

# Daily Market View

Investment Strategy | January 29, 2026

## Fed holds steady as global equities hit fresh records and dollar stabilizes after sharp slide

### Macro headlines

Reports from Reuters on Wednesday indicated that President Trump is weighing potential strikes on Iran to inspire renewed protests, adding a geopolitical layer to an already volatile global backdrop. Treasury Secretary Bessent reiterated that the US maintains a strong-dollar policy and denied intervention to support the yen. The Federal Reserve held the federal funds rate at 3.50%-3.75% in a 10-2 vote, entering a new holding pattern after three contentious rate cuts. Chair Powell said recent data showed stronger economic growth and tentative labor-market stabilization, suggesting officials are comfortable staying on hold until clearer signs of labor-market weakness or more convincing progress on inflation emerge. Powell dismissed any notion of a rate hike, while markets priced less than a 50% chance of a cut before June. The Central Bank of the UAE kept its key rate unchanged at 3.65%, mirroring the Fed's decision. The Bank of Canada also held its policy rate at 2.25%, noting that the upcoming review of the Canada-US-Mexico agreement and broader geopolitical risks are clouding its outlook. Brazil's central bank left the Selic rate at 15%, the highest since 2006, and signaled it would begin cutting rates at its March meeting while maintaining a cautious stance to ensure inflation returns to target. European sentiment indicators improved. Germany's GfK consumer-sentiment index rose to -24.1 for February from -26.9, beating expectations and supported by higher income expectations following a minimum-wage increase and reduced inflation fears. Italy's consumer confidence rose to 96.8 from 96.6, while business confidence increased to 97.6, with notable gains in services and manufacturing. India's industrial momentum strengthened sharply, with the IIP rising 7.8% y/y in December, the fastest pace in more than two years. The reading followed an upwardly revised 7.2% expansion in November, indicating broad-based acceleration. In corporate developments, Samsung reported record Q4 operating profit and forecasted strong chip demand as AI strains supply. Tesla said it will invest USD2bn in xAI and confirmed Cybercab production plans for this year. Microsoft reported record AI spending and slower cloud-growth, while Amazon announced 16,000 job cuts as it pushes efficiency and AI integration. Meta reported record Q4 sales and sharply higher projected 2026 spending tied to AI expansion.

### Market performances

Global equities touched an intraday record for a third straight session on Wednesday as investors digested the Fed's decision to keep rates unchanged. The S&P 500 briefly crossed the 7,000 level for the first time before closing flat at 6,978.03. The Dow rose 0.02% to 49,015.60 and the Nasdaq gained 0.17% to 23,857.45. Investors awaited earnings from Microsoft, Tesla, and Meta after the Wednesday close, with Apple reporting on Thursday. European equities lagged, with the STOXX 600 down 0.75% after an 8% drop in LVMH following quarterly results and cautious commentary from its CEO. Commodity strength supported industrial metals, while AI-linked corporate spending remained a dominant theme across earnings. The dollar steadied after its sharpest daily drop since August 1. The dollar index rose 0.24% to 96.45 but pared gains after the Fed statement. The euro fell to USD1.1947 after breaching USD1.20 the previous day. The dollar strengthened to 153.53 against the yen and sterling weakened to USD1.38. Precious metals continued to rally. Gold hit a record above USD5,300/oz (scaling above USD5,500/oz on Thursday), supported by geopolitical tensions. Silver also surged but gains moderated compared to those in gold. Oil prices climbed, with WTI up 1.31% to USD63.21/bbl and Brent up 1.23% to USD68.40/bbl after reaching a four-month high, as winter storms disrupted US production and halted Gulf Coast exports.

### What's next

Thursday brings a broad set of macro releases across regions. In the Americas, Canada and the US publish November trade data, and the US releases November factory orders. In Europe, Sweden publishes flash Q4 GDP and announces its Riksbank rate decision. Switzerland releases December trade data, Türkiye publishes December unemployment, and the eurozone releases January economic sentiment and final consumer confidence readings. Italy publishes November industrial sales and Spain releases January business confidence. South Africa announces its SARB interest rate decision. In Asia, Malaysia observes a market holiday. New Zealand releases December trade data, the Philippines publishes Q4 GDP, and Japan releases January consumer confidence. Corporate earnings accelerate with results from Apple, Caterpillar, Deutsche Bank, Blackstone, Mastercard, Visa, Samsung Electronics, SAP, Honeywell, Lockheed Martin, International Paper, and many others across the US, Europe, and Asia. UK Prime Minister Starmer arrives in Beijing for a three-day visit that includes a meeting with President Xi.

**Mohammed Al Hemeiri**

Senior Specialist

Tel: +971 (0)2 812 6450

[mohammed.alhemeiri@adcb.com](mailto:mohammed.alhemeiri@adcb.com)

**Kishore Muktinutalapati**

Head - Investment Strategy

Tel: +971 (0)2 812 6457

[kishore.muktinutalapati@adcb.com](mailto:kishore.muktinutalapati@adcb.com)

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## Global markets' performance snapshot

Performance snapshot*				
Rates	Latest	1D (bp)	1M (bp)	3M (bp)
SOFR	3.66	0.00	0.00	-65.00
UAE Eibor 3m	3.58	9.26	-5.35	-23.30
UAE Eibor 12m	3.64	-7.57	-0.35	-3.93
US 3m Bills	3.67	2.03	3.14	-12.69
US 10yr Treasury	4.24	0.00	10.97	26.76
German 10yr Bund	2.86	-1.80	-0.50	23.40
UK 10yr Gilt	4.54	1.90	3.70	14.40
Fixed Income		1D (%)	1M (%)	3M(%)
Global Agg. Index	507	0.06	1.03	0.81
Global Treasuries	211	0.08	0.99	0.45
Global Corporate	307	0.01	0.92	0.82
EM USD Sovereign	460	-0.05	0.45	1.08
EM LCY Sovereign	165	0.37	1.61	2.63
Global High Yield	1,883	-0.05	1.22	2.33
Currencies				
Dollar Index	96.45	0.24	-1.56	-2.25
EUR USD	1,1941	-0.33	1.35	2.38
GBP USD	1,3789	0.01	1.92	3.86
USD JPY	153.53	0.50	-1.57	0.89
Equities				
S&P 500	6,978	-0.01	0.66	1.26
Dow Jones	49,016	0.02	0.58	2.74
NASDAQ	23,857	0.17	1.03	0.13
STOXX 600	609	-0.75	3.37	5.69
DAX	24,823	-0.29	1.98	2.24
Nikkei 225	53,359	0.05	5.85	6.25
FTSE 100	10,154	-0.52	2.87	4.72
SENSEX	82,345	0.60	-3.59	-2.70
Hang Seng	27,827	2.58	7.78	5.62
MSCI World	4,553	-0.17	1.75	2.86
MSCI EM	1,557	1.83	11.86	10.99
Regional Equities				
ADX	10,394	0.37	3.61	2.25
DFM	6,514	0.75	6.06	7.32
Tadawul*	11,458	0.67	10.56	4.06
DSM*	11,373	0.78	5.45	6.76
MSM30*	6,361	1.44	7.11	13.63
BHSE*	2,052	0.11	-0.71	1.04
KWSE*	8,725	-0.83	-1.41	-1.05
Commodities				
BBG Commodity Index	122.9	1.25	10.34	15.77
Brent USD/bbl	68.40	1.23	9.90	6.21
WTI USD/bbl	63.21	1.31	8.33	5.09
Gold USD/t oz	5,298.0	4.26	18.28	33.70
Silver USD/t oz	116.7	4.12	62.37	147.97
Platinum USD/t oz	2,702.0	1.80	19.73	70.00
Aluminum	3,247.9	1.55	10.31	12.43
Copper USD/MT	12,994.0	0.11	6.05	19.03
Digital Assets				
Bitcoin	89,277.2	0.36	1.63	-20.88
Ether	3,017.1	0.18	2.44	-24.20
Solana	125.4	-1.24	1.79	-34.89
XRP	1.9	0.10	2.54	-26.25
Volatility				
VIX	16.35	0.00	21.38	-0.43
MOVE	57.43	2.33	-3.45	-14.67

Source: Bloomberg, and ADCB Asset Management | Notes: \*Data as at 8AM UAE time - January 29, 2026 unless stated otherwise. Performance in local currency.

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