Weekly Newsletter – 12 January 2026 – Macro Overview

Markets at a Glance

US Equities	Price	% Change 1w	1m	YTD
S&P 500	6,966.28	1.57	2.03	1.76
Nasdaq-100	25,766.26	2.22	2.26	2.05
S&P MidCap 400	3,459.81	3.30	3.25	4.68
Russell 2000	2,624.22	4.62	2.85	5.73

Global Equities	Price	% Change 1w	1m	YTD
MSCI World	4,511.01	1.48	2.34	1.82
MSCI Emerging Markets	1,452.35	1.60	4.49	3.42
MSCI North America	6,934.23	1.50	2.02	1.75
MSCI Latin America	2,819.93	3.66	3.12	4.08
MSCI Europe ex. UK	241.03	2.30	5.00	3.03
MSCI United Kingdom	2,885.33	1.69	4.94	1.89
MSCI Asia ex. Japan	945.28	1.46	4.70	3.49
MSCI Pacific ex Japan	9,625.92	0.05	1.36	0.84
MSCI Japan	2,155.05	3.11	2.34	3.11
MSCI Emerging EMEA	265.20	1.38	3.30	2.31

Fixed Income	% YTW	yrs Drtn	% Change 1w	YTD
U.S Aggregate	4.32	6.00	0.35	0.15
U.S. Corporates	4.84	6.95	0.34	0.10
Municipals	3.47	6.13	0.69	0.73
Global High Yield	3.52	6.37	-0.03	-0.16

FX	Spot	% Change 1w	1m	YTD
EURUSD	1.16	-0.70	0.09	-0.93
EURGBP	0.87	0.32	0.72	0.42
EURCHF	0.93	-0.38	0.55	-0.17
USDJPY	157.89	-0.67	-0.64	-0.75
USDCNY	6.98	0.14	1.22	0.14

Commodity	Price	% Change 1w	1m	YTD
Bent Crude	63.34	4.26	2.26	4.09
WTI Crude	59.12	3.14	1.49	2.96
Gold	4,500.90	3.96	6.99	3.68
Silver	79.34	11.72	31.86	12.38
Copper	590.25	3.71	12.63	3.88

Yields	% Yield	% Change 1w	1m	YTD
U.S. 10Y Treasury	4.17	-0.03	-0.02	0.00
Germany 10Y Bund	2.86	-0.04	0.01	0.01
U.K. 10Y Gilt	4.37	-0.16	-0.13	-0.11

Weekly Recap

Rates: U.S. rates firmed after the late 2025 Fed's cut cycle, as markets expect more stability in the near term and new cuts are less likely until economics conditions get better, which may happen later on 2026. The U.S. 10-Y Treasury yield fell to ~4.17%, reflecting new mixed labour market data, where unemployment decreased back to 4.4%, but payrolls growth missed expectations. Meanwhile, projections on the BoE's rates remain cautious, as inflation in the UK remain high with food inflation up to 3.3% in December, from 3.0% in the previous month.

Macro / Policy: US ISM manufacturing decrease to 47.9 and non-manufacturing increase to 54.4 show resilience on the services sector but maintaining inflation pressures. At the same time, unemployment decreased to 4.4% even though nonfarm payrolls increased by 50k jobs, primarily concentrated in services as the ISM non-manufacturing employment stayed at 52.0 and the manufacturing at 44.9, a significant gap justified by many as a consequence of Trump's tariffs on industrial production. This thesis is the basis for a more expectations on a steadier Fed rate policy, breaking the cut cycle seen in the past months.

FX: risk sentiment and U.S. data dictated, with USD weakened early on risk-on flows but regained terrain later as employment data reduced near-term Fed cut expectations. JPY and KRW stayed fragile, while GBP and commodity currencies such timidly outperformed.

Risk / Sentiment: Risk sentiment shifted in **three steps**:

- **5-6 Jan fast risk absorption**: Markets initially priced a geopolitical risk premium, visible in gold jumping (~+2.3%) and oil/energy names moving (CVX ~+5%, VLO ~+9% and XOM ~+3.4%), but the tone flipped back toward risk-taking fast, U.S. benchmarks held up (S&P 500 and DJIA ~+0.62% and ~+0.99%), and Europe's energy sector reacted sharply as oil headlines evolved. Oil prices fell, as Brent and WTI went down -$1.06 and -$1.19 from 5 to 6 Jan;
- **7 Jan pause/digestion**: Sentiment stayed constructive, yet positioning became more cautious ahead of data. European equities paused (Shell and BP down over -3% and Europe energy subindex fell -2.2%) even as pro-growth trades showed up in commodities, with industrial metals (notably copper, finishing up 3.51%) outperforming on supply/AI-demand narratives;
- **9 Jan risk-on + rates**: The market treated the jobs miss as not forcing an immediate Fed pivot, so equities finished strong (S&P 500 +0.65%, STOXX 600 +0.97% on a record close), global risk assets rallied while the U.S. dollar remained supported (DXY up 0.26), rather than a pure flight-to-safety. Nasdaq closed up ~2.2%, while Russel 2000 gained ~4.62%. Commodities also reflected the shift, with Brent and WTI up to finish the session +4.26% and +3.14%.

Venezuela / Maduro: A **U.S. military operation captured Venezuelan Dictator Nicolás Maduro** in the last week, leveraging crude prices and energy equities rose briefly early this week on supply-risk headlines, but the move quickly faded as investors judged Venezuela's current output too small to create a long-lasting global shock and focused instead on possible re-routing of oil exports. Venezuelan and PDVSA bonds surged, although gains were still highly speculative, even though the U.S. government announced a US$ 2B worth of crude imports from the LatAm country. Safe havens benefited very briefly, as focus shifted to US and Fed again, even though Gold beat its all time-high, finishing the session up 3.96%.

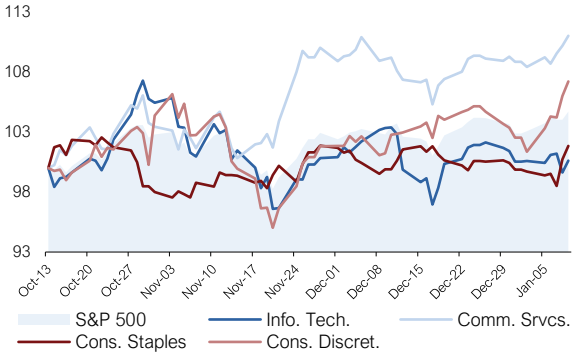
Market Implications

Equities: global equities showed strong risk absorption after the capture of Nicolás Maduro. U.S. stocks rose on Jan 5–6 (S&P 500, Dow and Nasdaq all up), indicating the shock was viewed as contained, not systemic. Mid-week, sentiment paused as European equities stalled on Jan 7, driven mainly by a sharp sell-off in energy stocks. By Jan 9, equities turned decisively risk-on again: U.S. indices and the STOXX 600 closed at or near record highs, as weak U.S. payrolls were interpreted as a slowdown rather than a recession signal.

Macro Assets: Macro-backed assets reflected a short-lived safe-haven response followed by rapid normalization. Gold jumped about 2% on Jan 5 on geopolitical caution but failed to extend gains. Oil was volatile and headline-driven: prices fell on Jan 5–6 as supply fears faded, then rebounded sharply on Jan 9 (Brent and WTI both up over 2%). Meanwhile, the U.S. dollar strengthened alongside rising equities, producing a "risk-on with rates support" mix in which markets quickly refocused on U.S. macro data and policy expectations, not Venezuela risk

Sector Pulse (Rel. vs S&P 500)

- **Info Technology** | -1.55pp | big names underperformance
- **Comm Services** | +0.80pp | reduced regulatory risks
- **Consumer Staples** | +0.54pp | real earnings + defensives
- **Consumer Discretionary** | +4.20pp | mortgage-bond plan



Rebased to 100 | Last 3 Months | Friday Close

Week Ahead

Macro: Tue US CPI; Wed US PPI + Retail Sales; Thu China macro data (trade + credit); Fri China GDP + Ger CPI + US Ind. Production

Central Banks: No decisions (next FOMC Jan 27–28).

Policy / Geopolitics: Venezuela aftermath + US renewed discussions on trade policies + China decisions on GDP and activity data

Key Risk: US higher-than-expected CPI and PPI; oil prices following concerns on Venezuela exports

Weekly Newsletter – 12 January 2026 – Technology, Media & Telecommunications

Overview

TMT markets favored AI infrastructure this week, with memory, storage, and semiconductor stocks rallying on CES driven demand signals and tighter supply expectations. Software and SaaS lagged as investors questioned near term AI monetization, reinforcing a selective tone across the sector.

Major Movers

Relative to S&P Information Technology and S&P Communication Services
Prices in local currencies. Data from Bloomberg.

		% Change			
Stocks	**Price**	**1w**	**1wRel**	**1m**	**%52w**
Sandisk	377.41	37.1	37.1	72.0	100.0
Micron	345.09	9.4	9.4	33.5	99.6
Western Digital	200.46	6.8	6.8	7.1	89.2
Seagate Technology	304.01	5.7	5.7	-1.2	89.6
Adobe	333.95	0.2	0.2	-4.7	71.7
Zscaler	216.73	-1.7	-1.8	-10.5	30.2

Top Performers

- **Sandisk:** Surged as CES-driven AI infrastructure optimism (notably Nvidia's Rubin platform narrative) reinforced expectations for tighter SSD supply and firmer flash pricing.
- **Micron:** Advanced on strengthening "memory supercycle" signals, supported by evidence of sharp memory-price increases and incremental analyst optimism into 2026 earnings power.
- **Western Digital:** umped as investors leaned into AI/cloud data-center storage demand and HDD supply-tightness, extending the broader storage complex rally.
- **Seagate:** Broke out to fresh highs as the market repriced structural HDD undersupply alongside accelerating AI-driven storage needs in hyperscale deployments.

Newsflow

Policy / Regulation: Regulatory developments focused on **implementation rather than new legislation**, with progress across **telecom modernization**, **AI oversight**, and **infrastructure policy**. In the US, regulators advanced proposals to modernize **telecommunications relay services**, signaling a shift away from legacy TTY-based requirements toward internet-based solutions, alongside stricter user registration to curb fraud. While manageable operationally, the changes affect how operators structure accessibility services and compliance costs.

In Europe, authorities continued to clarify **AI Act enforcement timelines**, particularly around transparency and obligations for large model providers, reinforcing near-term compliance uncertainty but raising longer-term barriers to entry. Separately, tighter environmental reviews for **data centers** highlighted that power availability and grid access are becoming binding constraints for AI and cloud expansion.

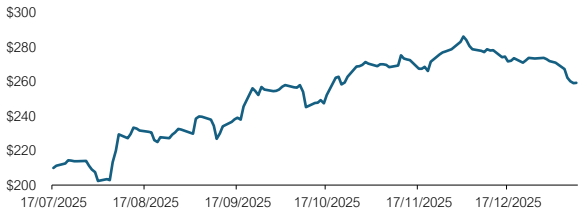
Corporate Actions: Corporate actions in TMT this week skewed toward product and portfolio moves that deepen exposure to AI infrastructure demand, rather than large scale M&A. The clearest example **was SanDisk's launch of its new SANDISK Optimus SSD product brand**, formally retiring the inherited WD Blue and WD Black naming for SSDs, a repositioning that aligns the portfolio with higher performance tiers and data heavy use cases that management and industry participants increasingly associate with AI workloads.

Within hardware and infrastructure adjacent equities, corporate messaging at **CES also shaped positioning decisions**, as Nvidia introduced new platform level concepts aimed at reducing friction in AI deployment, including a storage layer it framed as enabling faster responses in conversational AI. That CES messaging acted as a catalyst for investors to rotate toward the storage and memory ecosystem, reinforcing that corporate actions in the space are increasingly about stacking complementary components around AI systems, not simply shipping faster compute.

Earnings / Guidance: Earnings and guidance commentary across TMT this week underscored a growing divergence between hardware and software, as investors became more selective on AI monetization. **Software and SaaS names faced increased scrutiny as analysts questioned whether AI features are driving meaningful near-term revenue acceleration**, with conservative guidance weighing on sentiment. In contrast, hardware and semiconductor companies were supported by expectations for improving pricing power and operating leverage, as tightening supply in memory and storage is increasingly reflected in earnings outlooks and forward estimates.

Industry data: Industry data during the week reinforced a shift in the AI investment cycle toward memory, storage, and systems infrastructure, as **forecasts pointed to sharp sequential increases in DRAM and NAND pricing driven by AI server demand**. CES commentary highlighted that performance constraints are increasingly located in storage throughput and system architecture rather than compute alone, prompting investors to rotate toward enabling components across the AI stack. This evolution supports a broader set of AI beneficiaries while raising the bar for differentiated positioning within the sector.

Stock Spotlight



SanDisk: The company entered 2026 already in a stretched position after a torrid first year back as a standalone name, and last week's move pushed the narrative from **AI tailwind to pure momentum**: the **stock surged about 27% in a single session** to a record level and was **up more than 47% in the first three trading days of the year**. The catalyst was a **renewed focus on storage** as an AI bottleneck following **Nvidia's CES messaging**, which investors interpreted as incremental demand and tighter supply for enterprise SSDs, supporting expectations for firmer pricing and higher earnings power across the **flash complex**. Fundamentals have been constructive: SanDisk's latest reported quarter showed revenue of $2.31B, up 21% sequentially and above guidance, with continued emphasis on data-center traction. The re-rating leaves little room for execution risk, some observers have flagged the speed of the rally as excessive and prone to reversal if pricing normalizes, while near-term costs, including **fab start-up expenses**, have already shown up in guidance sensitivity. Key 2026 catalysts are straightforward: **sustained flash and enterprise SSD price discipline**, incremental hyperscaler qualifications, and follow-through from the AI infrastructure buildout; the principal downside is a faster supply response or margin pressure that breaks the tight-market thesis.

Week Ahead – TMT

- Week Ahead: The focus will stay on AI and chip supply trends, as well as upcoming earnings and macro data. Investors will watch memory-price trackers and industry reports for signs of how long the shortage lasts. Key data releases (like U.S. inflation figures in mid-Jan) could sway tech valuations.
- On the corporate calendar, large tech earnings begin later in January (Amazon's Q4, Microsoft, Meta, etc.), which may set the tone for the sector. In the TMT space specifically, look for any guidance from chipmakers (Micron will host an analyst day on Jan 18) and for post-CES announcements (Nvidia, Intel, others). Risks include a potential pullback if chip inventories normalize faster than expected, and any broader tech sell-off in response to economic or regulatory shifts.

Weekly Newsletter – 12 January 2026 – Consumer / Retail

Overview

Consumer and retail stocks entered 2026 on a cautiously optimistic note following a resilient holiday season. Spending held up, supported by promotions and online demand, though price sensitivity and margin pressure remain key concerns as competition intensifies in early 2026.

Major Movers

		% Change			
Stocks	**Price**	**1w**	**1w Rel**	**1m**	**%52w**
Amazon	247.38	9.2	3.4	7.4	88.5
TJX Companies	157.81	2.3	0.2	1.4	96.5
FirstCash	164.91	5.2	3.1	1.6	94.5
Dine Brands	36.23	9.1	3.3	6.4	94.5
Target	105.52	5.0	2.9	8.8	35.8
Walmart	114.53	1.6	-0.5	-0.9	92.2
Costco	924.88	8.2	6.1	4.6	34.5
Carmax	45.23	15.1	9.3	8.60	25.3

Relative to S&P Consumer Staples and S&P Consumer Discretionary
Prices in local currencies. Data from Bloomberg.

Top Performers

- **Amazon:** Advanced after Amazon rolled out a web-based Alexa+ experience (Alexa.com), reframing its consumer-AI narrative and helping the stock rebound
- **Dine Brands:** Jumped after UBS lifted its price target (while keeping a Neutral stance), pushing shares toward fresh 12-month highs on the week's session move.
- **CarMax:** Rallied through a multi-day winning streak as management signaled a "back-to-basics" 2026 reset (cutting prices/margins and boosting marketing to drive volume), with the momentum reinforced by a Zacks upgrade to Hold.

Newsflow

Policy / Regulation: Policy developments were relatively quiet for Consumer and Retail this week, with no new tariff actions or regulatory shocks introduced. **Trade policy remains a background risk rather than an active catalyst**, as the Trump administration reiterated a more gradual approach to tariff implementation, reinforcing expectations that near term changes will be driven more by timing adjustments than abrupt rate increases. This has helped stabilize margin assumptions for retailers with Asia heavy sourcing, particularly in discretionary and home related categories. More broadly, the absence of new policy headlines allowed investors to refocus on fundamentals, including pricing power, promotions, and demand elasticity.

While trade and tariff risk remains structurally relevant for 2026, especially for import dependent categories, the current policy stance reduced near term uncertainty and limited volatility across consumer equities during the week.

Corporate Actions: Corporate actions across Consumer and Retail this week were centered on pricing strategy, platform monetization, and competitive positioning, rather than M&A. The most notable move came from **Amazon, which used CES to deepen its push into retail linked digital advertising**, pitching advertisers on the combined reach of its e commerce marketplace and streaming inventory, while also announcing fee cuts for third party sellers in Europe across select categories. This move was interpreted as a strategic effort to strengthen marketplace competitiveness and stimulate seller activity heading into 2026.

In auto retail, **CarMax outlined a more aggressive operational reset, with management signaling plans to lower used car prices** and accept thinner margins while increasing marketing spend to reignite demand following declining sales. Elsewhere, there were no major divestments or acquisitions, but investor activity showed selective de risking, highlighted by a full exit from FirstCash by a fund after strong multi year performance, reinforcing that capital rotation and profit taking remain part of the early 2026 setup.

Earnings / Guidance: Earnings and guidance signals this week pointed to a consumer sector that exited the holiday season on firmer footing than expected, but with management teams maintaining a cautious stance on margins. While sales trends remained stable, guidance continues to emphasize promotions, pricing discipline, and cost control as retailers brace for competitive first quarter conditions. Stock reactions reflected this balance, with value and dining concepts showing relative strength, while premium and high multiple retailers experienced profit taking despite solid underlying performance.

Industry data: Industry data reinforced a picture of resilient but price sensitive consumers, with **U.S. holiday retail sales growing around 4 percent year on year and online spending up close to 8 percent**. Promotions and buy now pay later usage supported volumes, benefiting off price and value oriented retailers, while inflation and affordability remain key variables shaping demand as the sector moves into 2026.

Week Ahead – Consumer/Retail

- Attention turns to upcoming U.S. inflation data and consumer confidence indicators, which will help gauge purchasing power early in the year. Investors are also looking ahead to major retailers' fourth quarter earnings later in January, where early guidance will set the tone for consumer stocks in 2026.

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