Last Week at a Glance

Global equities rose modestly last week supported by solid tech earnings and easing geopolitical tensions in the Middle East, while bond yields rose slightly, and the USD rallied.

- Developed markets equities posted modest gains although US equities declined as investors digested mixed bank earnings and the rise in Treasury yields. Non-US markets continued to outperform, especially Japanese equities, which were boosted by expectations for increased fiscal stimulus as PM Takaichi called for snap elections in early February.
- US Treasury yields rose modestly as markets recalibrated Fed rate cut expectations following US CPI data showing core inflation running at 2.7% y/y. While the number was in line with expectations, inflation remains above the Fed's 2.0% target. At the same time, the yield curve steepened as long-term bonds sold off amid concerns about Fed independence following news that the DOJ had issued subpoenas to Fed Chair Powell.
- Natural resource equities continued to outperform as gold and silver reached new highs during a period of political uncertainty, while copper and oil prices also rebounded.
- The USD strengthened on the back of higher bond yields and delayed Fed cut expectations. The Japanese yen was particularly volatile, weakening sharply amid the news of snap elections, only to rebound after approaching USD/JPY 160 as Japanese officials threatened to intervene to support the currency.

Market Performance

As of January 18, 2026 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	0.4	2.7	2.7
Developed Markets	0.2	2.2	2.2
United States	-0.4	1.4	1.4
Euro Area	0.6	3.8	3.8
United Kingdom	1.2	3.1	3.1
Japan	4.3	7.6	7.6
Emerging Markets	2.5	6.3	6.3
Fixed Income			
US Aggregate	-0.1	0.0	0.0
US Treasuries	-0.2	-0.2	-0.2
US Corporate IG	0.0	0.1	0.1
US Corporate HY	0.2	0.6	0.6
Real Assets			
Global Equity REITs	3.7	4.2	4.2
Global Natural Resources	3.9	7.7	7.7
Gold Bullion	2.0	6.2	6.2
Currencies			
EUR/USD	-0.4	-1.3	-1.3
GBP/USD	-0.3	-0.5	-0.5
USD/JPY	0.1	0.8	0.8

Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: This edition was prepared on January 18, 2026, and it reviews developments of the prior week. The equity data are total returns net of dividend taxes of MSCI indexes in local currency. Global natural resources equities are represented by the MSCI All Country World Commodity Producers Index. The fixed income data are total returns for Bloomberg indexes. Gold Bullion uses near-month gold futures contracts, as traded on the COMEX, to determine performance. Currency performance is based on Reuters data.