



# Weekly Market Update

Geopolitical risk, driven primarily by shifting US trade and security policy, has become the dominant force shaping global markets, alliances, and economic decisions across regions.

## US

President Trump withdrew planned tariffs on European allies tied to Greenland after announcing a “framework” with NATO at Davos, calming immediate trade tensions.

Trump then escalated trade pressure by threatening 100% tariffs on Canadian goods if Canada deepens economic ties with China, souring relations with a close ally.

Trump’s broader geopolitical posture at Davos was seen as breaking with the traditional post-World War II economic order, prompting questions about alliances and the global role of US capital markets.

US-Iran tensions escalated, with President Trump saying a US “armada” is heading toward Iran while warning Tehran over protests and nuclear issues.

## UK

UK businesses faced heightened uncertainty from Trump’s tariff threats against NATO and European partners, with analysts warning of recession risks.

The IMF projected the UK economy would slow as inflation decreases and interest rates are expected to fall, even as growth remains relatively strong among G7 nations.

The UK government approved plans for China’s massive new “mega-embassy” in central London – set to be the largest in Europe – despite widespread criticism over security, espionage, and influence concerns.

Labour Party internal tensions, as Andy Burnham was blocked from seeking a parliamentary seat, seen as a move to head off internal leadership challenges and risking party unity.

## Europe

The EU suspended a €93 billion retaliatory tariff package against the US for six months, reflecting de-escalation after the Greenland tariff threat was dropped.

European leaders and von der Leyen stressed the need for greater EU strategic independence in economics and security, framing reduced reliance on external powers as a priority.

The European Parliament’s EPP group focused on key trade issues – including the Mercosur deal and Greenland sovereignty – underscoring strategic economic policy priorities.

European football leaders have informally discussed boycotting the 2026 FIFA World Cup if transatlantic tensions worsen, potentially cutting into the expected multi-billion-dollar tourism and spending boost to the US as host.

## Global

Chinese trade with Central Asia exceeded record levels, underscoring Beijing’s expanding economic diplomacy.

Broader reporting underscored China’s two-speed economy, strong export performance versus weak domestic demand, and demographic headwinds.

Japan’s Prime Minister Sanae Takaichi dissolved the lower house and called a snap general election for 8th February, framing it as a mandate for major policy shifts.

The IMF slightly revised up Japan’s growth forecast but noted slow overall momentum, as inflation moderates.



# Performance

Asset Class/Region	Currency				
		Week ending 23 Jan 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	-0.3%	1.1%	1.1%	14.0%
United Kingdom	GBP	-0.9%	2.2%	2.2%	22.7%
Continental Europe	EUR	-1.1%	2.6%	2.6%	16.5%
Japan	JPY	-0.8%	6.5%	6.5%	35.2%
Asia Pacific (ex Japan)	USD	0.5%	5.7%	5.7%	36.6%
Australia	AUD	-0.5%	1.7%	1.7%	9.2%
Global	USD	-0.2%	1.7%	1.7%	18.4%
Emerging Markets Equities					
Emerging Europe	USD	1.9%	8.3%	8.3%	57.1%
Emerging Asia	USD	0.2%	6.1%	6.1%	40.5%
Emerging Latin America	USD	7.6%	14.0%	14.0%	65.8%
BRICs	USD	-0.6%	1.6%	1.6%	26.4%
China	USD	-0.5%	3.9%	3.9%	39.6%
MENA countries	USD	2.6%	5.6%	5.6%	3.2%
South Africa	USD	4.3%	10.3%	10.3%	91.0%
India	USD	-3.6%	-6.0%	-6.0%	2.9%
Global emerging markets	USD	1.1%	6.9%	6.9%	41.9%
Bonds					
US Treasuries	USD	0.1%	0.1%	0.1%	6.4%
US Treasuries (inflation protected)	USD	0.2%	0.2%	0.2%	6.5%
US Corporate (investment grade)	USD	0.2%	0.4%	0.4%	8.2%
US High Yield	USD	0.1%	0.7%	0.7%	8.0%
UK Gilts	GBP	-0.6%	0.1%	0.1%	5.1%
UK Corporate (investment grade)	GBP	-0.5%	0.3%	0.3%	7.1%
Euro Government Bonds	EUR	-0.1%	0.4%	0.4%	1.8%
Euro Corporate (investment grade)	EUR	0.0%	0.4%	0.4%	3.7%
Euro High Yield	EUR	0.1%	0.7%	0.7%	5.7%
Global Government Bonds	USD	0.4%	0.0%	0.0%	6.8%
Global Bonds	USD	0.5%	0.2%	0.2%	9.2%
Global Convertible Bonds	USD	0.4%	5.4%	5.4%	25.6%
Emerging Market Bonds	USD	0.2%	0.0%	0.0%	12.4%

# ▲ Performance

Asset Class/Region	Currency				
		Week ending 23 Jan 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	-2.3%	2.2%	2.2%	2.9%
Australian Property Securities	AUD	-2.1%	-1.7%	-1.7%	-0.8%
Global Property Securities	USD	-1.4%	2.5%	2.5%	13.7%
Currencies					
Euro	USD	1.7%	0.5%	0.5%	13.0%
UK Pound Sterling	USD	1.7%	1.2%	1.2%	10.0%
Japanese Yen	USD	1.1%	0.3%	0.3%	-0.3%
Australian Dollar	USD	3.0%	3.2%	3.2%	9.3%
South African Rand	USD	1.8%	2.7%	2.7%	14.4%
Swiss Franc	USD	2.2%	1.0%	1.0%	15.3%
Chinese Yuan	USD	0.1%	0.4%	0.4%	4.6%
Commodities & Alternatives					
Commodities	USD	4.8%	8.3%	8.3%	10.9%
Agricultural Commodities	USD	0.8%	1.4%	1.4%	-7.9%
Oil	USD	2.7%	8.3%	8.3%	-15.9%
Gold	USD	8.5%	15.4%	15.4%	80.9%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.



# Global Matters Weekly

26 Jan 2026

For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited  
研富投資服務有限公司  
9th Floor, Centre Mark II  
305-313 Queen's Road Central  
Sheung Wan, Hong Kong

Tel +852 2827 1199  
Fax +852 2827 0270  
belvest@bis.hk  
[www.bis.hk](http://www.bis.hk)

## Important notes

This communication is issued by Belvest Investment Services Limited and/or Belvest related companies (collectively, and individually Belvest) solely to its clients, qualified prospective clients or institutional and professional investors. Unless stated otherwise, any opinions or views expressed in this communication do not represent those of Belvest. Opinions or views of any Belvest company expressed in this communication may differ from those of other departments or companies within Belvest, including any opinions or views expressed in any research issued by Belvest. Belvest may deal as Distributor or Agent, or have interests, in any financial product referred to in this email. Belvest has policies designed to negate conflicts of interest. Unless otherwise stated, this e-mail is solely for information purposes.

This message may contain confidential information. Any use, dissemination, distribution or reproduction of this information outside the original recipients of this message is strictly prohibited. If you receive this message by mistake, please notify the sender by reply email immediately.

Unless specifically stated, neither the information nor any opinion contained herein constitutes as an advertisement, an invitation, a solicitation, a recommendation or advise to buy or sell any products, services, securities, futures, options, other financial instruments or provide any investment advice or service by Belvest.

No representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any figures, forecasts, prospects or return (if any) contained in the message. Such figures, forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. The assumptions and parameters used by Belvest are not the only ones that might reasonably have been selected and therefor Belvest does not guarantee the sequence, accuracy, completeness or timeliness of the information provided herein. None of Belvest, its group members or any of their employees or directors shall be held liable, in any way, for any claims, mistakes, errors or otherwise arising out of or in connection with the content of this e-mail.

This e-mail and any accompanying attachments are not encrypted and cannot be guaranteed to be secure, complete or error-free as electronic communications may be intercepted, corrupted, lost, destroyed, delayed or incomplete, and/or may contain viruses. Belvest therefore does not accept any liability for any interception, corruption, loss, destruction, incompleteness, viruses, errors, omissions or delays in relation to this electronic communication. If verification is required please request a hard-copy version. Electronic communication carried within the Belvest system may be monitored.