

MONTHLY

MARKET INSIGHTS

THE MONTH'S BIG THEMES

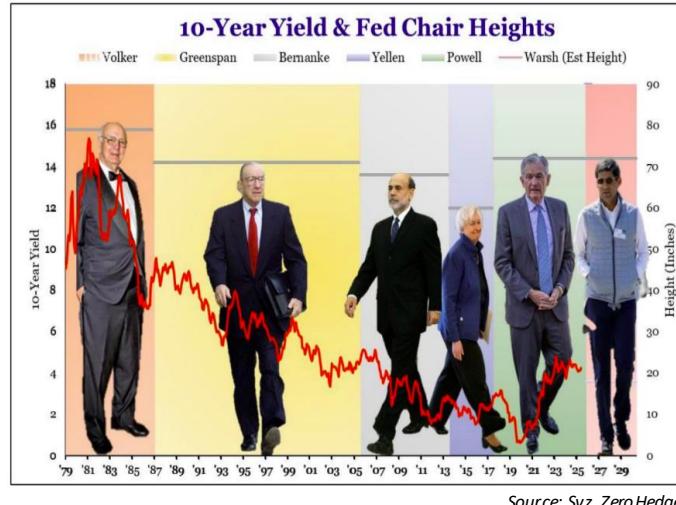
Key Takeaways:

- IMF – Resilient growth:** global growth is projected at 3,3% for 2026, with technology, accommodative financial conditions, and fiscal dominance offsetting trade policy shifts. Global inflation is expected to fall with US inflation stickier.
- US – Growth remains solid but slower:** unemployment rate came around 4.4% and annual inflation eased to about 2.7% YoY. Real GDP growth for Q3 2025 has been revised higher to 4,4% YoY. The central bank kept rates on hold in the 3,50%-3,75% range at its January 28th meeting, signaling that inflation is "somewhat elevated" and the outlook remains uncertain.
- US FED – a fragile independence:** Pst Trump nominated former US Fed Governor Kevin Warsh (2006-2011) to replace J. Powell as 17th chairman. He is perceived as hawkish but is above all for a closer operational alignment between the Treasury and the FED.
- Eurozone – A gradual recovery:** annual inflation rate was revised down to 1,9% in December, below the 2% ECB's target and the area continued to prove resilient. The European central bank left policy rates unchanged at its December meeting at 2%.
- UK – A still fragile economy:** the first increase in five months, the annual inflation rate came at 3,4% in December, mainly due to one-off effects. The economy grew just above zero in Q3 2025. The BoE cut its Bank Rate by 25 bps to 3.75% in December.
- China – Cautious Chinese growth:** the economy grew 4.5% YoY in Q4 (the slowest growth pace since late 2022) and expanded 5% in 2025, meeting the government's target. In the new five-year planning cycle, most Provinces maintained or lowered their economic growth targets for 2026 compared with last year, signaling continued economic headwinds .
- Japan – A less accommodative central bank:** after two rates' hike in 2025, the Japanese central bank stayed on hold at 0,75% ahead of upcoming elections. In its quarterly outlook report, the BoJ increases its growth forecast for fiscal year 2025 and 2026. Overall inflation rate dropped significantly in December to 2.1%, the lowest since March 2022, with core inflation at 2.4% YoY.
- Geopolitical tensions persisted,** with Washington seeking to extend its power in Greenland, launching a military intervention in Venezuela and sending warships to the Persian Gulf near Iran.
- US Earnings - Healthy earnings growth:** led by technology, AI infrastructure and industrials, with many companies of the S&P 500 guiding for solid revenue and margin trends in 2026. According to Factset, the forward 12-month PER for the S&P 500 is 22,2, above the 5-year average (20,0) and the 10-year average (18,8)

Markets' reaction:

- Amid global tension and volatility, **commodities and emerging markets led the performance race**. Equity markets made a positive start to the new year. Fixed income and Precious Metals also posted solid monthly returns while Cryptocurrencies disappointed.
- Emerging markets were again the top-performing equity and fixed Income market** this month, with tech-heavy Asian markets outperforming (MSCI Korea: +27,8%, MSCIA Taiwan: +11,1%). **China underperformed the broader EM index** (MSCI China:+4,7%) **and India was an outlier** (MSCI India: -4,8%) **In the US, rotation continued away from the mega-cap tech stocks.** Value and Defensive oriented stocks outperformed their growth stocks peers and Small and mid-caps outpaced Large caps. **In Europe, Defensive and Energy names led the performance.** The UK index hit the 10'000-point marker for the first time since its inception in 1984. Japanese stocks were among the best performer (Nikkei: +2,9%)
- On the Fixed Income front, **developed sovereign debt yields drifted marginally up** in a context of heightened geopolitical tensions, decent economic data and Trump's pressures on the Fed independence. **Credit spreads remained remarkably stable**, close to historic lows.
- Gold and Silver reached new record highs** before falling sharply at the end of the month, while rising 13,3% and 18,9% respectively in January. In a context of geopolitical swings, **Oil posted its first monthly increase in four months.** Natural gas posted strong returns (+18%) due to weather conditions. The **US Dollar underperformed its currencies basket.**

CHARTS OF THE MONTH



Friday 30th sell-off



MONTHLY MARKETS REVIEW (As of January 2026, 31th)

EQUITY MARKETS

	MTD	YTD
MSCI World (USD)	+2,3%	+2,3%
MSCI Emerging (USD)	+8,9%	+8,9%
S&P 500 (USD)	+1,4%	+1,4%
NASDAQ (USD)	+1,2%	+1,2%
RUSSELL 2000 (USD)	+5,4%	+5,4%
STOXX 600 (EUR)	+3,2%	+3,2%
DAX (EUR)	+0,0%	+0,0%
CAC 40 (EUR)	-0,3%	-0,3%
FTSE 100 (GBP)	+3,0%	+3,0%
NIKKEI (JPY)	+2,9%	+2,9%
CSI 300 (CNY)	+1,8%	+1,8%
BOVESPA (BRL)	+13,0%	+13,0%
HANG SENG (HKD)	+6,9%	+6,9%

FIXED INCOME MARKETS

	MTD	YTD
Global Aggregate USD (Hedged)	+0,2%	+0,2%
Global Aggregate EUR (Hedged)	-0,4%	-0,4%
US Investment Grade	+0,2%	+0,2%
US High Yield	+0,5%	+0,5%
EU Investment Grade	+0,8%	+0,8%
EU High Yield	+0,7%	+0,7%
EM Local Ccy. Gov (Unhedged)	+1,1%	+1,1%
EM Hard Ccy. Aggregate (Unhedged)	+0,7%	+0,7%

COMMODITY MARKETS

	MTD	YTD
Gold	+13,3%	+13,3%
WTI Crude	+13,6%	+13,6%
Brent Crude	+16,2%	+16,2%
Silver	+18,9%	+18,9%
Natural Gas	+18,1%	+18,1%
Copper	+4,3%	+4,3%

CURRENCY MARKETS

	MTD	YTD
US Dollar Index (DXY)	-1,4%	-1,4%
EURUSD	+0,9%	+0,9%
GBPUSD	+1,6%	+1,6%
AUDUSD	+4,4%	+4,4%
USDCHF	-2,5%	-2,5%
USDJPY	-1,2%	-1,2%

Source: Bloomberg

GET IN TOUCH



E53, Avenue De La Cannelle, Ebene, Mauritius



heritagewealth.mu



+(230) 408 4130



info@heritagewealth.mu

DISCLAIMER

This publication is intended for information purposes only and does not constitute investment advice or a solicitation to purchase or sell any securities, funds, or strategies. The information provided is general in nature and does not account for the specific investment objectives or circumstances of any particular investor. You should consult a licensed investment professional before acting upon any information contained herein. Statements of opinion are those of Heritage Wealth Partners Ltd and are current at the time of issue, given in good faith, and are subject to change at any time. Neither Heritage Wealth Partners Ltd nor its staff accepts liability for the information or opinions expressed. All investments carry a level of risk. Past performance is not a guide to future returns. Any scenarios presented are estimates based on historical evidence and are not exact indicators of future performance.

Heritage Wealth Partners Ltd is licensed and regulated by the Financial Services Commission (FSC) of Mauritius.

