

Weekly Market Update

Political and policy uncertainty, led by US domestic shifts, Europe's regulatory and defence push, and escalating geopolitical tensions in the Middle East and Asia, has become the dominant force steering global markets, capital flows, and risk sentiment.

US

President Trump's administration signalled it would generally avoid federal intervention in protests in Democratic-run cities unless requested, amid broader immigration enforcement tensions.

January consumer confidence fell to a 12-year low, highlighting a widening gap between "hard data" and how households feel.

US equities pushed to fresh highs on earnings optimism, while the US dollar slid toward multi-year lows (risk-on tone, but choppy sector moves).

A Democratic candidate won a special election for the Texas state senate by a double-digit margin, taking control from Republicans for the first time in decades in a result the losing candidate on Sunday called "a wake-up call" for the midterm elections.

UK

Prime Minister Keir Starmer said the UK is open to closer EU defence cooperation, including potential participation in a second round of the EU SAFE defence funding initiative.

Data and surveys suggested the economy was showing signs of improvement after Chancellor Rachel Reeves' late-2025 budget, easing uncertainty for firms and households.

Major UK lenders were reported to be preparing profit-target upgrades in line with European peers (reflecting stronger revenues/capital returns).

Starmer's visit to China signalled the desire for a reset focused on boosting UK-China trade and investment while downplaying political tensions, amid uncertainty with the US.

Europe

The European Commission opened a formal probe into X Corp. linked to Grok-related risks under the Digital Services Act framework, keeping platform and AI governance front and centre.

The European Central Bank reiterated that a digital euro could strengthen payments autonomy and reduce reliance on external private rails.

Brussels continued tying state aid flexibility, green transition subsidies, and defence manufacturing into a broader "strategic autonomy" playbook.

SAFE defence-financing initiatives gained momentum, as joint procurement and shared funding structures were advanced to accelerate rearmament and strengthen Europe's industrial capacity.

Global

Iran's leadership warned of a regional conflict if the US were to attack it, stoking the tension between Washington and Tehran, and it designated EU armies as "terrorist groups" in a retaliatory move.

China's President Xi Jinping pushed the ambition of the renminbi becoming a more meaningful global reserve currency, while acknowledging infrastructure and policy hurdles.

Ahead of Japan's 8th February snap election, debate over tax relief, including consumption-tax changes, kept investors jittery and pressured government bonds and the yen at times.

Gold hit new records as investors leaned into safe havens amid geopolitical uncertainty and policy risk.

Performance

Asset Class/Region	Currency	Week ending 30 Jan 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	0.3%	1.4%	1.4%	15.3%
United Kingdom	GBP	0.9%	3.1%	3.1%	22.6%
Continental Europe	EUR	0.3%	2.9%	2.9%	15.0%
Japan	JPY	-1.7%	4.6%	4.6%	31.4%
Asia Pacific (ex Japan)	USD	2.2%	8.0%	8.0%	38.0%
Australia	AUD	0.1%	1.8%	1.8%	7.9%
Global	USD	0.5%	2.2%	2.2%	19.1%
Emerging Markets Equities					
Emerging Europe	USD	3.7%	12.3%	12.3%	59.4%
Emerging Asia	USD	2.0%	8.3%	8.3%	41.8%
Emerging Latin America	USD	1.1%	15.3%	15.3%	61.7%
BRICs	USD	1.0%	2.6%	2.6%	25.1%
China	USD	0.8%	4.7%	4.7%	35.7%
MENA countries	USD	0.8%	6.4%	6.4%	3.6%
South Africa	USD	-1.8%	8.2%	8.2%	81.3%
India	USD	1.2%	-4.9%	-4.9%	4.1%
Global emerging markets	USD	1.8%	8.9%	8.9%	42.5%
Bonds					
US Treasuries	USD	0.0%	0.0%	0.0%	5.5%
US Treasuries (inflation protected)	USD	0.1%	0.3%	0.3%	6.0%
US Corporate (investment grade)	USD	-0.1%	0.4%	0.4%	7.4%
US High Yield	USD	-0.2%	0.5%	0.5%	7.5%
UK Gilts	GBP	-0.2%	-0.1%	-0.1%	4.3%
UK Corporate (investment grade)	GBP	-0.1%	0.3%	0.3%	6.3%
Euro Government Bonds	EUR	0.3%	0.7%	0.7%	1.8%
Euro Corporate (investment grade)	EUR	0.4%	0.8%	0.8%	3.8%
Euro High Yield	EUR	0.0%	0.7%	0.7%	5.4%
Global Government Bonds	USD	0.8%	0.8%	0.8%	6.8%
Global Bonds	USD	0.7%	0.9%	0.9%	9.1%
Global Convertible Bonds	USD	0.1%	5.5%	5.5%	25.4%
Emerging Market Bonds	USD	0.0%	0.1%	0.1%	11.5%

Performance

Asset Class/Region	Currency	Week ending 30 Jan 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	0.8%	3.0%	3.0%	3.5%
Australian Property Securities	AUD	-1.0%	-2.7%	-2.7%	-0.5%
Global Property Securities	USD	1.3%	3.9%	3.9%	13.9%
Currencies					
Euro	USD	0.7%	1.2%	1.2%	14.0%
UK Pound Sterling	USD	0.7%	1.9%	1.9%	10.2%
Japanese Yen	USD	1.3%	1.5%	1.5%	-0.1%
Australian Dollar	USD	1.3%	4.5%	4.5%	11.9%
South African Rand	USD	0.0%	2.7%	2.7%	14.6%
Swiss Franc	USD	1.8%	2.8%	2.8%	17.7%
Chinese Yuan	USD	0.1%	0.5%	0.5%	4.2%*
Commodities & Alternatives					
Commodities	USD	1.4%	9.9%	9.9%	13.6%
Agricultural Commodities	USD	-0.2%	1.2%	1.2%	-8.6%
Oil	USD	7.3%	16.2%	16.2%	-8.0%
Gold	USD	-1.9%	13.2%	13.2%	75.1%

*as at 27 January 2026. Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

Global Matters Weekly

02 Feb 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

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 therefore 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.