CIO Office Morning Notes

13 January 2026

US Treasuries closed Monday with modest losses, steepening the yield curve after news of a federal criminal investigation into the US central bank dampened sentiment. Congressional members quickly expressed support for the Fed's independence, with Senator Thom Tillis (R-NC) vowing to block any FOMC nominations until the investigation is resolved. Yields rose by 1–3 basis points across the curve, though strong 3-year and 10-year auctions provided some relief. NY Fed Chair Williams noted that monetary policy is well-positioned to stabilise the labour market, suggesting rates may remain unchanged at the upcoming 28 January meeting. Attention now turns to the December US CPI figures to be released today, with a Bloomberg survey projecting both headline and core inflation at 2.7%.

The S&P 500 and Nasdaq posted modest gains of 0.1% and 0.2% respectively, with consumer staples and materials leading sector performance. Alphabet reached a $4 trillion valuation, joining Microsoft, Apple, and Nvidia in this exclusive group. The US earnings season commences today, featuring reports from JPMorgan, BNY Mellon, and Delta Air Lines. Credit card business at US banks is under scrutiny following President Trump's call to cap annual credit card interest rates below 10%. Meanwhile, President Trump also threatened a 25% tariff on goods from any nation trading with Iran, effective immediately.

The UAE banks, spearheaded by Emirates NBD and FAB, maintain a leading position in sustainable finance across MENA-based lenders, underpinned by robust deployment in green bonds, sustainability-linked instruments, and loans. This momentum is bolstered by the UAE Banking Federation's ambitious 1 trillion-dirham sustainable finance target by 2030. By 2025, Emirates NBD had already mobilised $16.5 billion through labelled loans, bonds, and sukuks, surpassing the halfway mark towards its 2030 goal. Today, the bank is advancing innovation by issuing the region's first digital AED-denominated bond today.

Markets this morning:

The Nikkei 225 advanced 3% amid speculation of an early general election, while the yield on 30-year JGBs climbed 12 basis points to 3.52%. Defence and nuclear sectors outperformed. Hong Kong equities rose 1.2%. Meanwhile, China is stepping up the taxation of undeclared overseas assets as it seeks to address its widening fiscal gap, leveraging big data to identify individuals with offshore income and requiring self-declaration for the period 2022–2024. The US 10-year Treasury yield remained steady at 4.18%. Gold and silver eased slightly from their recent highs, at $4,590 and $85 respectively. Brent Crude extended its gains, reaching $63.9.

Upcoming key events/data:

In addition to the US CPI data and JP Morgan's 2025 result announcement, today's economic calendar includes the release of New Home Sales figures and the NFIB Small Business Optimism Index. Dubai's latest inflation statistics are also scheduled for publication. Furthermore, Federal Reserve officials Musalem and Barkin are expected to deliver remarks later in the day.

Have a good day!

Chief Investment Office
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