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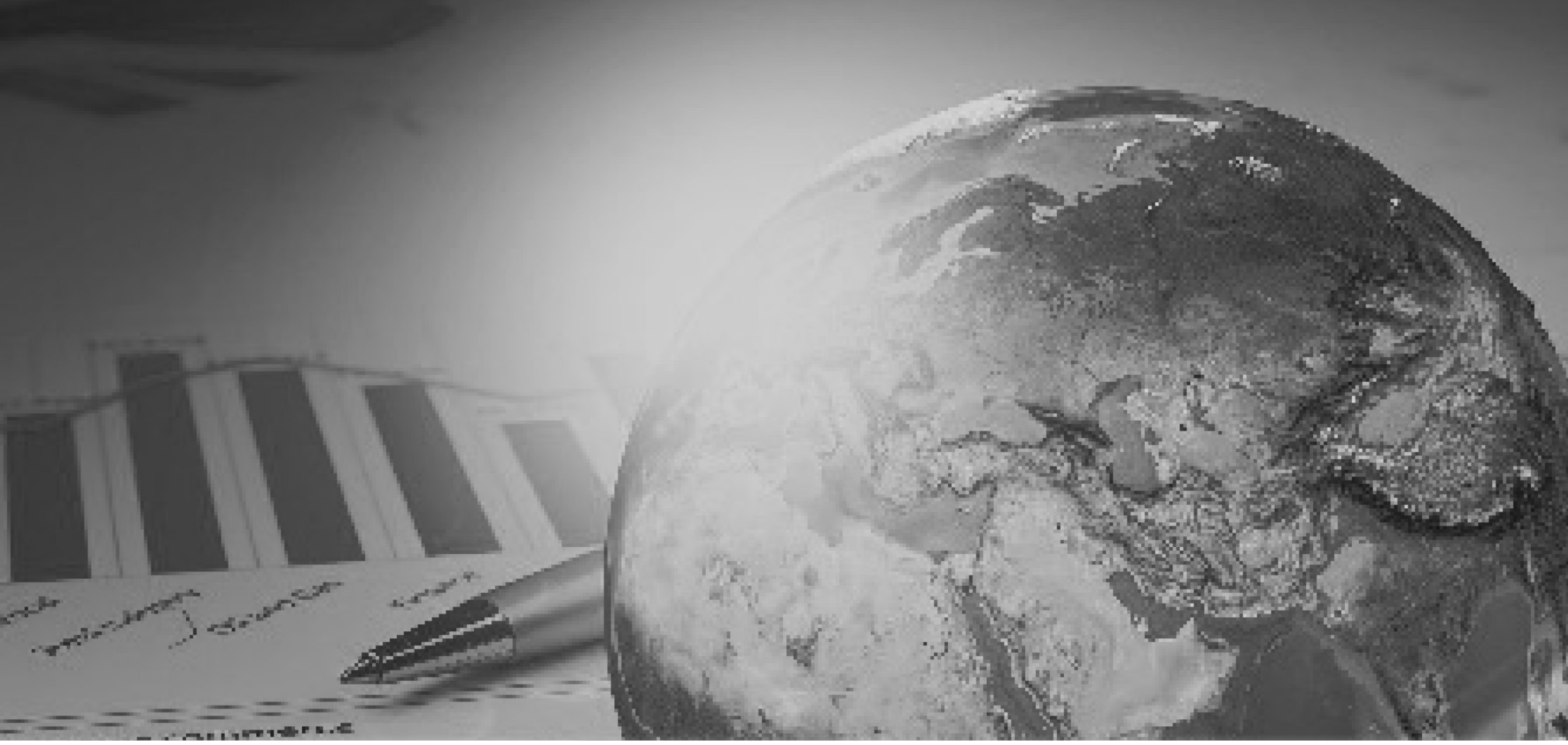
19TH - 23RD JANUARY 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF



Highlights.

Major U.S. equity indexes ended a volatile, shortened trading week in negative territory. The S&P 500 edged lower by 0.35% while the Russel 2000 ended the week 0.32% lower. The Nasdaq Composite managed to eke out a 0.3% gain for the week. U.S. markets were closed on Monday in observance of Martin Luther King Jr. Day. Stocks sold off sharply on Tuesday, with the S&P 500 recording its largest one-day decline since October. The drop was triggered by renewed fears of a global trade conflict after President Donald Trump announced plans to impose tariffs on European countries opposing U.S. efforts to purchase or gain control of Greenland. Market sentiment improved on Wednesday after Trump appeared to soften his position. In a social media post, he said he had reached a preliminary framework for a future agreement with NATO Secretary General Mark Rutte regarding Greenland and confirmed that the proposed tariffs scheduled for February 1 would no longer be implemented. The announcement sparked a rally that helped major indexes recover from earlier losses by week's end. Revised data from the Bureau of Economic Analysis indicated that the U.S. economy expanded more rapidly than previously estimated in the third quarter. Meanwhile, Inflation pressures remained elevated. The core personal consumption expenditures price index—the Federal Reserve's preferred inflation measure—rose 0.2% in November, matching October's increase. Employment data suggested that layoffs remain limited despite signs of cooling in the labour market whereas consumer sentiment showed improvement in January. However, sentiment remained significantly lower than a year earlier, reflecting continued pressure on household purchasing power due to high prices and concerns about labour market conditions. Separately, European equities declined over the week as renewed trade tensions and geopolitical concerns weighed on sentiment. The pan-European Euro STOXX 600 Index fell 1.15%, while major national indexes in France, Germany, Italy, and the UK also posted losses. Business activity in the eurozone continued to expand modestly in January, supported by stronger new orders. Surveys showed business optimism reaching its highest level in nearly two years. In the UK, business activity accelerated to a 21-month high, signalling solid quarterly economic growth. Norway's central bank kept interest rates unchanged, maintaining its guidance that rate cuts are likely later in the year. Japanese markets also saw heightened volatility in the week as the yield on Japan's 10-year government bond rose to its highest level since 1997, reflecting concerns about fiscal sustainability. Longer-term bond yields also spiked sharply after discussions of unfunded tax cuts heightened worries about Japan's already high debt levels. Meanwhile, the Bank of Japan left interest rates unchanged at 0.75% and reiterated that further rate increases are possible if economic conditions align with forecasts. The yen traded erratically with the USDJPY ending the week 1.53% lower, influenced by comments from BoJ Governor Kazuo Ueda about yield volatility and potential market intervention.

Data highlights: USD PCE Price Index YoY (Oct) fell from 2.8% to 2.7%, as expected. USD PCE Price Index YoY (Nov) rose back from 2.7% to 2.8%, as expected. CAD Inflation YoY (Dec) rose 20bp to 2.4%, from 2.2%; beating expectations of staying at 2.2%. CAD Core Inflation Rate YoY (Dec) fell in line with expectations, from 2.9% to 2.8%. CAD CPI Median YoY (Dec) fell 30bp, from 2.8% to 2.5%, below expectations of a 2.7% landing. GBP Unemployment Rate (Nov) stayed still at the 5.1% level, while consensus had priced a 10bp drop. GBP Inflation Rate YoY (Dec) rose 20bp, from 3.2% to 3.4%, 10bp more than the consensus of 3.3%. The JPY BoJ Interest Rate Decision stayed still at 0.75%, in line with expectations. JPY Inflation Rate YoY (Dec)fell far beyond the expected 2.7%, to 2.1%. China GDP Growth Rate YoY (Q4) fell 30bp to 4.5% while the market expected a drop to 4.4%. AUD Unemployment Rate (Dec) surprisingly fell 20bp to 4.1% from 4.3%, the market had actually expected it to rise 10bp to 4.4%.

Week ahead: AUD Inflation Rate YoY (Dec), AUD CPI (Dec), CAD BoC Interest Rate Decision, USD Fed Interest Rate Decision - Wednesday | JPY Unemployment Rate (Dec), Germany Unemployment Rate (Jan), EUR Unemployment Rate (Dec), Germany Inflation Rate YoY (Jan) – Friday

Global Markets Overview

Treasury yields: The US 10-year Treasury yield ended the week broadly steady at 4.23%, easing from near five-month highs as investors looked ahead to next week's Federal Reserve meeting and took some comfort from President Trump's softer tone on proposed tariffs against Europe, alongside indications that a framework agreement on Greenland has been reached. Markets now largely expect the Fed to keep rates unchanged next week, with the first cut pushed out to June. In Europe, Germany's 10-year Bund yield climbed to 2.91%, its highest level since March 2025, supported by stronger-than-expected PMI data and easing US-Europe trade tensions. S&P Global figures showed Germany's private sector expanding at its fastest pace in three months in January, driven by firmer services growth, a return to manufacturing expansion, rising new orders, and a sharp improvement in business confidence to its highest level since February 2022.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.23	0.05	1.40
Bund 10Y	2.91	2.50	1.79
Gilt 10Y	4.51	2.55	0.74
Japan 10Y	2.26	3.06	9.24

Equities: US equities ended the week largely in the red, held back by weakness in financials and utilities even as energy stocks outperformed. The Nasdaq found some support from select chipmakers, with Nvidia up 0.77% after reports that Chinese officials signalled domestic tech firms could prepare orders for its H200 AI chips, while AMD surged 12.01%. However, that strength was partly offset by Intel, which slid 4.02% after issuing a softer-than-expected outlook and highlighting ongoing operational challenges, weighing on broader semiconductor sentiment, while Broadcom's 9% drop capped gains in mega-cap tech. For the week, the S&P 500 fell 0.35% and the Dow slipped 0.5%, while the Nasdaq eked out a 0.3% gain amid lingering post-volatility caution. In Europe, Germany's DAX 40 declined 1.57% amid tariff-related turbulence, though losses were tempered by strength in select industrial and technology names. Investors weighed firmer-than-expected economic data against easing US-Europe trade tensions, as S&P Global PMI figures showed Germany's private-sector activity growing at its fastest pace in three months in January.

Indices	Close	% W/W	% YTD
S&P 500	6916	-0.35	1.02
EU Stoxx 600	628	-1.15	2.53
FTSE 100	10143	-0.90	2.14
Nikkei 225	53847	-0.17	6.97

Currencies: The dollar index slid to 97.6 for the week, hovering near a three-month low as currency markets remained wary of the greenback amid continued uncertainty over. US economic policy. President Trump initially rattled markets by threatening tariffs on major European countries opposing his Greenland acquisition plan, striking a hawkish tone toward Denmark and other NATO allies, before abruptly reversing course, suspending the measures and offering little clarity on any resulting agreements. The dollar was further weighed down by expectations that the Federal Reserve is set to cut rates more aggressively than its global peers. In contrast, the Bank of Japan delivered a hawkish hold, Eurozone PMI readings pointed to steady growth, and a run of UK data strengthened the hand of hawks within the Bank of England. Sterling pushed above $1.36, its highest level in more than two weeks, as markets pared back expectations for BoE rate cuts following comments from policymaker Megan Greene and a string of stronger-than-expected releases.

Currencies	Close	% W/W	% YTD
EURUSD	1.1828	1.98	0.70
GBPUSD	1.3643	1.97	1.25
USDJPY	155.70	-1.53	-0.64
USD Index	97.60	-1.80	-0.74

Commodities: Precious metals showed no signs of stopping on the upside as Silver surged to a record $100 per ounce to close at $103.1911 per ounce, supported by a weaker US dollar, ongoing geopolitical tensions, and elevated economic uncertainty. Silver's rally was further fuelled by a historic short squeeze, strong retail demand, and China's tighter export controls, which heightened supply concerns. The metal is up over 50% for the month. The remarkable feat was mirrored by Gold prices which surged towards the monumental $5,000 mark. While the Federal Reserve is expected to keep rates unchanged next week, markets continue to price in two cuts later this year, a view reinforced by speculation around the next Fed chair. For now, the momentum appears relentless and it remains to be seen how long market participants can finance these price gains.

Commodities	Close	% W/W	% YTD
Gold	4987	8.52	15.47
Copper	594.75	2.00	4.67
WTI Crude	61.07	2.74	6.36
Wheat	529.50	2.22	4.44

Performance of Major Global Financial Assets

% Change.

GOV. BOND YIELDS

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y
W/W	0.1	2.5	2.5	3.1	2.3	1.7
MTD	1.4	1.8	0.7	9.2	1.6	-1.1
YTD	1.4	1.8	0.7	9.2	1.6	-1.1

EQUITY INDICES

	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG
W/W	-0.4	0.3	-1.3	-1.6	-0.9	-0.2	-0.4
MTD	1.0	1.4	2.7	1.7	2.1	7.0	4.4
YTD	1.0	1.4	2.7	1.7	2.1	7.0	4.4

CURRENCIES

	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR
W/W	-1.8	2.0	2.0	-1.5	-0.1	-1.7
MTD	-0.7	0.7	1.2	-0.6	-0.4	-2.6
YTD	-0.7	0.7	1.2	-0.6	-0.4	-2.6

COMMODITIES

	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	2.7	8.5	2.0	-1.2	2.2
MTD	6.4	15.5	4.7	0.6	4.4
YTD	6.4	15.5	4.7	0.6	4.4

KEY: -100% +100%

Data Sources: Bloomberg, Investing.com, TradingEconomics, T.RowePrice, Standard Investment Bank

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