9TH - 13TH FEBRUARY 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. stocks ended the week lower, pressured by widespread concerns that artificial intelligence could disrupt many industries. Technology shares were particularly affected, with the Nasdaq Composite falling 1.37%, while the S&P 500 and Dow Jones Industrial Average also declined by 1.39% and 1.15% respectively. Mid-cap stocks held up better but still ended in negative territory. Value stocks continued to outperform growth stocks, extending a strong run relative to their counterparts. Labor market figures released during the week showed stronger-than-anticipated hiring. The Bureau of Labor Statistics reported that employers added 130,000 jobs in January—the highest monthly increase in more than a year and above forecasts. The unemployment rate edged down to 4.3%. The unexpectedly solid January report led investors to reassess the outlook for interest rates. Expectations for near-term rate cuts diminished, with markets increasingly anticipating that the Federal Reserve could keep rates unchanged at least through midyear. Consumer price data showed that inflation cooled in January. Prices rose more slowly both month over month and year over year compared with December, largely due to falling energy costs. However, core inflation, which excludes food and energy, increased at a slightly faster monthly pace, indicating that underlying price pressures remain. Crossing the Atlantic, European equities experienced volatility but finished the week relatively flat overall, even after briefly reaching record highs. Investors weighed strong U.S. employment data alongside concerns about the economic implications of artificial intelligence. For the week, the pan European STOXX 600 shed 0.28%. Economic data showed that the eurozone continued to grow modestly in the fourth quarter of 2025, with Spain leading among major economies. Employment in the region also increased more than expected, though Germany recorded a slight decline in jobs. In the UK, political uncertainty affected investor sentiment, while economic growth remained modest. GDP rose slightly in the fourth quarter, with manufacturing expanding but construction weakening. Retail sales increased year over year at the fastest pace in several months. In Asia, Japanese equities advanced sharply-with the Nikkei adding almost 5% for the week-after Prime Minister Sanae Takaichi's Liberal Democratic Party secured a decisive victory in the February 8 lower house election, winning more than two-thirds of parliamentary seats. The outcome signalled strong public support for policies centered on fiscal expansion, investment, and targeted tax reductions. Meanwhile, Chinese equities rose modestly before the Lunar New Year holiday period, after which mainland markets closed temporarily. Inflation data indicated that consumer price growth slowed, while producer prices remained in deflation, reflecting persistent weak demand and ongoing price pressures in the industrial sector. The People's Bank of China reaffirmed plans to maintain an accommodative monetary policy, signalling the possibility of further reductions in interest rates and bank reserve requirements to support economic growth.

Data highlights: : Unemployment Rate (Jan) fell to 4.3%, 10bps less than the previous and consensus of 4.4%. Non-Farm Payrolls (Jan) rose from 48K to 130K, the market had only priced an increase to 66K. Continuing Jobless Claims (Jan) rose from 1841K to 1862K, the market had expected an increase to 1850K but were proven as underestimated. Inflation Rate YoY (Jan) fell 30bps from the previous 2.7%, down to 2.4%, 10bps more of a drop than the 2.55% consensus. CHF Inflation Rate YoY (Jan) stayed still at 0.1%, as expected. The GBP GDP YoY (Dec) was revised from 1.4% to 1.2%, last week showed a worse than expected result as this time around it fell to 0.7%, the consensus had missed by 40bps, expecting only a 10bps drop. CNY CPI YoY (Jan) fell to 0.2% from 0.8%, the market had only priced a fall to 0.4%. JPY PPI YoY (Jan) fell in line with consensus to 2.3%, from 2.4%.

Week ahead: GBP Unemployment Rate (Dec), Germany Inflation Rate YoY (Jan), CAD Inflation Rate YoY (Jan), CAD CPI Median YoY (Jan) - Tuesday | NZD Interest Rate Decision, GBP Inflation Rate YoY (Jan), ZAR Inflation Rate YoY (Jan) - Wednesday | AUD Unemployment Rate (Jan), USD Initial Jobless Claims (Feb), USD Continuing Jobless Claims (Feb), USD Balance of Trade (Dec) - Thursday | JPY Inflation Rate YoY (Jan), Germany PPI YoY (Jan), USD Core PCE Price Index YoY (Dec) - Friday

Global Markets Overview

Treasury yields: The US 10-year Treasury yield declined to 4.05% for the week, its lowest level since early December, after softer-than-expected CPI data strengthened the case for Federal Reserve easing. Headline inflation slowed to 2.4% year-on-year from 2.6%, undershooting the 2.5% forecast, while monthly inflation eased to 0.2% versus expectations of 0.3%. In response, markets lifted their pricing for Fed cuts this year to 61bps from 58bps, increasing the odds of an April move, assigning the highest probability to a 25bps cut in June followed by another in September, while March is still expected to bring no change. In Europe, Germany's 10-year Bund yield fell to 2.76%, the lowest since December 3, despite marking its strongest weekly performance since April, as benchmark yields extended an eight-day decline—the longest streak since 2024—amid softer risk sentiment and reinforced expectations of Fed easing.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.05	-3.75	-2.85
Bund 10Y	2.76	-3.06	-3.50
Gilt 10Y	4.42	-2.17	-1.41
Japan 10Y	2.23	-0.22	7.74

Equities: US equities retreated over the week, with the S&P 500 down 1.39%, the Dow Jones lower by 1.15%, and the Nasdaq Composite shedding 1.37%, leaving the major averages roughly 1.5% weaker as a softer January inflation report failed to reignite risk appetite amid ongoing AI-driven volatility. While headline and core inflation eased in line with expectations—reinforcing bets that the Federal Reserve will deliver multiple rate cuts this year—technology heavyweights remained under pressure. Notably, Nvidia fell 1.4%, Apple slid 8.03%, Alphabet dropped 5.31%, Meta declined 3.28%, and Broadcom lost 2.33%, as investors questioned the sustainability of data center capital expenditure. Separately, European equities also edged lower, weighed down by banking stocks and underperforming North America despite the supportive US inflation print. The Euro STOXX 50 slipped 0.22% to 5,985 and the Euro STOXX 600 eased 0.28% to 633, after touching a record high midweek. Eurozone employment rose 0.3%, extending the bloc's steady but moderate job growth and reinforcing expectations that the ECB will keep rates stable in the near term.

Indices	Close	% W/W	% YTD
S&P 500	6836	-1.39	-0.14
EU Stoxx 600	633	-0.28	3.43
FTSE 100	10446	0.74	5.19
Nikkei 225	56942	4.96	13.12

Currencies: The dollar index ended Friday 0.72% lower at 96.92, after four consecutive sessions of sideways movement, as softer inflation data strengthened expectations for Federal Reserve rate cuts this year. Markets now anticipate the Fed will hold rates steady in March before delivering two 25-basis-point cuts later in the year. For the week, the dollar fell 2.87% against the yen following Prime Minister Sanae Takaichi's decisive election victory and renewed verbal intervention from Tokyo. The Australian dollar also strengthened on hawkish signals from the Reserve Bank of Australia. Meanwhile, the euro closed at $1.1868, up 0.45% on the week and holding near the four-year high above $1.20 reached in late January. The currency has drawn support from indications that the ECB remains broadly comfortable with its recent appreciation, as well as mixed US economic signals. ECB President Christine Lagarde reiterated that the inflation outlook is in a "good place," cautioning against overreacting to short-term data volatility, while reports that Bank of France Governor François Villeroy de Galhau will step down in June—before his October 2027 term end—added to the narrative.

Currencies	Close	% W/W	% YTD
EURUSD	1.1868	0.45	1.04
GBPUSD	1.3651	0.29	1.31
USDJPY	152.70	-2.87	-2.56
USD Index	96.92	-0.74	-1.43

Commodities: Copper slipped to $5.803 per pound on Friday, marking a 1.34% weekly decline and extending the prior week's 0.71% loss, as volatility across metals and broader financial markets persisted. Thursday's drop lacked a definitive trigger, but concurrent weakness in equities and cryptocurrencies suggests forced liquidations may have played a role, potentially exacerbated by algorithmic flows. Market focus now shifts to the upcoming US inflation report, a key input for Federal Reserve rate expectations. Near-term sentiment is also weighed down by prospects of softer demand from China—the world's largest copper consumer—as activity slows ahead of the Lunar New Year. Even so, structural support remains intact, with ongoing supply disruptions and firm global demand linked to the energy transition and the buildout of AI-driven data centers continuing to provide an underlying floor for prices.

Commodities	Close	% W/W	% YTD
Gold	5042	1.56	16.73
Copper	580.30	-1.34	2.13
WTI Crude	62.89	-1.04	9.53
Wheat	548.50	1.76	5.79

Performance of Major Global Financial Assets

% Change.

GOV. BOND YIELDS

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y
W/W	-3.7	-3.1	-2.2	-0.2	-1.6	-2.9
MTD	-4.4	-3.1	-2.3	-1.2	-1.2	-2.7
YTD	-2.8	-3.5	-1.4	7.7	0.2	-5.3

EQUITY INDICES

	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG
W/W	-1.4	-1.4	-0.2	0.8	0.7	5.0	0.0
MTD	-1.5	-3.2	0.6	1.5	2.2	6.8	-3.0
YTD	-0.1	-2.0	3.3	1.7	5.2	13.1	3.7

CURRENCIES

	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR
W/W	-0.7	0.4	0.3	-2.9	-0.4	-0.5
MTD	-0.1	0.1	-0.3	-1.3	-0.7	-1.2
YTD	-1.4	1.0	1.3	-2.6	-1.2	-3.7

COMMODITIES

	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	-1.0	1.6	-1.3	3.1	1.8
MTD	-3.6	3.0	-2.0	-5.4	0.5
YTD	9.5	16.7	2.1	-10.5	5.8

KEY: *-100%* *+100%*

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

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