

Weekly Newsletter

January 30th, 2026

MUSINGS

"The investor's chief problem - and even his worst enemy - is likely to be himself."

— Benjamin Graham

LAST WEEK IN THE MARKETS

	Closing level	Weekly change	YTD change
S&P 500	6,939.02	0.34%	1.37%
Nasdaq Composite	23,461.82	-0.17%	0.95%
10Y UST Yield	4.239	0.19%	1.56%
Crude oil	65.73	7.24%	8.30%
Gold	4,895.11	-1.87%	6.57%
DXY	97.14	-0.32%	-1.18%
USD/INR	91.64	0.01%	2.08%
Euro STOXX 50	5,937.84	-0.23%	-2.15%
India (Nifty)	25,709.85	1.09%	-3.10%
Japan (Nikkei)	53,438	1.24%	6.16%
China (CSI 300)	4,706.34	0.08%	1.65%
Saudi (TASI)	11,382	2.23%	8.50%
Abu Dhabi (ADX)	10,281.76	-0.04%	2.89%
Dubai (DFM)	6,453.35	-0.76%	6.42%

NEWS FROM THE MARKETS

- The U.S. corporate earnings season moved into high gear last week, highlighted by a stark divergence in performance across major tech players and surprising strength in traditional industries. **The S&P 500's blended earnings growth rate for Q4 climbed to 11.9%, marking the fifth consecutive quarter of double-digit gains.**
- The "Magnificent Seven" results were a mixed bag. **Meta was the week's clear victor, surging 10.4% after reporting robust revenue growth and record-breaking ad impressions. Conversely, Microsoft shares plunged 10% - its worst day in a year - as concerns over slowing cloud growth**

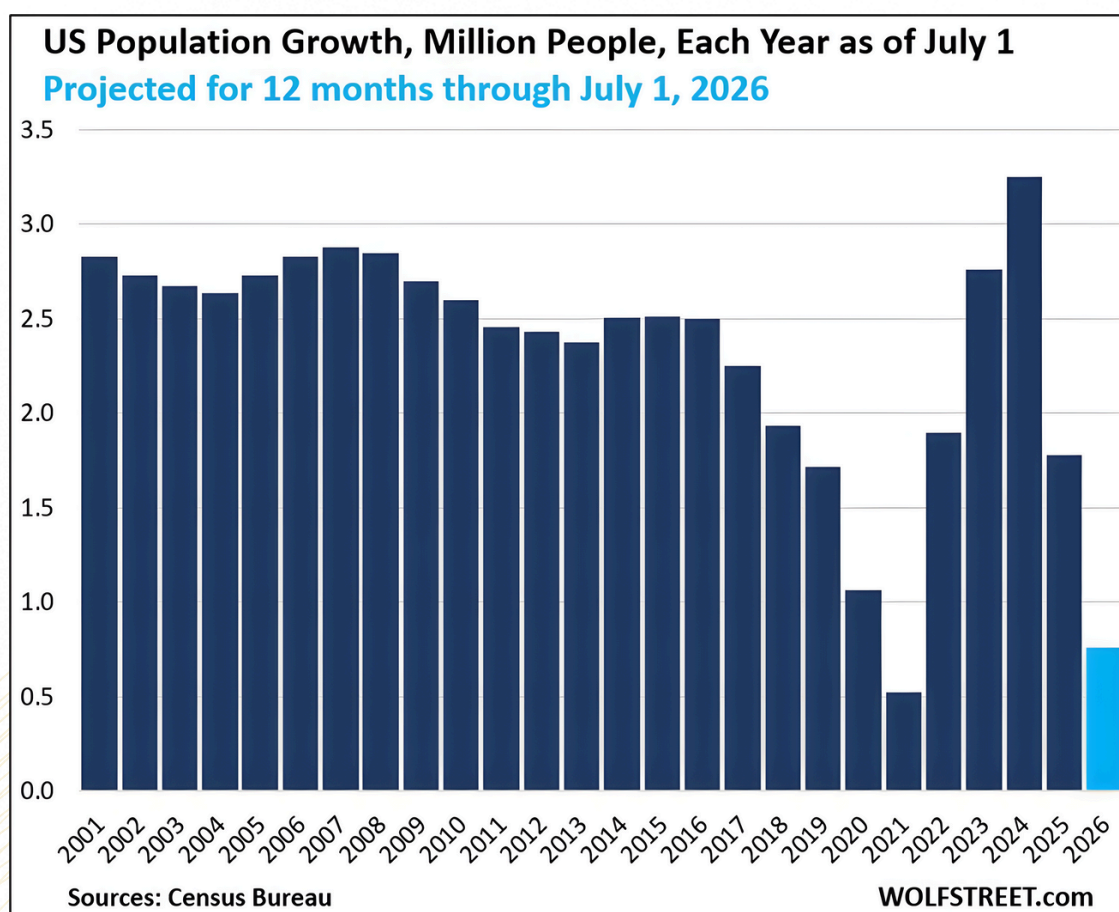
overshadowed an otherwise solid beat. Apple provided a late-week boost, hitting record revenue of \$143.8 billion fueled by unprecedented iPhone demand.

- The Industrials sector emerged as a surprise heavyweight. Significant positive surprises from Boeing and GE Vernova helped push the sector's blended growth rate to a staggering 25.6%, up from near-zero estimates at the start of the month. Caterpillar and Honeywell also posted gains following solid reports.
- Overall, **investors are increasingly demanding "perfection" from AI-adjacent firms**, punishing any guidance that suggests a cooling in infrastructure spending.
- The most dramatic action occurred in gold and silver. **Early in the week, both metals hit psychological milestones**, with gold testing \$5,600/oz and silver shattering record highs above \$120/oz. **However, by January 30, a massive sell-off erased billions in market cap. Gold slumped over 10% from its peak, while Silver suffered its worst daily percentage drop in modern history** - plunging as much as 30% to roughly \$76/oz as overleveraged "long" positions were forcibly unwound.
- The USD, on the other hand, had a good recovery, ending the week close to where it started. This included against the Japanese Yen, which saw significant volatility during the week.
- **President Trump has nominated former Federal Reserve governor Kevin Warsh to lead the central bank.** Warsh has argued for lower interest rates on the belief that AI will significantly boost productivity and push down inflation, but historically, his views have tended to skew toward higher rates and "tighter" policy. Notably, he has consistently criticized the Fed's bond-buying programs outside of their use during the financial crisis.
- **The Senate passed a deal Friday evening to avert a government shutdown** but the bill requires House approval, meaning the government is set for a partial government shutdown beginning at midnight which is set to last at least a few days.
- **Nvidia's plan to invest up to \$100 billion in OpenAI to help it train and run its latest artificial intelligence models appear to have stalled** after some inside the chip giant expressed doubts about the deal. In September, the chipmaker had announced plans to invest up to \$100 billion in OpenAI in a deal that would have given it the cash and access it needs to buy advanced chips that are key to maintaining its dominance in an increasingly competitive landscape. It is understood that the companies are rethinking the future of their partnership, and the latest discussions include an equity investment of tens of billions of dollars as part of OpenAI's current funding round. At the same time, Amazon is considering investment of up to \$ 50 billion, though details are still unclear.
- Sunday was unusual for Indian markets, not only because the BSE Sensex slipped more than 1,500 points and the NSE Nifty fell nearly 2%, but also because it marked Finance Minister Nirmala Sitharaman's ninth consecutive Union Budget speech, delivered on a Sunday for the first time. At its core, the Budget seeks a delicate balance: steering India's finances toward consolidation while keeping growth engines running. The fiscal deficit is pegged at 4.3% of GDP for FY2027BE - about ₹17 trillion - a number that signals prudence, backed by realistic revenue projections and disciplined spending. Beyond numbers, the Budget carries clear policy signals. **Buybacks will now be taxed, STT on F&O transactions is higher, and targeted incentives are on the table for sectors like electronics, bio-pharma, data centres, and lithium-ion manufacturing. Foreign investors are given easier access to listed equities, a move that could deepen participation and liquidity over time.**

KEY ECONOMIC EVENTS COMING THIS WEEK

February 2nd	<ul style="list-style-type: none"> US Manufacturing PMI (Jan) Palantir, Walt Disney earnings
February 3rd	<ul style="list-style-type: none"> US JOLTs Job Openings (Dec) AMD, Merck, PepsiCo, Pfizer, PayPal earnings
December 11th	<ul style="list-style-type: none"> US Services PMI (Jan) Alphabet, Eli Lilly, Novo Nordisk, AbbVie, Qualcomm, Uber, Boston Scientific earnings
December 12th	<ul style="list-style-type: none"> Euro Area Interest Rate Decision Amazon, ConocoPhillips, Roblox, Reddit, Shell, Unilever, BNP Paribas, Bharti Airtel, earnings
	<ul style="list-style-type: none"> US Jobs Data (Jan) US Consumer Sentiment Phillip Morris, Societe Generale earnings

CHART OF THE WEEK



The total US population rose by +1.78 million people in the 12 months ending July 1st, 2025, to nearly 342 million people. This marks the first decline in population growth since 2021. The total population is expected to increase just +756,600 for the 12 months ending July 2026. This would mark the slowest annual population growth this century

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