

Weekly Market Update

Heightened geopolitical tensions, policy shifts and economic fragility globally are likely to keep investors cautious, support safe-haven assets, and create selective opportunities in strategic sectors such as manufacturing, raw materials and exports.

US

US military forces captured Venezuelan President Nicolás Maduro in early January, triggering global market reactions and political debate.

President Trump escalated rhetoric about US control of Greenland as a strategic move against Russia and China, while Nordic governments rejected his claims of foreign military threats; reports of US contingency planning for possible military action prompted strong pushback from Denmark, NATO allies, and parts of the US military.

Trump issued stern warnings to the Iranian regime, indicating the US would respond forcefully if Iranian security forces escalate violence against domestic protesters; this contributed to heightened geopolitical risk sentiment.

The Trump administration announced plans to withdraw from 66 international organisations, intensifying discussions over US global leadership and cooperation.

UK

The UK Government stressed support for a peaceful transition in Iran amid intense protests and international tensions.

Labour MPs called for banning cryptocurrency political donations, highlighting rising concerns over campaign finance transparency.

Economic commentary focused on UK fiscal uncertainty, with growing debate over Chancellor Reeves' 2025 policy reversals and credibility.

UK unemployment rose modestly but was interpreted as reflecting higher labour participation rather than pure job losses.

Europe

The EU, with the UK and Germany, reaffirmed Greenland's sovereignty, rejected US control, and discussed NATO deployments and Arctic security cooperation to counter rising US pressure.

European stock markets extended the global rally seen at the start of the year, with defence and industrial sectors performing strongly.

EU-China trade and economic relations remain under focus, with reports warning of potential sharpening trade tensions in 2026.

EU ambassadors provisionally endorsed the long-awaited EU-Mercosur trade deal, aiming to remove most tariffs across a 700-million-person market, though final ratification is still pending.

Global

China's geopolitical competition with the US in the Americas was highlighted after the US warned China to stay out of its hemisphere.

Japan's Prime Minister Sanae Takaichi is considering an early general election in February 2026, which could reshape fiscal and stimulus plans.

Greenland's parliament decided to convene early to address these US threats, with political leaders affirming their desire for autonomy and rejection of US control.

Nationwide protests in Iran escalated into a near-complete internet blackout as public unrest grows against economic conditions.

Performance

Asset Class/Region	Currency	Week ending 09 Jan 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	1.6%	1.8%	1.8%	18.8%
United Kingdom	GBP	1.7%	1.9%	1.9%	25.8%
Continental Europe	EUR	2.3%	3.0%	3.0%	20.5%
Japan	JPY	3.1%*	3.1%	3.1%	31.6%
Asia Pacific (ex Japan)	USD	1.2%	3.0%	3.0%	34.4%
Australia	AUD	-0.1%	0.0%	0.0%	8.1%
Global	USD	1.5%	1.8%	1.8%	22.5%
Emerging Markets Equities					
Emerging Europe	USD	2.0%	4.4%	4.4%	57.8%
Emerging Asia	USD	1.5%	3.5%	3.5%	38.5%
Emerging Latin America	USD	3.7%	4.2%	4.2%	58.1%
BRICs	USD	-0.4%	1.5%	1.5%	27.3%
China	USD	0.3%	2.9%	2.9%	41.7%
MENA countries	USD	0.3%	0.8%	0.8%	0.4%
South Africa	USD	2.1%	2.8%	2.8%	82.4%
India	USD	-2.7%	-2.1%	-2.1%	5.1%
Global emerging markets	USD	1.6%	3.4%	3.4%	39.2%
Bonds					
US Treasuries	USD	0.2%	0.2%	0.2%	6.8%
US Treasuries (inflation protected)	USD	0.3%	0.1%	0.1%	7.2%
US Corporate (investment grade)	USD	0.3%	0.3%	0.3%	8.7%
US High Yield	USD	0.4%	0.4%	0.4%	8.6%
UK Gilts	GBP	1.2%	0.8%	0.8%	7.5%
UK Corporate (investment grade)	GBP	1.0%	0.8%	0.8%	9.1%
Euro Government Bonds	EUR	0.6%	0.3%	0.3%	2.1%
Euro Corporate (investment grade)	EUR	0.5%	0.3%	0.3%	3.9%
Euro High Yield	EUR	0.6%	0.5%	0.5%	6.0%
Global Government Bonds	USD	-0.1%	-0.2%	-0.2%	7.5%
Global Bonds	USD	0.0%	-0.1%	-0.1%	9.7%
Global Convertible Bonds	USD	1.8%	3.4%	3.4%	26.1%
Emerging Market Bonds	USD	-0.1%	-0.3%	-0.3%	12.7%

Performance

Asset Class/Region	Currency	Week ending 09 Jan 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	1.4%	1.7%	1.7%	4.9%
Australian Property Securities	AUD	-1.3%	-1.3%	-1.3%	1.5%
Global Property Securities	USD	1.7%	1.9%	1.9%	15.3%
Currencies					
Euro	USD	-0.8%	-0.9%	-0.9%	13.0%
UK Pound Sterling	USD	-0.4%	-0.4%	-0.4%	9.0%
Japanese Yen	USD	-0.8%	-0.8%	-0.8%	0.0%
Australian Dollar	USD	0.0%	0.1%	0.1%	7.9%
South African Rand	USD	-0.1%	0.3%	0.3%	14.7%
Swiss Franc	USD	-1.2%	-1.0%	-1.0%	13.9%
Chinese Yuan	USD	0.2%*	0.2%	0.2%	5.1%
Commodities & Alternatives					
Commodities	USD	2.3%	2.1%	2.1%	7.4%
Agricultural Commodities	USD	1.0%	0.6%	0.6%	-5.4%
Oil	USD	4.3%	4.1%	4.1%	-17.7%
Gold	USD	4.1%	4.3%	4.3%	69.1%

*Data to 31 December 2025. Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

Global Matters Weekly

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