

MARKETS IN MOTION

KEY GLOBAL EVENTS MOVING MARKETS

HOW DID THE MARKETS REACT?

AI SUPERCYCLE

AI-driven investment remains a major market driver, with heavy spending on artificial-intelligence infrastructure, estimated by some analysts at around \$500 billion in total capex for 2026, supporting global equity markets, particularly in technology and cloud-related sectors. However, the scale of this spending has increased investor caution, as concerns over high capital expenditure, elevated valuations, and long-term profitability have led to greater volatility and more selective positioning within the sector

EUROZONE INFLATION HITS TARGET

Inflation in the euro area continued to ease toward the end of 2025, with December data showing headline inflation close to the ECB's 2 per cent target and core inflation also moderating, confirming that underlying price pressures are cooling after previous years' elevated inflation. Financial markets reacted calmly, with government bond yields edging slightly lower in core markets such as Germany, reinforcing expectations that the ECB is likely to keep interest rates unchanged. This easing trend supports economic stability and shapes monetary policy expectations heading into 2026.

TOP STORIES

CHINA'S STIMULUS EFFORTS

In January 2026, the People's Bank of China shifted to a "moderately loose" monetary stance, signalling planned interest rate and reserve requirement ratio cuts to support growth amid a property downturn and weak consumer spending. Reinforcing this pivot, the National Development and Reform Commission approved a 295 billion yuan (\$42 billion) investment plan for 2026, funding nearly 1,000 projects in infrastructure, national security, and carbon reduction to kick off China's 15th Five-Year Plan.



U.S. - LOW-HIRE, LOW-FIRE

Late-2025 and early-2026 U.S. labour data point to gradual cooling rather than a sharp downturn. ADP reported 41,000 private jobs added in December 2025, while the BLS showed nonfarm payrolls up 50,000 and the unemployment rate edging down to 4.4%. Weekly initial jobless claims remained low (208,000 for the week ending 3 January), consistent with a "low-hire, low-fire" labour market shaping Federal Reserve policy considerations and the broader growth and inflation outlook.



U.S. INTERVENTION IN VENEZUELA

Venezuelan President Nicolás Maduro was taken into U.S. custody in early January 2026 following a U.S. military operation in Caracas, according to official statements and international news reports. The action followed years of strained relations between Washington and Caracas amid allegations of election irregularities, human rights abuses, and narcotics trafficking. U.S. President Donald Trump said the move would lead to a temporary transition period, during which the United States intends to support political stability and oversee certain strategic sectors, including energy, while Venezuela's longer-term governance arrangements are determined.



FUN FACT

Beyond markets, silver has been valued for centuries for its natural germ-killing properties. The phrase "born with a silver spoon" originally had little to do with wealth - it reflected the belief that using silver utensils helped keep people, especially children, healthier by reducing illness.

