

WEEKLY MARKETS ROUND-UP

Executive Summary

19th January 2026

Top news: World Economic Forum with Pres. Trump's speech on Wednesday, BOJ on Friday – the announcement of new US import tariffs related to Greenland on 8 European NATO nations on Saturday is leading equity markets to correct today (circa -1.5% in Europe, a bit less, -1.3% on US Futures, i.e. the US is closed today for Martin Luther King's day). The mood is generally turning risk-Off as tensions over a US intervention in Iran are replaced by the ringfencing around a potential US bid to acquire Greenland from Denmark. On the macro front, last week saw a slightly lower than expected Dec. US CPI on Tuesday (+2.6% YoY on Core, +2.7% on Headline), yet the delayed Core PPI (at +3% YoY) and US Retail sales (+0.5%-0.6%), both for November, were rather firm, while Weekly Jobless claims dropped to below 200k (one of the lowest readings in recent years) resulting in a rather hawkish feeling. On the earnings front, US bank earnings (e.g. JPM, WFC or BAC) came in weaker than expected and hence disappointed, while TSMC delivered a strong quarter with +35% increase Q4 earnings compared to Q4/24. This week, the market will first focus on Netflix' earnings tomorrow after the close, then on Trump's speech at Davos on Wednesday, GE Aerospace and Intel's earnings will then draw attention on Thursday, along with delayed Nov. US PCE and final Q3 GDP data. Friday will then feature the BoJ (exp. to hold rates at 0.75%), the S&P Global Flash PMIs and the UoM Consumer Confidence data.

Equities: most equity markets started to retrace late last week on more hawkish dynamics and continued today. The US is now flat YTD, Europe still up circa 2%. We remain constructive, yet wary of any further tariffs' announcements.

Fixed Income: 10Y benchmark yields continued to rise last week, especially in the US, fueled by more hawkish data, less rate cut expectations and geopolitical uncertainty pushing up term premiums. Credit remains resilient for now.

Forex: the USD was stronger late last week as rate cut expectations dropped / were delayed (next rate cut now expected in June, not before) yet was dropping back this morning on the havoc created by the new tariffs.

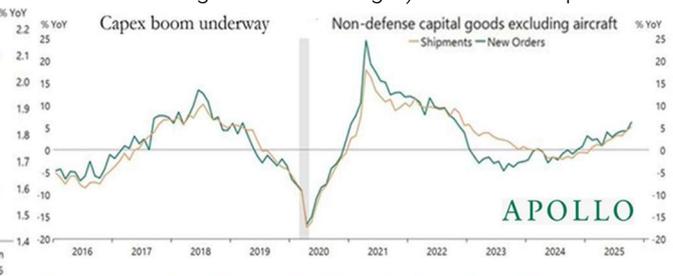
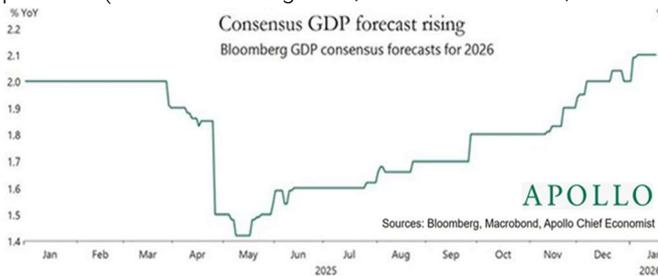
Commodities: Brent was flat last week, rising into Wednesday but then retracing as the likelihood of a US Iran intervention faded. Gold held up last week and is making new highs again today on the US/Europe Greenland dispute.

	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	6'940	Apr-25	4'983	39.3%	Jan-26	6'977	-0.5%	1.4%	neutral	neutral
Nasdaq100 Index	USD	25'529	Apr-25	17'090	49.4%	Oct-25	26'120	-2.3%	1.1%	neutral	neutral
Dow Jones Industrials Index	USD	49'359	Apr-25	37'646	31.1%	Jan-26	49'590	-0.5%	2.7%	up	neutral
EuroStoxx50	EUR	6'029	Apr-25	4'622	30.4%	Jan-26	6'041	-0.2%	4.1%	up	slightly OB
Swiss Market Index	CHF	13'414	Apr-25	10'888	23.2%	Jan-26	13'476	-0.5%	1.1%	up	slightly OB
Nikkei225	JPY	54'060	Apr-25	31'137	73.6%	Jan-26	54'341	-0.5%	7.4%	up	slightly OB
Shanghai Composite	CNY	4'103	Apr-25	3'097	32.5%	Jan-26	4'165	-1.5%	3.4%	neutral	neutral
US 10Y Treasury Yield	%	4.23%	Apr-25	3.89%	0.3%	Jan-25	4.64%	-0.4%	0.0%	neutral	neutral
German 10Y Bund Yield	%	2.84%	Feb-25	2.36%	0.5%	Dec-25	2.91%	-0.1%	-0.0%	up	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	88	May-25	80	9.4%	Oct-25	89	-1.8%	0.7%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	111	Apr-25	101	9.3%	Jan-26	111	-0.4%	0.3%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	81	Apr-25	72	12.2%	Jan-26	81	0.0%	0.6%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	96	Apr-25	83	15.3%	Dec-25	97	-0.4%	-0.1%	neutral	neutral
EUR/USD		1.16	Feb-25	1.03	12.5%	Sep-25	1.19	-2.2%	-1.3%	neutral	neutral
GBP/USD		1.34	Jan-25	1.23	8.6%	Jul-25	1.37	-2.7%	-0.7%	neutral	neutral
USD/JPY		158	Apr-25	141	12.3%	Jan-26	159	-0.7%	0.9%	neutral	slightly OB
USD/CHF		0.80	Sep-25	0.79	2.1%	Feb-25	0.91	-12.1%	1.3%	neutral	neutral
AUD/USD		0.67	Apr-25	0.60	12.3%	Jan-26	0.67	-0.8%	0.1%	neutral	neutral
Brent Oil (per Barrel)	USD	64	Dec-25	59	8.8%	Jan-25	80	-20.0%	5.4%	down	neutral
Gold Spot (per Ounce)	USD	4'595	Jan-25	2'708	69.7%	Jan-26	4'625	-0.6%	6.4%	up	slightly OB

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US Growth focus: forcing new tariffs risks derailing a positive growth consensus

Saturday's announcement of new tariffs on 8 European NATO nations over the failing US bid to acquire Greenland is leading US and European markets to correct today. The immediate effect of such disruptive news is logically risk-OFF, yet the consequences of such actions, if they persist, could be more long-lasting and counterproductive for the US Administration as the Midterms approach. Indeed, while the 2nd year of the US Presidential cycle is typically the most challenging one for equities, the outset this year seemed more promising. Indeed, Consensus GDP has risen back linearly since last May (top-left graph) as the tariffs were first postponed, then negotiated down and while domestically, the stimulative One Big Beautiful Bill Act was passed in July. This latter initiative is extending the Capex boom, which started with the various Chips, Infrastructure and Reshoring bills during the 2nd half of the Biden administration (top-right). The resulting Growth consensus is so strong that it is weighing on further rate cuts expectations, while equities, on the other hand, are continuing to rise (bot-left). Such a promising balance could prove fragile though, especially if the aggressive fiscal stimulus measures currently priced in (stimulative budget bill, limited new tariffs, further rebates on existing tariffs – bot-right) need to be repriced.



Stocks rally as markets price out interest rate cuts

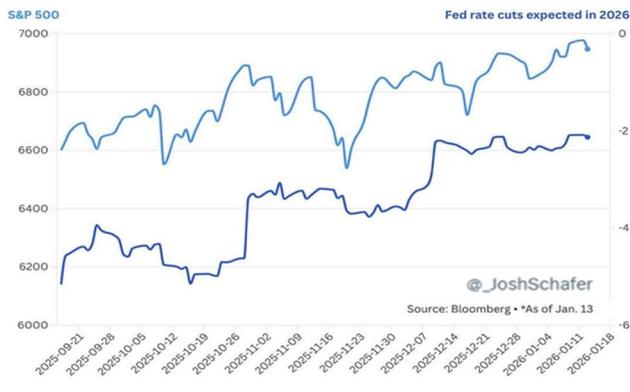
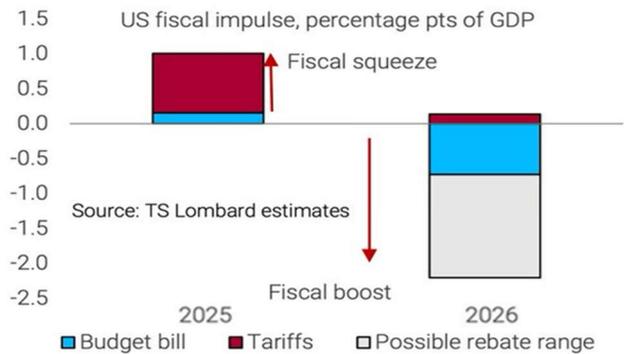


Chart 12: The big swing in US fiscal policy



Notes:

- Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then "up", below -0.08% then "down", otherwise it is "neutral".
- Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

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