Daily Market View

Investment Strategy | January 16, 2026

بنك أبوظبي التجاري
ADCB
ASSET MANAGEMENT LIMITED

TSMC profit surge lifts global tech; banks rally on strong earnings

Macro headlines

European governments moved to reinforce NATO's presence in Greenland, sending small contingents of military personnel as Denmark advanced plans for a "larger and more permanent" deployment. The move reflects growing concern over President Trump's interest in the island and signals a coordinated European effort to assert strategic control. The geopolitical backdrop intensified further as the US and Taiwan clinched a trade deal that cuts tariffs on a wide range of Taiwanese semiconductor exports and directs new investment into the US technology sector – a development likely to provoke a strong reaction from Beijing. In Washington, Venezuelan opposition leader Maria Corina Machado handed her Nobel Peace Prize medal to President Trump during a White House meeting, seeking influence over how the administration shapes Venezuela's political future. A White House official confirmed the president intends to keep the medal, underscoring the unusual nature of the exchange. US macro data showed mixed but improving signals. Import prices rose 0.4% over September–November, reversing earlier declines and suggesting a pickup in goods-price pressures. The New York Empire State Manufacturing Index surged to 7.7 in January from –3.7, far exceeding expectations and signaling a sharp improvement in business conditions. The Philadelphia Fed Manufacturing Index also strengthened to 12.6, with new orders rising sharply, though the future-activity index softened. Labor-market data showed initial jobless claims unexpectedly falling, though seasonal-adjustment distortions are common at this time of year. The broader labor market remains in a "low-hire, low-fire" state, shaped by President Trump's aggressive trade and immigration policies and by corporate investment in artificial intelligence, which is reducing hiring needs. In Europe, Germany's GDP grew 0.1% in 2025, while eurozone trade posted a EUR9.9bn surplus in November, down from EUR15.4bn a year earlier. Industrial production in Eurozone rose for a third consecutive month, reaching its highest level in two-and-a-half years outside of the March front-loading spike. In Asia, South Korea's central bank held rates steady amid currency pressure, and India's trade deficit narrowed to USD25.04bn in December, better than expected.

Market performances

US equities rebounded on Thursday after two days of declines, lifted by strong earnings from TSMC and major US banks. The S&P 500 rose 0.26% to 6,944.57, the Nasdaq gained 0.25% to 23,530.02, and the Dow climbed 0.60% to 49,446.23. TSMC's 35% jump in Q4 profit – far exceeding expectations – sent its US-listed shares up c4% and reignited confidence in the semiconductor cycle. The rally spilled over into global tech, lifting ASML and pushing European equities back toward record levels. Financials also surged as BlackRock, Goldman Sachs, and Morgan Stanley all reported strong quarterly profits driven by robust lending and a rebound in dealmaking. BlackRock rose c6%, Goldman Sachs gained c5%, and Morgan Stanley climbed c6%. Oil prices reversed sharply after President Trump moderated his warnings about Iran, saying he believed killings in the crackdown were subsiding and that the US would "watch what the process is." Brent fell 4.15% to USD63.76/bbl and WTI dropped 4.56% to USD59.19/bbl, breaking a five-day streak of gains. The immediate risk premium had softened but remained elevated given the fragile geopolitical backdrop. Gold stabilized near record highs after touching USD4,642/oz the previous day. Silver also eased after surpassing USD92/oz. The dollar strengthened, with the dollar index rising to 99.32 after jobless claims unexpectedly fell, reinforcing expectations that the Fed will keep rates on hold for several months. Treasury yields edged higher, with the 10-year at 4.17%. Fed officials struck a cautious tone. Vice-chair Jefferson emphasized the need to continue focusing on inflation, while regional presidents Goolsbee, Schmid, and Daly highlighted stable labor-market conditions but persistent inflation risks.

What's next

Friday brings a focused set of macro releases across regions. In the US, December industrial production will be closely watched for signs of momentum heading into Q1, alongside Canada's December housing-starts data. With retail sales and manufacturing surveys surprising to the upside, markets will look for confirmation that activity remains resilient despite policy uncertainty and geopolitical tensions. In Europe, Germany and Italy release final December inflation. In Asia, Singapore releases December non-oil domestic exports, and Malaysia publishes preliminary Q4 GDP. South Korea's central-bank decision will also be digested, with policymakers prioritizing financial stability amid currency pressure. Corporate earnings continue with results from M&T Bank, PNC Financial, Regions Financial, State Street, Reliance Industries, and TSMC's global peers. With tech and financials driving Thursday's rebound, today's earnings will help determine whether the early-season momentum can continue.

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Global markets' performance snapshot

Performance snapshot*				
Rates	**Latest**	**1D (bp)**	**1M (bp)**	**3M (bp)**
SOFR	3.64	0.00	-3.00	-65.00
UAE Eibor 3m	3.63	12.83	-4.95	-23.23
UAE Eibor 12m	3.57	-7.75	-8.63	-22.99
US 3m Bills	3.64	0.23	3.47	-30.77
US 10yr Treasury	4.17	3.74	-1.47	14.12
German 10yr Bund	2.82	0.50	-3.80	24.80
UK 10yr Gilt	4.39	4.80	-12.90	-15.50
Fixed Income		**1D (%)**	**1M (%)**	**3M(%)**
Global Agg. Index	500	-0.18	0.30	-0.05
Global Treasuries	208	-0.19	0.02	-0.74
Global Corporate	304	-0.19	0.53	0.40
EM USD Sovereign	459	0.15	0.64	2.63
EM LCY Sovereign	163	0.04	1.21	1.60
Global High Yield	1,867	0.01	0.92	2.55
Currencies				
Dollar Index	99.32	0.27	0.94	0.53
EUR USD	1.1609	-0.33	-1.12	-0.27
GBP USD	1.3387	-0.34	0.12	-0.03
USD JPY	158.51	0.13	1.73	4.84
Equities				
S&P 500	6,944	0.26	1.71	4.10
Dow Jones	49,442	0.60	2.03	6.89
NASDAQ	23,530	0.25	1.44	3.79
STOXX 600	615	0.49	6.28	8.24
DAX	25,352	0.26	4.82	4.84
Nikkei 225	54,111	-0.42	6.44	13.50
FTSE 100	10,239	0.54	6.11	8.64
SENSEX	83,383	0.00	-2.21	0.94
Hang Seng	26,924	-0.28	3.64	3.91
MSCI World	4,518	0.21	2.50	5.02
MSCI EM	1,478	-0.08	6.35	8.24
Regional Equities				
ADX	10,057	0.19	0.68	-0.63
DFM	6,262	-0.01	2.70	3.69
Tadawul*	10,818	-1.16	2.52	-3.78
DSM*	11,068	-1.28	2.46	-0.20
MSM30*	6,224	0.00	4.70	9.90
BHSE*	2,045	-0.02	-0.83	-1.56
KWSE*	8,749	-0.71	-2.38	-1.47
Commodities				
BBG Commodity Index	114.0	-0.99	4.56	7.92
Brent USD/bbl	63.76	-4.15	4.32	2.99
WTI USD/bbl	59.19	-4.56	3.05	1.58
Gold USD/t oz	4,616.6	0.05	7.37	9.94
Silver USD/t oz	92.4	-0.80	49.16	74.28
Platinum USD/t oz	2,412.5	0.36	38.08	44.85
Aluminum	3,169.7	-1.12	11.88	15.51
Copper USD/MT	13,205.0	-0.97	11.76	23.39
Digital Assets				
Bitcoin	95,550.2	-2.06	5.93	-14.06
Ether	3,297.8	-2.22	6.99	-16.79
Solana	142.1	-3.24	7.73	-26.90
XRP	2.1	-3.44	3.43	-13.56
Volatility				
VIX	15.84	-5.43	0.64	-23.26
MOVE	56.14	-3.39	-18.93	-25.26

Source: Bloomberg, and ADCB Asset Management | Notes: *Data as at 8AM UAE time - January 16, 2026 unless stated otherwise. Performance in local currency.

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