

# Daily Market View

Investment Strategy | January 26, 2026

## Markets steady as yen surges and gold blasts past 5K

### Macro headlines

President Trump warned on Saturday that the US would impose a 100% tariff on Canada if Prime Minister Carney proceeds with a trade deal with China, escalating tensions with a key North American partner. Trump said such a deal would “endanger” Canada, adding a new front to the administration’s trade disputes. India, meanwhile, is preparing its largest tariff liberalization in decades, planning to cut duties on EU imported cars to 40% from as high as 110% as part of a free trade pact expected as early as Tuesday. In Japan, Prime Minister Takaichi said her government would take necessary steps against speculative market moves after a sharp yen spike raised the prospect of intervention. The Bank of Japan kept its policy rate at 0.75% – the highest in 30 years – and signaled it will monitor the impact on prices and growth before deciding its next move. Japan’s core inflation slowed in December but remained above the 2% target, keeping expectations of future rate hikes alive. US consumer sentiment improved in January, with the University of Michigan index rising to 56.4 from 52.9, though concerns about prices and labor market conditions persist. The US flash PMI pointed to sustained but cooling growth, with annualized GDP tracking at 1.5% for December and January. New business growth remained subdued, and payrolls were near stagnant as firms hesitated to hire amid weak demand and high costs. Eurozone flash PMI data showed steady but modest growth at the start of 2026, with business expectations hitting a 20 month high. Manufacturing output expectations reached their strongest level in nearly four years. The UK flash PMI showed the fastest output growth since April 2024, supported by stronger domestic and export demand, with optimism at its highest since before the 2024 Autumn Budget. Japan’s private sector output expanded at its quickest pace in nearly 18 months, supported by the first rise in manufacturing new orders since May 2023. India’s PMI rebounded, with stronger new orders, output, job creation, and business confidence. UK retail sales rose 0.4% m/m in December, the first increase since September, supported by strong online shopping. Taiwan’s industrial production surged 21.6% y/y in December, the fastest in seven months, while retail sales rose for a third consecutive month. For the S&P 500, Q4’25 earnings are expected to grow 9.2% y/y, with 79.7% of companies beating expectations so far.

### Market performances

Global markets ended the week with modest gains as investors balanced geopolitical risks, central bank expectations, and a volatile currency backdrop. The yen surged sharply against the dollar, with two sudden spikes prompting speculation of intervention. The New York Federal Reserve conducted dollar/yen rate checks, often a precursor to official action. The dollar fell broadly, with the dollar index down to 97.60, while the yen strengthened to 155.70. The euro rose to USD1.1828 and sterling to USD1.3643. Wall Street had a muted session on Friday after a choppy week marked by a selloff, followed by a relief rally after President Trump withdrew tariff threats and ruled out using force to seize Greenland. The Dow fell 0.58% to 49,099, while the S&P 500 edged up 0.03% and the Nasdaq gained 0.28%. For the week, the S&P 500 fell 0.35%, the Nasdaq declined 0.06%, and the Dow dropped 0.53%. MSCI World rose 0.11% but recorded a slight weekly decline. The STOXX 600 fell 0.09%, snapping a five week winning streak. Oil prices rallied sharply after President Trump imposed new sanctions on vessels transporting Iranian oil and announced that an “armada” was heading toward Iran. WTI rose 2.88% to USD61.07/bbl, and Brent gained 2.84% to USD65.88/bbl, both at their highest levels in more than a week. Both benchmarks posted weekly gains above 2.5%. Gold and silver set fresh records as safe haven demand intensified. Gold rose to USD4,987.5/oz, approaching the USD5,000 threshold (and blasted past the 5K mark in early hour trading on Monday), while silver surpassed USD100/oz for the first time. Copper and aluminum also advanced. US Treasury yields dipped as investors awaited the Federal Reserve’s meeting, with the 10-year at 4.23% and the 30-year at 4.831%. Intel shares fell following a weak forecast, while investors looked ahead to earnings from Microsoft, Meta, Apple, Tesla, and Caterpillar. Markets also monitored US brokered Russia Ukraine talks in Abu Dhabi, where negotiators discussed territorial issues with no sign of compromise.

### What’s next

The week ahead is dominated by central bank decisions and key macro releases. The Federal Reserve is expected to keep the federal funds target range unchanged and emphasize that future cuts will depend on incoming data. Central banks in Canada, Sweden, and Brazil are also expected to hold rates, while South Africa and Chile are likely to cut by 25bp. Colombia is projected to raise rates by 50bp. Eurozone Q4 GDP is expected to moderate to 0.2% q/q, reflecting softer external demand and slower consumer spending. Corporate earnings accelerate, with 102 S&P 500 companies and 29 STOXX 600 companies reporting, including Apple, Microsoft, Meta, and Tesla – four of the “Magnificent 7.” On Monday, Germany releases January Ifo current conditions data, Hungary announces its base rate decision, and Chile publishes its overnight target rate. The US releases durable goods orders and the Dallas Fed manufacturing survey. Earnings include WR Berkley, Costain, Nitto Denko, and Ryanair. On Monday, the markets in both India and Australia are closed for holidays.

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.64	0.00	-4.00	-60.00
UAE Eibor 3m	3.57	-6.41	-2.35	-24.61
UAE Eibor 12m	3.67	21.93	3.24	-1.08
US 3m Bills	3.66	-0.11	5.71	-21.54
US 10yr Treasury	4.23	-1.97	6.24	22.43
German 10yr Bund	2.91	1.80	0.90	32.30
UK 10yr Gilt	4.51	3.80	-2.40	8.90
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	502	0.16	0.47	0.15
Global Treasuries	208	0.19	0.29	-0.49
Global Corporate	305	0.10	0.64	0.56
EM USD Sovereign	460	0.11	0.36	2.23
EM LCY Sovereign	163	0.12	1.25	2.04
Global High Yield	1,876	0.06	0.94	2.91
Currencies				
Dollar Index	97.60	-0.77	-0.70	-1.35
EUR USD	1.1828	0.69	0.60	1.90
GBP USD	1.3643	1.12	1.28	2.48
USD JPY	155.70	-1.65	-0.73	1.95
Equities				
S&P 500	6,916	0.03	0.54	2.63
Dow Jones	49,099	-0.58	1.52	5.06
NASDAQ	23,501	0.28	0.31	2.44
STOXX 600	608	-0.09	3.68	5.90
DAX	24,901	0.18	2.54	2.86
Nikkei 225	53,847	0.29	6.83	10.70
FTSE 100	10,143	-0.07	2.81	5.90
SENSEX	81,538	-0.94	-4.71	-3.57
Hang Seng	26,750	0.45	3.67	3.01
MSCI World	4,505	0.11	1.41	3.72
MSCI EM	1,501	0.40	8.48	8.67
Regional Equities				
ADX	10,286	-0.19	2.49	0.92
DFM	6,484	-0.17	5.30	7.79
Tadawul*	11,268	1.21	6.82	2.34
DSM*	11,187	-1.32	3.94	5.46
MSM30*	6,191	-0.37	5.01	9.63
BHSE*	2,052	-0.05	-0.70	1.51
KWSE*	8,800	-0.74	-1.21	-0.36
Commodities				
BBG Commodity Index	119.6	1.58	8.90	10.90
Brent USD/bbl	65.88	2.84	6.14	-0.17
WTI USD/bbl	61.07	2.88	5.27	-1.17
Gold USD/t oz	4,987.5	1.69	12.37	20.67
Silver USD/t oz	103.2	7.22	49.47	110.94
Platinum USD/t oz	2,778.6	5.35	30.42	70.50
Aluminum	3,161.1	1.42	8.06	10.31
Copper USD/MT	12,920.5	2.28	8.21	19.67
Digital Assets				
Bitcoin	89,236.4	0.08	1.14	-18.56
Ether	2,941.0	-0.08	-1.54	-23.23
Solana	127.1	-0.88	1.55	-32.75
XRP	1.9	-0.38	1.06	-19.70
Volatility				
VIX	16.09	2.88	14.28	-6.99
MOVE	56.25	-0.44	-8.83	-24.04

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - January 26, 2026 unless stated otherwise. Performance in local currency.

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