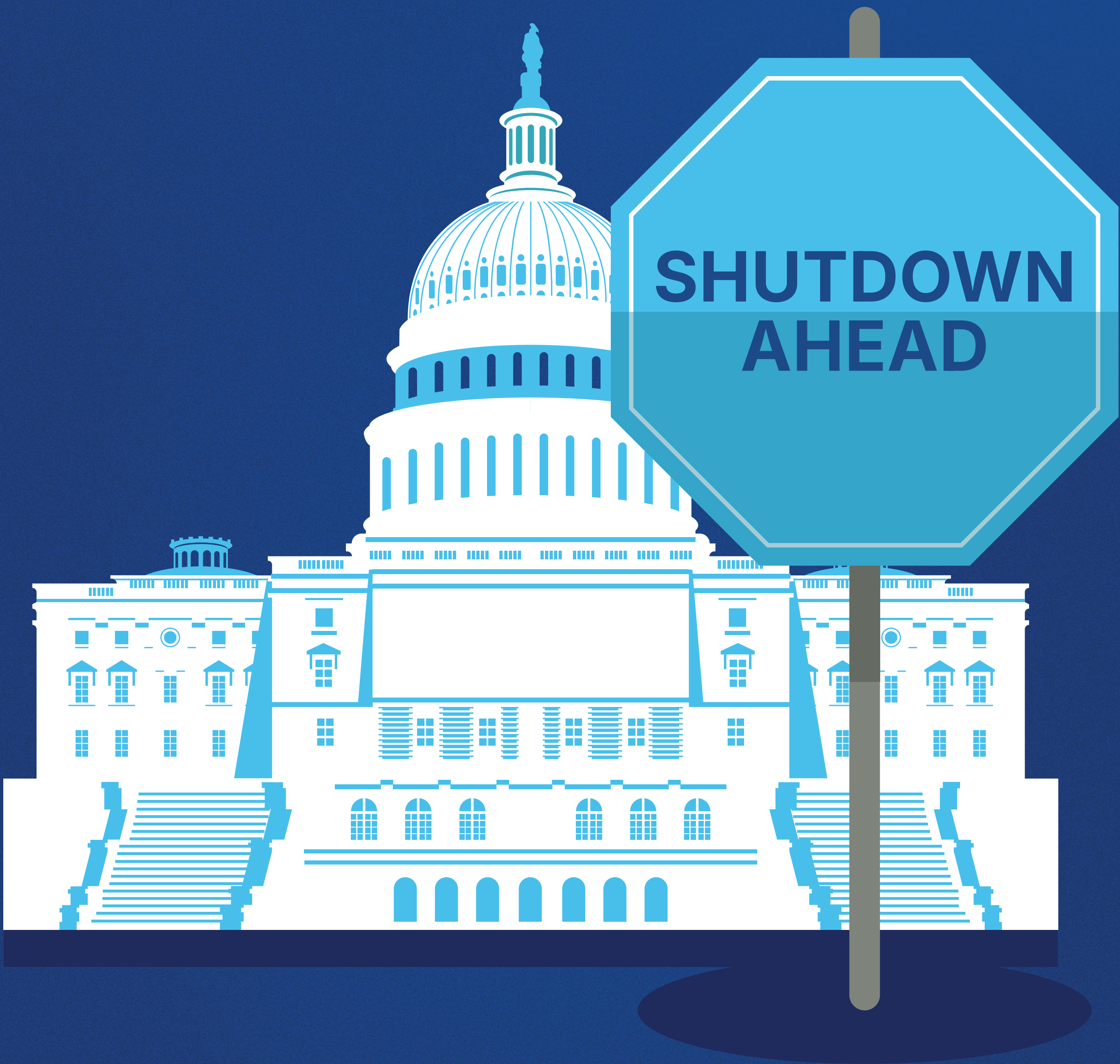
ZITAPLUS

WEEKLY BULLETIN

2 — 6 FEB 2026
NO: 26

IS WASHINGTON DRIFTING TOWARD ANOTHER SHUTDOWN?



ZITA PLUS

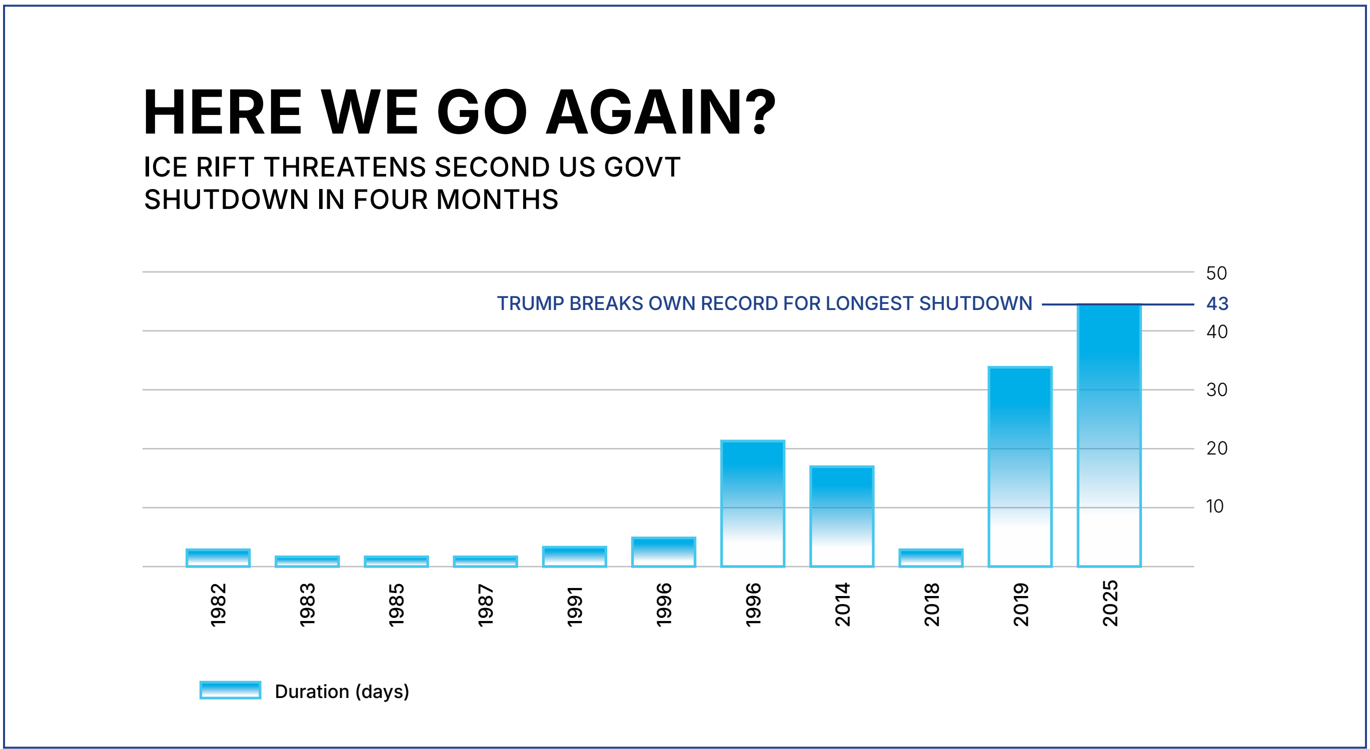
ECONOMIC CALENDAR • TECHNICAL ANALYSIS
JOBS ADVANCE, CONFIDENCE HESITATES ACROSS EUROPE
PRECIOUS METALS' BLACK FRIDAY COLLAPSE • AND MORE...

Contents

TIME	CUR.	EVENT	ACTUAL	FORECAST	PREVIOUS
MONDAY, FEBRUARY 2					
18:45	US	S&P Global Manufacturing PMI (Jan)	52.4	51.9	51.8
19:00	US	ISM Manufacturing Prices (Jan)	59.0	59.3	58.5
19:00	US	ISM Manufacturing PMI (Jan)	52.6	48.5	47.9
TUESDAY, FEBRUARY 3					
18:45	US	JOLTS Job Openings (Dec)		7.230M	7.146M
WEDNESDAY, FEBRUARY 4					
14:00	EU	CPI (YoY) (Jan)		1.7%	1.9%
17:15	US	ADP Nonfarm Employment Change (Jan)		46K	41K
18:45	US	S&P Global Services PMI (Jan)		52.5	52.5
19:00	US	ISM Non-Manufacturing Prices(Jan)		-	64.3
19:00	US	ISM Non-Manufacturing PMI (Jan)		53.5	54.4
19:30	US	Crude Oil Inventories		-	-2.295M
THURSDAY, FEBRUARY 5					
16:00	UK	BoE Interest Rate Decision (Feb)		3.75%	3.75%
17:15	EU	Deposit Facility Rate (Feb)		2.00%	2.00%
17:15	EU	ECB Interest Rate Decision (Feb)		2.15%	2.15%
17:30	US	Initital Jobless Claims		213K	209K
17:45	EU	ECB Press Conference		-	-
FRIDAY, FEBRUARY 6					
17:30	US	Average Hourly Earnings (MoM) (Jan)		0.3%	0.3%
17:30	US	Nonfarm Payrolls (Jan)		67K	50K
17:30	US	Unemployment Rate (Jan)		4.4%	4.4%

GMT+4 DUBAI TIME

IS WASHINGTON DRIFTING TOWARD ANOTHER SHUTDOWN?



Concerns over a potential U.S. government shutdown are returning as lawmakers once again struggle to align on federal spending plans. With funding deadlines approaching and partisan divisions still unresolved, attention has shifted back to Capitol Hill, where signs of compromise remain scarce.

BUDGET IS SIMPLE, POLITICS IS NOT

At the core of the standoff is Congress’s obligation to pass legislation that keeps federal agencies running. When budget talks stall, shutdowns become a real risk, forcing parts of the government to suspend operations. Past episodes have shown that even brief closures can disrupt public services, delay payments, and place federal employees on temporary leave, all while denting confidence.

Negotiations have been complicated by disputes over spending priorities, border policy, defense allocations, and social programs. Tensions between Republicans and Democrats persist, while internal divisions within both parties continue to slow progress. Although leadership on both sides says a shutdown should be avoided, behind-the-scenes momentum has been inconsistent.

CAUTION SHOWS UP IN PRICES

Shutdown risks usually translate into short-term volatility rather than structural damage. U.S. equities have historically seen modest pullbacks during shutdown periods, with losses often reversed once funding is restored. Still, extended uncertainty can weigh on sentiment, particularly if it overlaps with inflation concerns or central bank policy decisions.

DURATION IS THE DECIDING FACTOR

The economic impact ultimately hinges on how long a shutdown lasts. A short disruption may leave only a light footprint, while a prolonged closure could slow growth, interrupt government contracts, and weaken consumer and business confidence. Delays in key economic data releases would also reduce visibility for market participants, adding another layer of uncertainty. Congressional signals and budget talks now sit at the center of market focus. While the risk of another shutdown is real, many analysts expect political pressure to drive a compromise, possibly just before the deadline, as has often been the case.

EURUSD

EURO HOLDS NEAR FOUR-YEAR HIGHS

The Euro remains steady above 1.1800, lingering near last week's four-year peak. Investors anticipate the ECB will hold interest rates steady this Thursday, mirroring the Federal Reserve. Policymakers are currently weighing the impact of a weaker dollar and cheap Chinese imports on inflation. While the Eurozone remains resilient, officials warn that further currency strength could spark calls for future rate cuts.

Technically, 1.1770 can be watched as a short-term support level. Following that, 1.1730 is critical. Above, there is a resistance zone at 1.1850/1.1890.

Key Levels

- **Narrow Range:** 1.1770- 1.1850
- **Wide Range:** 1.1730- 1.1890

XAUUSD

GOLD REBOUNDS PAST $4,920

Gold surged over 5% to top $4,920 on Tuesday as buyers capitalized on the recent selloff. Prices had tumbled nearly 5% on Monday, the steepest daily drop in a decade, following the hawkish nomination of Kevin Warsh for Fed Chair. Despite this volatility, bullion remains supported by central bank buying, fiscal debt concerns, and geopolitical tension.

The $4,500 level (50-day Simple Moving Average) is a vital floor. A structural breakdown is unlikely without a daily close below this mark.

Key Levels

- **Narrow Range:** $4,660–$4,950
- **Wide Range:** $4,500–$5,090

XAGUSD

SILVER RECLAIMS $87 LEVEL

Silver recovered after a violent two-session plunge, climbing back above $87 to compensate for recent losses. The metal hit record highs in January due to safe-haven demand and strong Chinese buying, but the rally reversed on January 30 after the hawkish nomination of Kevin Warsh for Fed Chair. This sparked a rapid speculative exit, though fresh dip-buying is now providing support.

The resistance sits at $85.20, with a critical hurdle at $92.90. On the downside, the $70–$71 zone serves as key support.

Key Levels

- **Narrow Range:** $81.10–$88.00
- **Wider Range:** $78.70–$91.50

BTCUSD

BITCOIN STABILIZES NEAR $78,500

Bitcoin is acting as a mirror for the global economy right now. Its price moves based on how much cash is flowing through the markets and what central banks are doing with interest rates. Currently, we are seeing a period of calm rather than a wild "risk-on" rally. High interest rates are keeping a lid on big gains, but because there have not been any scary new rate hikes, the price is not crashing further either.

The $70,000 mark is the level to watch. If Bitcoin falls below this, investors might lose their nerve, which could lead to a much faster selloff.

Key Levels

- **Resistance:** $70K–$85K
- **Support:** $53K–$98K

JOBS ADVANCE, CONFIDENCE HESITATES ACROSS EUROPE

Fresh data from Europe reveal a clear split between how households feel and how labor markets are actually performing. Employment trends are improving in parts of the region, yet confidence among consumers remains hesitant, pointing to a recovery that is progressing unevenly beneath the surface.

69.08M	+0.8%	7.7%	+0.5%
POPULATION	INFLATION	UNEMPLOYMENT	GROWTH

FRANCE: RELIEF FEELS DISTANT FOR CONSUMERS

In France, consumer confidence remained unchanged at 90 in January, well below the long-term norm of 100. Households expressed slightly better expectations for their future financial situation, but views on both past and future living standards stayed firmly negative. Willingness to make major purchases continued to sit in contractionary territory, showing persistent restraint in spending behavior.

Price pressure expectations eased modestly, which may offer gradual relief. Still, perceptions around unemployment showed no improvement, keeping concerns over job security intact. Confidence is stabilizing, but not strengthening in a way that would materially support consumption.

49.44M	2.9	2.8	9.93%	58.94
POPULATION	CPI	GDP	UNEMPLOYMENT	ACTIVITY RATE

SPAIN: A CLEAR BRIGHT SPOT IN THE DATA

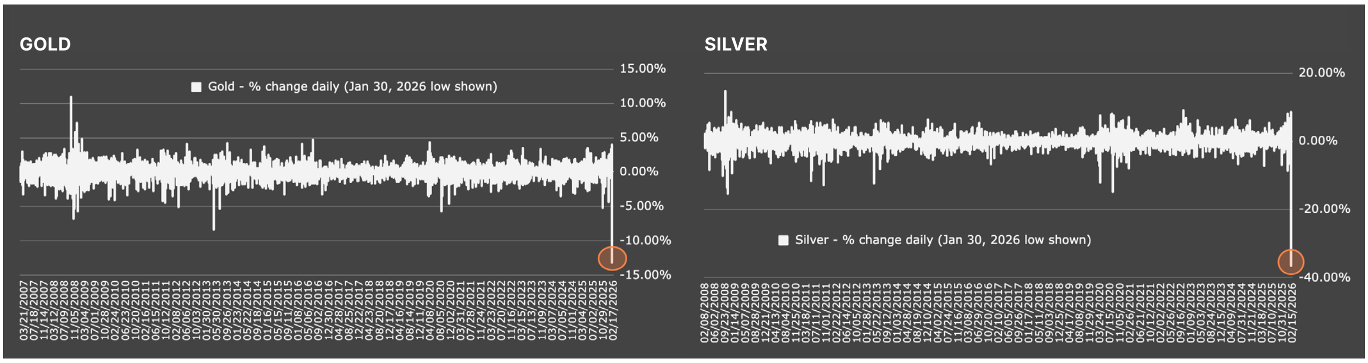
Spain presented a sharply different signal as the unemployment rate fell below 10% for the first time since 2008, marking its lowest level in 18 years. Employment reached a record high, while the number of unemployed dropped decisively, mainly because of private-sector hiring.

Labor market momentum in Spain has gathered pace, offering a tangible contrast to the softer sentiment seen elsewhere in the region.

WHY JOBS ALONE ARE NOT ENOUGH

Stronger employment conditions provide a necessary foundation for growth, but weak household confidence suggests spending may remain limited. Until sentiment begins to align more closely with labor market improvements, economic momentum across the region is likely to stay uneven rather than synchronized.

PRECIOUS METALS' BLACK FRIDAY COLLAPSE



The powerful bull run in precious metals met a sharp reckoning on Friday as both gold and silver suffered an abrupt and aggressive selloff. After months of strong gains driven by central bank buying and inflation hedging, the market became overextended. Technical indicators were stretched, positioning was crowded, and leverage was high. In that environment, even modest selling pressure was enough to trigger a broad liquidation.

GOLD'S STEEPEST DROP IN YEARS

Gold posted one of its largest one-day percentage declines in decades, with losses accelerating during the U.S. session. The move was not sparked by a single geopolitical headline or macro shock. Instead, it reflected the fragility of a one-directional market. Heavy speculative positioning and overstretched charts left prices vulnerable. Early profit-taking quickly escalated into forced selling as stop-loss orders and margin calls were triggered across futures markets. The result was a fast, mechanical unwind that hit late and leveraged buyers hardest.

SILVER'S "AIR-POCKET" COLLAPSE

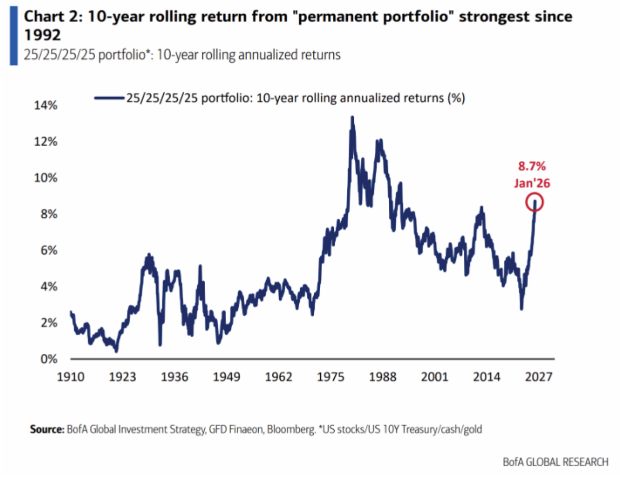
Silver's move was even more severe. Prices plunged nearly 35% intraday, highlighting the metal's structural vulnerability. Silver's smaller market size, thinner liquidity, and high retail participation amplify volatility, especially during risk-off episodes. Once prices broke key technical levels, buying interest disappeared. With little depth on the bid side, the market experienced an "air-pocket" decline, where prices fell rapidly with minimal resistance until significant damage had already occurred.

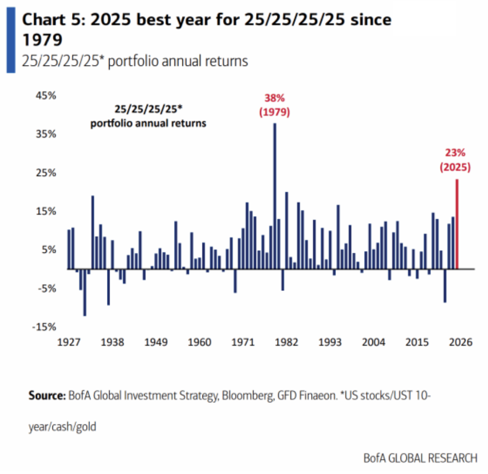
A MOMENTUM RESET

Despite the violence of the selloff, the broader structural case for precious metals remains intact. Many analysts view the move as a necessary reset that flushed out excess leverage rather than a shift in long-term fundamentals. Core drivers such as rising global debt, low real yields, and continued diversification away from the dollar by central banks have not changed. What has changed is positioning. The speculative excess that built up during the rally has been sharply reduced.

Attention now turns to stabilization. Markets are likely to enter a volatile, range-bound phase as prices search for new support and physical demand re-emerges. While near-term price action may remain uneven, sharp corrections of this kind lead to healthier market structures. By clearing leverage and crowded trades, the selloff may ultimately lay the groundwork for a more sustainable recovery over time.

A WORLD ECONOMY IN TRANSITION





The financial market is going through an important transformation away from the economic model that characterized the past three decades. An era built on deep globalization, subdued inflation, expanding trade links, and steadily declining interest rates is giving way to a more fragmented and politically influenced system. Trade disputes, security considerations, industrial policy, and regional priorities now play a direct role in capital allocation and investment decisions. Often labeled “de-globalization,” this shift is better understood as a move toward a multi-polar order, where regional blocs and strategic interests carry more weight than pure efficiency.

RETHINKING THE PORTFOLIO PLAYBOOK

This transition is challenging long-standing approaches to asset allocation. Portfolios once designed to thrive on falling yields and rising equity valuations are proving less dependable. Persistent inflation risk, sharper rate swings, and sudden policy shocks are pushing investors to reconsider balance and diversification. A growing response has been a more evenly spread portfolio structure, distributing capital across equities, bonds, gold, and cash rather than leaning heavily on stocks and fixed income. The rationale is straightforward: in a less predictable environment, leadership rotates, and no single asset class can be relied on to deliver consistently.

GOLD’S ROLE EVOLVES

Gold’s strong performance in recent years reflects this change in thinking. Rising concerns around currency dilution, long-term debt sustainability, and economic fragmentation have lifted the metal beyond its traditional role as a short-term hedge. Increasingly, gold is being treated as a strategic reserve asset within portfolios. Steady buying by central banks, particularly in emerging economies, has reinforced this shift. While price swings remain part of the picture, gold’s function as a store of value appears to be gaining renewed relevance as confidence in the long-term stability of major fiat currencies is reassessed.

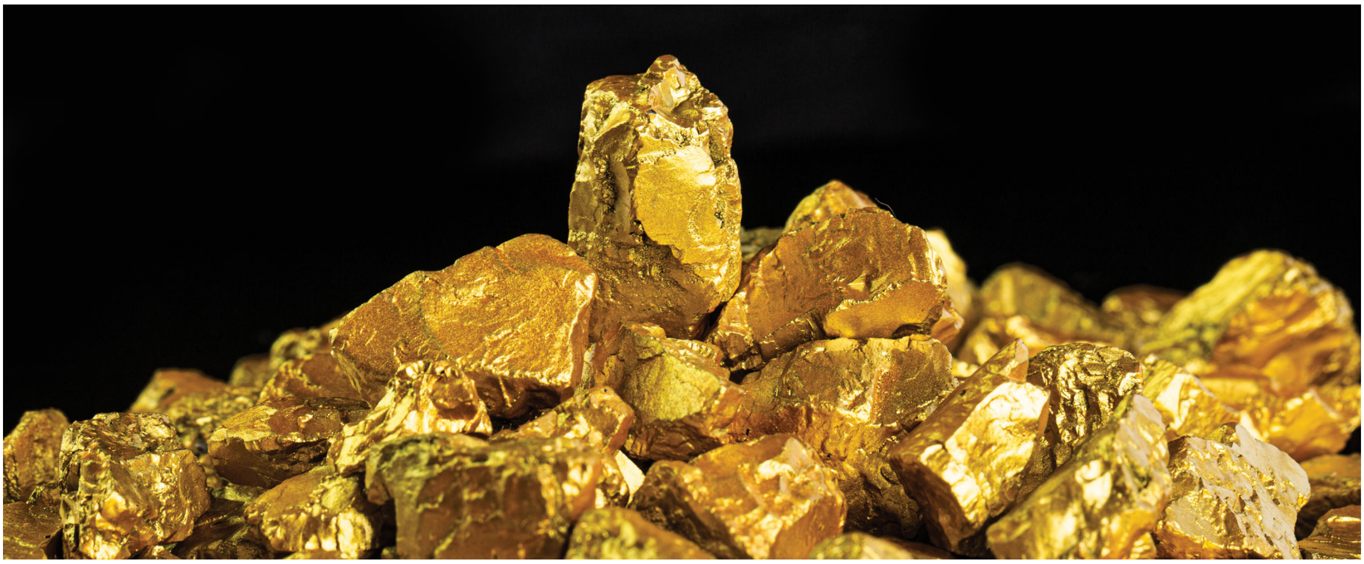
CASH MAKES A COMEBACK

Cash, too, has regained value. With interest rates at levels not seen for decades in many economies, holding cash or near-cash instruments once again delivers meaningful yield. This has altered investor behavior. Rather than feeling compelled to stay fully invested in risk assets, market participants can now earn reasonable returns while waiting for clearer signals. The result is a more selective approach to risk and a cooling of the reflexive “buy-the-dip” mindset that dominated during the zero-rate years.

MARKETS WITHOUT A SINGLE ANCHOR

Inflation expectations, fiscal durability, policy credibility, and shifting global alignments are all expected to influence price action. This does not signal a shortage of opportunity, but it does reward flexibility, diversification, and active risk control. The defining feature of the 2020s may be the fading of old certainties and the rise of a more complex, adaptive investment environment.

GOLD, BUBBLES, AND THE QUESTION BENEATH THE PRICE



Gold's repeated surges followed by abrupt corrections tend to revive a familiar debate: is the metal caught in a speculative bubble, or is it responding to deeper stress within the global monetary system? Unlike equities or property, gold does not promise future earnings or productivity gains. Its value rests on scarcity, durability, and collective confidence. When prices move aggressively, the message is often less about gold itself and more about trust in currencies, central banks, and the long-term purchasing power of money.

CONFIDENCE IN FIAT UNDER STRAIN

A key force behind gold's recent strength has been fading confidence in fiat currencies. Persistent fiscal deficits, rising government debt, and years of unconventional monetary policy have left lasting questions about currency integrity. Even when headline inflation appears controlled, many investors recognize that prolonged monetary expansion carries long-term consequences. In this setting, gold acts as a barometer, reflecting doubts over whether paper money can reliably hold value over decades.

WHY GOLD IS NOT A TYPICAL BUBBLE ASSET

Comparisons between gold and speculative assets often overlook a crucial difference. Classic bubbles are driven by expectations of rapid price appreciation, fueled by leverage and momentum. Gold demand, by contrast, is largely defensive. Central banks, sovereign funds, and long-term investors accumulate gold not in pursuit of explosive gains, but to reduce reliance on any single currency system. This structural demand shapes price behavior that differs markedly from speculative manias.

SUPPLY LIMITS MEET FINANCIAL FLOWS

Another feature of today's gold market is the growing gap between physical supply and financial market activity. Gold production increases slowly, while trading through futures, ETFs, and derivatives can expand far more quickly. This imbalance can magnify price swings and make moves appear excessive. Such volatility, however, does not automatically signal a bubble. It reflects ongoing tension between financial positioning and gold's role as a reserve asset.

RETHINKING WHAT "EXPENSIVE" MEANS

Arguments that gold has become "too expensive" often miss a deeper point: the unit of measurement. Gold is priced in currencies whose supply can be increased without hard limits. If the measuring stick weakens, higher gold prices may say more about currency depreciation than about gold losing its anchor. Viewed through this lens, gold's long-term behavior speaks less to speculative excess and more to the evolving nature of money in an era defined by heavy debt burdens, political fragmentation, and shifting confidence in monetary authorities.

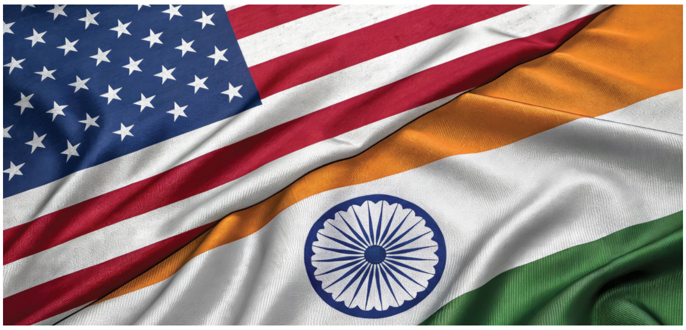
Market Roundup

CHINA'S VISION FOR THE YUAN

President Xi Jinping has called for the renminbi (yuan) to attain global reserve status, aiming to strengthen Beijing's influence in the international financial system. The strategy involves increasing yuan usage in trade and investment while developing world-class financial hubs and institutions. While not intending to immediately unseat the dollar, China seeks a multipolar currency landscape, even as capital controls remain a hurdle.

U.S.-INDIA ENERGY SHIFT

President Trump indicated that India will likely resume purchasing Venezuelan oil, a move that could decrease New Delhi's dependence on Russian crude. A "deal concept" is reportedly in place, potentially easing the 25% tariffs previously imposed by Washington. This diplomatic thaw suggests a significant reshuffling of global energy flows and a strengthening of U.S.-India ties.



ENERGY MAJORS FACE PROFIT SLUMP

Chevron and ExxonMobil reported sharp earnings declines for 2025 due to a difficult pricing climate. Chevron's net income fell over 30% to $12.3 billion, while ExxonMobil saw a 14% drop to $28.8 billion. These results highlight how market volatility and compressed margins have impacted the profitability of the world's largest energy producers.

U.S. SHUTDOWN STANDOFF

A partial government shutdown is expected to persist until at least Tuesday as lawmakers clash over Homeland Security funding. While the Senate passed a temporary two-week measure, House Speaker Mike Johnson faced objections from Democrats seeking broader immigration oversight. The deadlock continues to fuel political uncertainty, though a resolution is anticipated early this week.

Market Roundup

EU TIGHTENS THE SCREWS

Ursula von der Leyen said the European Union is preparing its 20th sanctions package against Russia, aiming to increase pressure before planned peace talks between Ukraine and Russia in early February. She reiterated Europe's continued backing of Ukraine and added that discussions are ongoing with Washington and Kyiv around a large-scale reconstruction framework that could reach $800 billion.

A TRADE DEAL WITH STRATEGIC WEIGHT

Donald Trump announced that the United States and India have reached an agreement to cut U.S. tariffs on Indian goods from 25% to 18%. In exchange, India is expected to lower tariff and non-tariff barriers on U.S. products, raise purchases of U.S. energy and other goods, and curb Russian oil imports. While the full text has yet to be released, the announcement was taken as a constructive signal for bilateral ties and a possible reshaping of energy trade flows.

BANKS LOOK PAST VOLATILITY IN GOLD

Despite the recent sharp correction, Deutsche Bank maintained a positive medium-term view on gold, citing sustained central bank buying, solid Chinese investment demand, and gold's role as a portfolio diversifier against the dollar. UBS echoed that stance, highlighting expectations for two Fed rate cuts in 2026, softer real yields, and continued official-sector demand. UBS predicts a period of consolidation in the near term but continues to see room for further gains later in the year.

Image Source: Depophotos

SPACEX AND xAI: CAPITAL BEFORE SYNERGY

Elon Musk's decision to merge SpaceX with his AI venture xAI is largely seen as motivated by the need for funding. Analysts point to xAI's heavy cash burn from data centers and computing infrastructure as the key factor. A future SpaceX fundraising round or potential IPO could unlock significant capital for xAI, while a looser regulatory backdrop in the U.S. is seen as reducing friction for such a structure.

Image Source: Wikimedia Commons/Daniel Oberhaus

The Week Ahead

The first week of February follows unusual market swings, extreme metals volatility, and dollar debasement concerns after Trump nominated Kevin Warsh for Fed Chair. Focus shifts to U.S. labor data (BLS jobs report, JOLTS, ADP, Challenger), ISM PMIs, and UMich confidence. High-profile earnings from Alphabet, Amazon, AMD, Palantir, and Qualcomm will drive AI sentiment, while policy decisions from the ECB, BoE, and RBA, plus Eurozone inflation and Chinese PMIs, will shape the global outlook.

AMERICAS

Investors await earnings from Amazon, Alphabet, Qualcomm, Palantir, Disney, AMD, Merck, PepsiCo, Amgen, Pfizer, Eli Lilly, AbbVie, Uber, and Philip Morris. The January jobs report is forecast to show 70K new payrolls (up from 50K), a 4.4% unemployment rate, and 0.3% hourly earnings growth. The BLS will also release annual benchmark revisions. Other data includes JOLTS job openings, ADP employment, ISM PMIs (manufacturing and services), and UMich sentiment. The U.S. Treasury will issue its Quarterly Refunding statement. Regionally, Canada expects 7K new jobs with a 6.8% unemployment rate, while Mexico's central bank announces its policy decision.

EUROPE

The ECB and Bank of England are expected to hold interest rates steady, as is Poland's central bank. Preliminary inflation data is due for the Euro Area (1.7% forecast), France (0.6%), and Italy (1%). German factory orders and retail sales are projected to decline, while French industrial output and Italian retail sales should recover. Manufacturing PMIs for Spain, Italy, and Switzerland likely indicate a milder contraction. In Turkey, annual inflation is forecast to ease to 30%, despite a 4.32% monthly rise. Other releases include Eurozone retail sales, Germany's trade balance, and UK house price reports.

ASIA PACIFIC

China's official PMIs showed contraction, while private RatingDog surveys indicated subdued growth; both reflect weak domestic demand. The Bank of Japan will release its Summary of Opinions, reiterating a path for higher rates. Australia's RBA is expected to hike rates by 25 basis points to 3.85% following hot inflation data. India will focus on its Union Budget announcement, with the RBI likely holding rates at 5.25%. Other regional data includes trade and inflation figures from South Korea, Indonesia, and Vietnam, plus Indonesia's GDP and New Zealand's employment report.



ZITA PLUS

zitaplus.com
support@zitaplus.com

+971 4 287 1454
+971 54 431 3402

The H Hotel Office Tower,
One Sheikh Zayed Road, 18th floor,
Office No:1803, Dubai, United Arab Emirates

هيئة الأوراق المالية والسلع
SECURITIES & COMMODITIES AUTHORITY

Securities & Commodities Authority

—

Category 5
Regulated Broker

ZitaPlus operates under strict SCA regulatory standards.