

# Weekly Market Wrap

Week Ending 13<sup>th</sup> February 2026



[Office@giagcc.com](mailto:Office@giagcc.com)

## Executive Summary

Global markets transitioned into a higher-volatility regime during the week as AI-related disruption concerns broadened across sectors, even as macro fundamentals remained supportive. Softer US inflation increased demand for Treasuries as markets raised expectations of Fed easing, creating a supportive policy backdrop even as growth equity valuations continued to adjust.

### Key Themes

- **AI Anxiety & Volatility:** Selling broadened beyond mega-cap tech into financials and cyclicals, with the NASDAQ -1.4% WoW and VIX rising to 21, reflecting valuation compression and sector rotation rather than systemic stress.
- **Inflation Moderates as Growth Holds:** US CPI eased to 2.4% YoY (0.2% m/m) while payrolls rose 130k and unemployment fell to 4.3%, driving a 15bps decline in the 10Y yield to 4.04% and reinforcing expectations of gradual Fed easing, not recession.
- **Japan Political Clarity:** The LDP's supermajority victory supported a 4.96% WoW rally in the Nikkei despite yen appreciation (-2.9%), with stable JGB yields (~2.22%) signaling orderly normalization.
- **Commodity Divergence:** WTI Crude Oil fell 1% to \$63 on OPEC+ supply and US-Iran developments, while gold rose 1.6% to \$5,042 as lower yields supported rate-cut expectations, highlighting positioning shifts rather than demand weakness.

## Asset Class Performance

### Equity Market

	Week ending >>>			
	6-Feb-26	13-Feb-26	YTD Returns	Growth for the week
<b>Equity Indices</b>				
S&P 500 (USD)	6,932.3	6,836.2	(0.3%)	(1.4%)
Nasdaq (USD)	25,075.8	24,732.7	(1.9%)	(1.4%)
Dow Jones (USD)	50,115.7	49,500.9	2.3%	(1.2%)
Sensex (INR)	83,580.4	82,626.8	(3.7%)	(1.1%)
Stoxx 600 (EUR)	617.1	617.7	3.6%	0.1%
Nikkei (JPY)	54,253.7	56,942.0	13.1%	5.0%
Hang Seng (HKD)	26,560.0	26,567.1	0.9%	0.0%

- **US Equities:**
  - US equities declined as AI disruption concerns widened beyond mega-cap technology following the launch of Anthropic's Claude Opus 4.6, which heightened fears around enterprise automation and software margin compression; the "Magnificent 7" fell ~2% WoW (~7% YTD), while VIX rose to 21, reflecting broader valuation recalibration.
  - Weakness spread into financials, REITs, and transport despite resilient macro data (payrolls +130k; unemployment 4.3%) and moderating inflation (CPI 2.4% YoY), underscoring positioning and growth sensitivity rather than economic deterioration.
  - Softer inflation pushed yields lower, but expectations of slower nominal growth and AI-driven earnings uncertainty limited multiple expansion, reinforcing rotation toward defensives over high-duration growth.
- **Sensex:**
  - Indian equities corrected modestly following the prior week's sharp rebound (+3.5%), reflecting consolidation rather than a structural shift in trend.
  - The pullback was largely externally driven, as global risk sentiment deteriorated amid AI-related volatility in US markets, which spilled over into emerging markets.
- **Stoxx 600:**
  - Reached new intraweek highs but closed broadly flat amid global volatility spillover from US tech.
  - Eurozone GDP grew 0.3% QoQ (1.5% YoY), supporting regional earnings outlook.
  - Sovereign yields declined (German 10Y -11bps to 2.75%), underpinning valuations.
- **Nikkei:**
  - Outperformed globally following Japan's lower house election, where the ruling LDP secured a supermajority, reducing policy uncertainty.

- The rally occurred alongside yen appreciation (USD/JPY -2.9% to 152.7), indicating domestic equity strength rather than FX-driven export tailwinds.
- Stable JGB yields (~2.22%) confirm gains were not liquidity-induced but politically and structurally supported.
- **Hang Seng:**
  - Remained range-bound amid limited new stimulus signals and mixed regional risk sentiment.
  - Stability in mainland indices (CSI 300 +0.39%) helped offset US-driven volatility.
  - Investor participation remains selective, with conviction restrained by policy visibility.

## Credit Market

Week ending >>>				
	6-Feb-26	13-Feb-26	YTD Returns	Growth for the week
<b>Interest Rates (10Yr)</b>				
US Bond Yield (%)	4.2	4.0	(3.4%)	(3.7%)
JGB yield	2.2	2.2	8.3%	0.1%

- **US Bond Yield:**
  - The benchmark yield declined 15bps following softer January CPI (2.4% YoY), reinforcing expectations that the Federal Reserve is moving closer to an easing cycle, with positioning also building ahead of the upcoming FOMC Meeting Minutes, even though the labor data remained firm (payrolls +130k; unemployment 4.3%).
  - The rally in duration occurred alongside rising equity volatility (VIX 21), indicating a partial flight-to-quality bid rather than recession pricing.
  - The move reflects recalibration toward gradual policy normalization, with long-end yields responding more to inflation moderation than to growth deterioration.
- **JGB Yield:**
  - The 10-year JGB yield was broadly unchanged at ~2.22%, indicating that Bank of Japan normalization expectations remain orderly and fully digested by markets.
  - The 10Y JGB held steady at ~2.22% (-1bp WoW) even as US Treasuries rallied 14bps to 4.04%, indicating that Japan's curve is being anchored by domestic policy expectations, specifically the Bank of Japan's gradual normalization path, rather than reacting mechanically to global duration flows.
  - The contained bond volatility provided a stable backdrop for equities, with the Nikkei rallying +4.96% during the week, reflecting political clarity rather than monetary stimulus.

## Currencies

Week ending >>>				
	6-Feb-26	13-Feb-26	YTD Returns	Growth for the week
<b>Currency</b>				
EUR/USD	1.1815	1.1868	1.3%	0.4%
GBP/USD	1.3611	1.3651	1.4%	0.3%
USD/INR	90.6625	90.6400	0.5%	(0.0%)
CHF/USD	1.2887	1.3023	3.2%	1.1%
USD/JPY	157.2200	152.7000	(2.6%)	(2.9%)

- **Currencies:**
  - EUR/USD (+0.4% to 1.1868) and GBP/USD (+0.3% to 1.3651) strengthened as softer US CPI (2.4% YoY) and a 14bps decline in the US 10Y yield (to 4.04%) pressured the dollar; the move reflects narrowing short-term rate differentials rather than euro- or UK-specific catalysts.
  - USD/JPY (-2.9% to 152.7) marked the most significant FX move of the week, driven by yield compression in the US and post-election stability in Japan; with JGB yields broadly flat (~2.22%), the adjustment was primarily USD-driven rather than a shift in BoJ policy expectations.
  - USD/INR (flat at ~90.64) remained stable despite global equity volatility, indicating balanced capital flows and limited domestic stress, while CHF outperformed modestly amid rising risk aversion (VIX 21), reflecting mild defensive positioning rather than systemic flight-to-safety.

## Commodities & Other

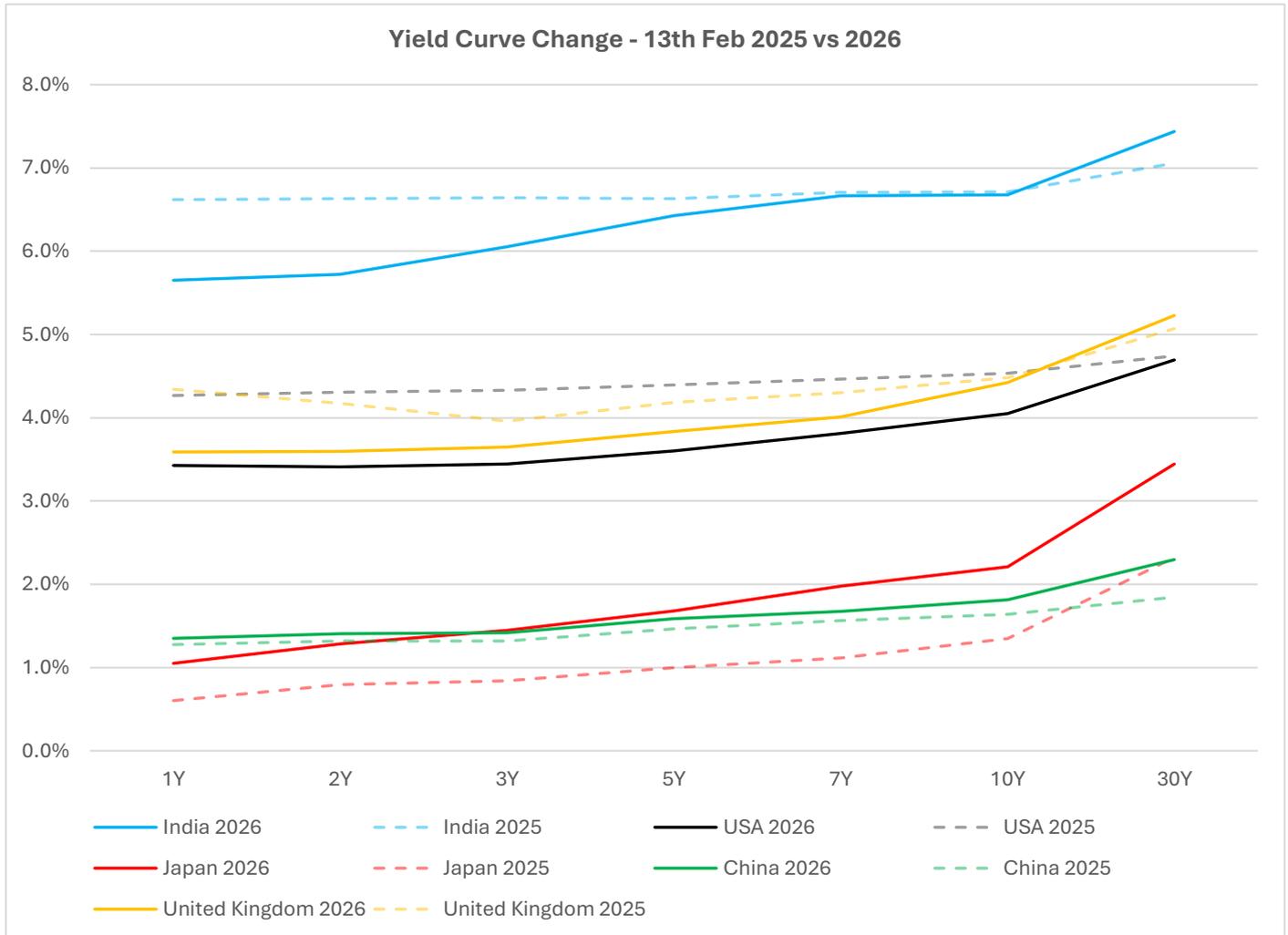
Week ending >>>				
	6-Feb-26	13-Feb-26	YTD Returns	Growth for the week
<b>Commodities &amp; Crypto</b>				
Gold (USD per troy ounce)	4,964.4	5,042.0	16.4%	1.6%
Silver (USD per troy ounce)	77.8	77.4	6.3%	(0.5%)
Oil (USD per barrel)	63.6	62.9	9.7%	(1.0%)
Bitcoin (USD)	70,312.8	68,864.0	(24.4%)	(2.1%)
Natural Gas (Henry Hub)	3.4	3.2	(10.4%)	(5.2%)
Copper (US cents per pound)	588.2	580.3	2.0%	(1.3%)
Aluminum (USD per metric tonne)	3,069.7	3,043.0	1.5%	(0.9%)
Wheat (US cents per bushel)	529.8	548.8	8.3%	3.6%
Sugar (US cents per pound)	14.1	13.8	(5.6%)	(2.3%)

- **Gold:**
  - Gold rose 1.6% WoW to 5,042 as the US 10Y yield fell 14bps to 4.04% following softer CPI (2.4% YoY), compressing real yields and strengthening expectations of Fed easing, a historically supportive backdrop for non-yielding assets.
  - The advance occurred despite resilient labor data (payrolls +130k; unemployment 4.3%), indicating that disinflation and rate repricing, rather than growth fears, were the primary drivers of demand.
  - Elevated volatility (VIX 21) alongside ongoing geopolitical uncertainties, including US–Iran negotiations and broader Middle East supply dynamics, supported safe-haven allocation, reinforcing gold’s structural YTD strength.
- **Silver:**
  - Silver diverged from gold, reflecting its higher industrial beta and sensitivity to growth-linked sectors that came under pressure amid AI-driven equity volatility.
  - The softer tone aligns with weakness in base metals and cyclical equities, suggesting demand concerns rather than precious metal liquidation.
  - The divergence highlights selective allocation into monetary hedges (gold) over industrial-linked precious metals.
- **Oil:**
  - Oil posted its second consecutive weekly decline as markets weighed potential OPEC+ supply expansion alongside ongoing US–Iran diplomatic engagement, reducing geopolitical risk premium.
  - Broader risk asset weakness and concerns around AI-driven industrial disruption also contributed to softer sentiment.
  - The decline occurred despite steady global growth data (eurozone GDP +0.3% QoQ), indicating positioning normalization rather than demand collapse.
- **Bitcoin:**
  - Bitcoin ended the week near \$70k, holding within a tight range as derivatives positioning skewed toward downside protection, reflecting cautious sentiment rather than renewed speculative inflows.
  - Price action remained closely correlated with high-beta technology equities, though relative resilience versus the NASDAQ suggests deleveraging pressure has moderated compared to prior weeks.
  - Elevated funding volatility and uneven spot demand indicate positioning normalization following earlier liquidation events, with momentum dependent on broader risk appetite and rate expectations.
- **Natural Gas:**
  - Natural gas extended losses amid seasonal supply dynamics and absence of incremental demand catalysts.
  - Price action reflects fundamental supply overhang rather than macro-driven volatility.
  - Remains the most volatile segment within the energy complex, with pricing heavily influenced by inventory and weather expectations.
- **Copper & Aluminum:**
  - Both base metals softened alongside broader equity volatility, reflecting cautious sentiment toward global industrial demand rather than supply-side disruption.
  - The decline occurred despite stable macro data (US payrolls +130k; eurozone GDP +0.3% QoQ), suggesting positioning recalibration rather than deterioration in manufacturing fundamentals.
  - Yield compression and a weaker USD limited downside, indicating that price action was driven primarily by growth-sensitive risk repricing rather than structural demand weakness.

- **Wheat & Sugar:**

- Agricultural commodities diverged, with wheat advancing on weather-related supply concerns and positioning flows, while sugar extended its retracement as earlier supply risk premia continued to fade.
- The move was largely idiosyncratic and detached from broader macro volatility seen in equities and industrial commodities.
- Price dynamics reflect supply-side adjustments rather than shifts in global consumption trends, with volatility remaining contained relative to energy markets.

## Interest Rate & Yield Curve Shifts



- **United States:** The US curve remains relatively flat but structurally higher YoY at the long end, with the 30Y near ~4.6–4.7% (vs ~4.5% in 2025) and the 10Y at ~4.04% (-14bps WoW); front-end yields remain anchored around ~3.4–3.6%, reflecting moderating inflation (CPI 2.4% YoY) alongside resilient labor data (130k payrolls, unemployment 4.3%), consistent with gradual easing expectations rather than recession pricing.
- **India:** India’s curve has shifted materially upward across maturities, with the 30Y near ~7.4% (vs ~7.0% YoY) and the belly (5Y–10Y) elevated, reflecting resilient domestic growth, sustained fiscal issuance, and firm nominal demand conditions rather than near-term policy tightening.
- **United Kingdom:** The UK curve remains upward-sloping with the 30Y near ~5.2% (vs ~5.0% YoY) despite a recent weekly decline in the 10Y to ~4.42% (-11bps), indicating persistent inflation risk premium and fiscal sensitivity even as markets cautiously price eventual BoE easing.
- **Japan:** Japan shows the most pronounced structural repricing, with the 30Y near ~3.4% (vs ~2.1% YoY) and the 10Y stable at ~2.22%, reflecting continued Bank of Japan normalization and a sustained exit from ultra-loose yield curve control.
- **China:** China’s curve remains comparatively stable YoY, with only modest movements across tenors and long-end yields around ~2.3%, consistent with accommodative policy bias amid subdued inflation and targeted liquidity support.

## Geopolitical News & Impact

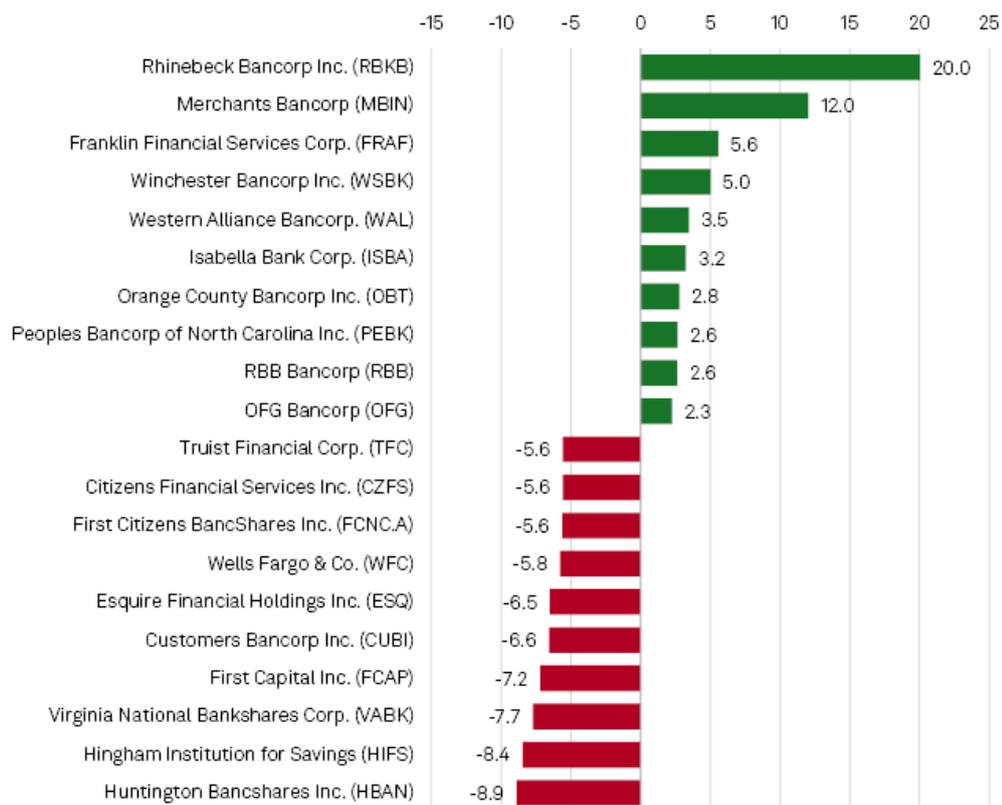
- US Inflation Data Signals Continued Disinflation**
  - January CPI moderated to 2.4% YoY (0.2% m/m), with core inflation at 2.5% YoY, reinforcing the view that price pressures are gradually easing. The release triggered a 14bps decline in the US 10Y Treasury yield to 4.04%, as markets increased expectations for mid-year Federal Reserve easing. The data supported duration assets and gold, but equity response was muted, indicating that while inflation risks are receding, growth sensitivity and valuation concerns remain dominant.
- US Labor Market Remains Resilient**
  - January nonfarm payrolls rose 130,000, private payrolls increased 172,000, and the unemployment rate fell to 4.3%, marking a clear improvement versus subdued hiring trends in 2025. The data confirmed that economic activity is cooling but not contracting, limiting aggressive recession pricing in rates markets. The implication is a Fed that can ease gradually rather than urgently, anchoring the front end of the curve while keeping equity volatility elevated.
- Japan Election Delivers Political Stability**
  - Prime Minister Sanae Takaichi's Liberal Democratic Party (LDP) secured a supermajority in the February 8 lower house election, reducing policy uncertainty and reinforcing reform continuity. Japanese equities responded strongly, with the Nikkei rising 4.96% WoW, despite yen appreciation. The result strengthens confidence in Japan's structural normalization path, supporting domestic equities without triggering bond market instability (10Y JGB ~2.22%).

## Thematic Observations

- US bank stocks lag broader markets on AI disruption concerns**

### Best-, worst-performing US bank stocks

Total return calculated from Feb. 6, 2026, to Feb. 12, 2026 (%)



Data compiled Feb. 13, 2026.

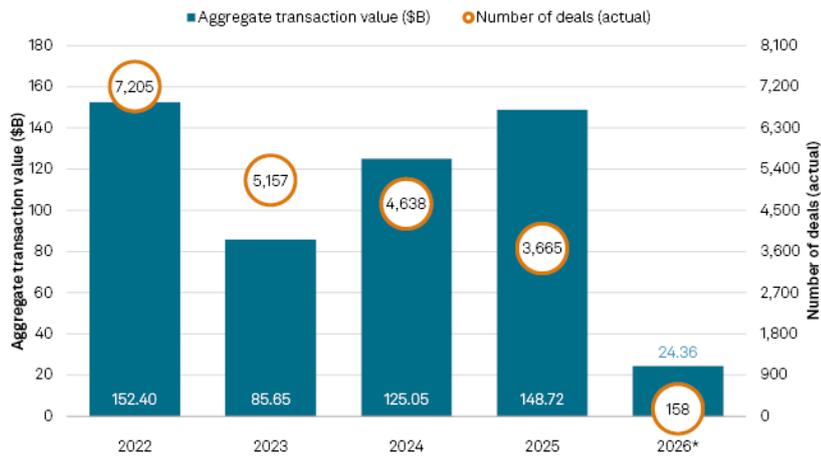
Includes public banks that have a primary listing on major US exchanges with a market capitalization greater than \$100 million as of Feb. 12, 2026.

Source: S&P Global Market Intelligence.

© 2026 S&P Global.

- Private equity's volume of software deals slowed as AI risks grew

PE/VC-backed investments in application software, 2022–2026



Data compiled Feb. 10, 2026.

PE/VC = private equity or venture capital.

\* Year to date through Jan. 31, 2026.

Analysis includes global whole-company acquisitions, minority stake acquisitions, and asset acquisitions, and rounds of funding announced between Jan. 1, 2022, and Jan. 31, 2026, where the buyer/investor in the deal is or includes a private equity or venture capital firm, and where the target's primary industry is classified by S&P Global Market Intelligence as application software.

Excludes terminated deals and add-on acquisitions.

Source: S&P Global Market Intelligence.

© 2026 S&P Global.

## Disclaimer

This material has been prepared by Global Institutional Advisors, incorporated in UAE and trading as Global Institutional Advisors ("GIA"), and is intended only for informational purposes. It should not be considered as investment advice, investment research, a sales prospectus, or an offer or solicitation to engage in any investment activity. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this material. This material has been created solely to provide information on your investment portfolio based on the information provided to us. Redistribution of this material, in whole or in part, is prohibited without the prior written consent of GIA, and GIA accepts no liability for the actions of third parties in this regard.