

Aerospace stocks take off

Global equity markets finished the first full week of 2026 on the front foot, posting strong gains. Performance was driven by aerospace & defence stocks amid expectations for greater US defence spending. In a social media post on Wednesday, US President Trump proposed that the US military budget should be increased from \$1 trillion to \$1.5 trillion. This came following the US military operation in Venezuela, which added volatility to gold and oil prices last week before ultimately finishing up 4.8% and 3.9% respectively in EUR terms.

There was a string of US labour market releases to report. Kicking off the proceedings, JOLTS job opening figures – which indicate labour demand – fell from 7.45m to 7.15m in November, their lowest since September 2024. The ADP employment report showed that private sector employment grew by 41,000 in December, missing projections for 47,000. Finally, the non-farm payrolls report showed that 50,000 jobs were added in December, below the 60,000 anticipated. However, the unemployment rate fell unexpectedly to 4.4% from 4.5%.

In Europe, flash estimates of German and French inflation for December both came in below projections. The German rate dropped to 2.0% while the French rate dropped to 0.8%, having been expected to come in at 2.2% and 0.9% respectively. Flash estimates of the inflation rate for the Eurozone as a whole were in-line with the consensus, falling from 2.1% to 2.0%. The November unemployment rate for the currency bloc unexpectedly eased to 6.3% from 6.4% in October. Meanwhile, after 25 years of negotiation, EU countries approved the EU-Mercosur trade agreement despite widespread protests. The deal will create a free trade zone that spans 700 million people across Europe and South America.

Bond yields across the major economies declined significantly as the market digested the slew of softer economic reports and priced in their expectations for additional rate cuts in 2026. The 10-year UK gilt yield notably fell from 4.54% to 4.37%.



Fact of the week

Venezuela has the world's largest proven oil reserves at around 303 billion barrels; however, the country produces less than one million barrels per day, ranking it 21st globally in terms of oil production.

Our regular market information continues on the next page.

Snapshot



- Corporate Bonds
- Sovereign Bonds
- World Equities
- Copper
- Oil
- Gold

The week ahead

13 Jan	US CPI inflation data for December goes to print.
14 Jan	US PPI data for October and November is reported.
15 Jan	Germany full-year GDP figures are released.



	1 Week Return 02.01.26 to 09.01.26		Year to Date Return 31.12.25 to 09.01.26	
	Local Currency	Euro	Local Currency	Euro
World	1.5%	2.5%	1.8%	2.7%
U.S.	1.5%	2.5%	1.8%	2.7%
Europe	2.3%	2.3%	3.0%	3.0%
Ireland	-0.7%	-0.7%	-0.3%	-0.3%
U.K.	1.7%	2.1%	1.9%	2.6%
Japan	3.1%	3.2%	3.1%	3.3%
Hong Kong	2.0%	2.9%	4.4%	5.2%
Corporate Bonds	0.5%	0.5%	0.4%	0.4%
Sovereign Bonds	0.9%	0.9%	0.4%	0.4%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
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Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.
 Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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Equities

- Global stocks finished up 2.5% in euro terms and up 1.5% in local terms last week.
- Year-to-date global markets are up by 2.7% in euro terms and up by 1.8% in local terms.
- The U.S. market, the largest in the world, finished up at 2.5% in euro terms and up at 1.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.2% last week. The German equivalent finished at 2.9%. The Irish 10-year bond yield finished at 3.0%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$59 per barrel and is up 3.9% year-to-date in euro terms.
- Gold finished the week at \$4,510 per troy ounce and is up 5.4% year-to-date in euro terms.
- Copper finished the week at \$13,040 per tonne and is up 5.7% year-to-date in euro terms.