

# Weekly Market Update

Global markets were increasingly driven by political developments, especially Japan's election stimulus, UK political instability, and China's Treasury positioning, while resilient economic growth and AI-led equity strength supported overall market performance.

## US

US-Iran nuclear negotiations resumed, with indirect talks in Oman and a second round scheduled in Geneva. Iran signalled willingness to compromise if sanctions are lifted, while the US insists Iran must stop uranium enrichment entirely.

White House border czar Tom Homan on Sunday brushed off Democratic demands to reform ICE amid mounting backlash over the agency's tactics and a partisan deadlock over homeland security funding.

In Munich, Secretary of State Marco Rubio reaffirmed the US commitment to the transatlantic alliance, assuring European leaders that their destinies remain "intertwined" as the Trump administration seeks to strengthen ties.

US CPI inflation fell to 2.4% year-on-year in January, down from 2.7% in December, and below expectations of ~2.5%.

## UK

Prime Minister Keir Starmer faced severe leadership pressure following senior resignations, raising concerns about government stability and policy continuity.

UK financial markets reacted sensitively, with sterling and gilts volatile as investors monitored risks to fiscal discipline and economic policy direction.

The UK economy showed weak growth (0.1% in Q4 2025), adding pressure on the government, as slow economic momentum compounds political risks.

Bank of England held rates at 3.75%, reflecting slowing inflation and weaker growth forecasts but ongoing inflation vigilance.

## Europe

The Munich Security Conference (13-15 Feb) convened global leaders, with discussions dominated by Iran-related nuclear risks, Middle East instability, and broader geopolitical and technology security concerns.

EU leaders debated measures to strengthen Europe's competitiveness and economic independence, focusing on single market reforms and industrial resilience. European Commission President Ursula von der Leyen called for deeper defence cooperation and stronger collective security amid rising geopolitical risks.

The European Parliament moved forward with a proposed €90 billion loan package for Ukraine, reinforcing EU fiscal and military support amid ongoing war risks.

ECB kept rates unchanged at 2.0%, highlighting economic resilience despite inflation falling below target.

## Global

Hong Kong business confidence shows improved sentiment in Hong Kong despite global uncertainty

China expanded trade ties with a zero-tariff agreement with South Africa, underpinning Belt & Road economic diplomacy.

Japan held a rare winter general election; PM Takaichi's conservative LDP won a landslide victory securing Japan's first female prime minister, shaping fiscal policy direction.

Countries including Canada, Australia, India, and Brazil are deepening cooperation to balance China and US influence.



# Performance

Asset Class/Region	Currency				
		Week ending 13 Feb 2026	Month to date	YTD 2026	12 Months
<b>Developed Market Equities</b>					
United States	USD	-1.4%	-1.4%	0.0%	12.8%
United Kingdom	GBP	0.8%	2.3%	5.5%	23.8%
Continental Europe	EUR	0.2%	1.0%	3.9%	12.5%
Japan	JPY	3.2%	7.1%	12.0%	41.5%
Asia Pacific (ex Japan)	USD	3.6%	1.8%	10.0%	38.2%
Australia	AUD	2.4%	0.6%	2.4%	7.9%
Global	USD	-0.4%	-0.4%	1.9%	17.4%
<b>Emerging Markets Equities</b>					
Emerging Europe	USD	-1.3%	-1.1%	11.1%	52.7%
Emerging Asia	USD	3.9%	1.9%	10.3%	42.2%
Emerging Latin America	USD	0.8%	2.5%	18.2%	63.0%
BRICs	USD	-0.2%	-1.5%	1.1%	19.0%
China	USD	-0.2%	-4.1%	0.4%	21.0%
MENA countries	USD	0.9%	1.3%	7.8%	4.4%
South Africa	USD	1.0%	0.8%	9.1%	77.5%
India	USD	-0.8%	1.9%	-3.1%	7.1%
Global emerging markets	USD	3.2%	1.8%	10.8%	42.8%
<b>Bonds</b>					
US Treasuries	USD	0.9%	1.3%	1.3%	6.8%
US Treasuries (inflation protected)	USD	0.7%	0.9%	1.2%	6.5%
US Corporate (investment grade)	USD	0.8%	1.0%	1.4%	8.3%
US High Yield	USD	0.1%	0.2%	0.7%	7.7%
UK Gilts	GBP	1.0%	0.9%	0.8%	4.5%
UK Corporate (investment grade)	GBP	0.5%	0.5%	0.8%	6.1%
Euro Government Bonds	EUR	0.7%	0.7%	1.4%	1.6%
Euro Corporate (investment grade)	EUR	0.3%	0.4%	1.1%	3.4%
Euro High Yield	EUR	0.0%	0.1%	0.7%	4.7%
Global Government Bonds	USD	1.2%	0.9%	1.8%	7.6%
Global Bonds	USD	1.0%	0.8%	1.8%	9.7%
Global Convertible Bonds	USD	1.0%	0.9%	6.5%	25.5%
Emerging Market Bonds	USD	1.0%	1.3%	1.4%	13.0%

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Asset Class/Region	Currency				
		Week ending 13 Feb 2026	Month to date	YTD 2026	12 Months
<b>Property</b>					
US Property Securities	USD	3.3%	6.5%	9.7%	8.3%
Australian Property Securities	AUD	2.3%	-1.9%	-4.5%	-2.9%
Global Property Securities	USD	3.2%	5.2%	9.3%	18.4%
<b>Currencies</b>					
Euro	USD	0.5%	0.0%	1.2%	13.9%
UK Pound Sterling	USD	0.2%	-0.4%	1.5%	9.0%
Japanese Yen	USD	2.8%	1.1%	2.6%	0.2%
Australian Dollar	USD	0.8%	1.5%	6.1%	12.5%
South African Rand	USD	0.5%	1.2%	3.9%	16.5%
Swiss Franc	USD	1.0%	0.5%	3.3%	17.8%
Chinese Yuan	USD	0.5%	0.7%	1.2%	5.5%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	-0.3%	-2.8%	6.8%	8.9%
Agricultural Commodities	USD	0.6%	0.1%	1.3%	-8.6%
Oil	USD	-0.4%	-4.2%	11.3%	-9.7%
Gold	USD	1.6%	3.0%	16.7%	72.7%

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



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