX	25,421	0.06	5.35	4.23
Nikkei 225	53,549	3.10	5.82	11.35
FTSE 100	10,137	-0.03	4.99	7.35
SENSEX	83,628	-0.30	-0.90	1.58
Hang Seng	26,848	0.90	5.12	3.70
MSCI World	4,519	-0.07	2.13	5.44
MSCI EM	1,472	0.42	6.49	8.79
Regional Equities				
ADX	10,090	0.82	1.09	-0.16
DFM	6,319	0.81	4.00	6.15
Tadawul*	10,894	1.38	4.24	-3.62
DSM*	11,229	0.60	5.39	1.54
MSM30*	6,178	-0.23	3.99	11.43
BHSE*	2,045	-0.08	-1.30	-1.30
KWSE*	8,819	0.81	-1.15	-1.06
Commodities				
BBG Commodity Index	114.5	0.59	4.37	8.20
Brent USD/bbl	65.47	2.51	5.24	3.40
WTI USD/bbl	61.15	2.77	4.60	2.79
Gold USD/t oz	4,590.4	-0.56	9.30	11.80
Silver USD/t oz	87.0	2.17	40.68	66.03
Platinum USD/t oz	2,337.5	-0.25	41.05	42.98
Aluminum	3,224.3	0.78	13.88	15.80
Copper USD/MT	13,310.0	0.00	14.30	25.36
Digital Assets				
Bitcoin	94,074.0	3.41	1.82	-18.77
Ether	3,208.8	3.85	-3.95	-25.22
Solana	143.4	3.36	4.49	-31.33
XRP	2.1	3.52	3.51	-19.90
Volatility				
VIX	15.98	5.69	1.33	-16.03
MOVE	60.79	-3.35	-11.41	-25.55

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - January 14, 2026 unless stated otherwise. Performance in local currency.

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