

Greenland levies throw cold water on the market

Following months of deals and deescalation, US President Trump renewed trade war concerns yesterday when he announced a 10% tariff on eight European countries that have displayed opposition to his proposed takeover of Greenland. The levy is due to begin on 1st February and Trump warned it would increase to 25% in June unless “a Deal is reached for the Complete and Total purchase of Greenland”. The EU is reportedly readying a retaliation, and the EU-US trade deal which was reached last July is likely to be halted. These developments came after Trump had announced fresh 25% tariffs on countries “doing business” with Iran earlier in the week, and also as we await the Supreme Court’s ruling on whether the tariffs are constitutional.

This wasn’t the only incident to note from the US administration during the week, however. The market reacted Monday to news that the Department of Justice had launched a criminal investigation into Federal Reserve Chair Jerome Powell’s testimony about the renovation project on the Fed’s headquarters that has run overbudget. Fed governor Michael Barr called the DoJ’s probe “an assault on the independence of the Fed”. In economic news, US inflation data came in broadly softer than expected. The Consumer Price Index inflation rate for December held steady at 2.7%, in line with projections, while the Producer Price Index rose by 0.2% MoM in November, below consensus expectations of 0.3%. US retail sales grew by 0.6% MoM in November, the biggest jump since July and better than the 0.4% rise anticipated.

In France, Prime Minister Sébastien Lecornu survived two no-confidence votes which came in protest of the EU-Mercosur trade deal. Meanwhile, Eurozone industrial production expanded faster than expected in November, gaining 0.7% and marking the third consecutive month of growth. Germany’s GDP experienced a modest growth of 0.2% in 2025, ending two years of recession, while the UK’s GDP rose 0.3% MoM in November, beating forecasts of 0.1%.

Elsewhere, Japanese stocks soared on expectations that Prime Minister Kishida will call a snap election in order to receive backing for her fiscal stimulus plans.



Fact of the week

Despite its trade war with the US in 2025, China’s annual trade surplus hit a record \$1.19 trillion, 20% higher than 2024.

Our regular market information continues on the next page.

Snapshot



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

The week ahead

20 Jan	UK unemployment data for October goes to print.
22 Jan	US PCE price index data for November is reported.
23 Jan	Bank of Japan announces its rate decision.



1 Week Return 09.01.26 to 16.01.26		Year to Date Return 31.12.25 to 16.01.26		
	Local Currency	Euro	Local Currency	Euro
World	0.1%	0.5%	1.9%	3.3%
U.S.	-0.4%	0.0%	1.4%	2.7%
Europe	0.7%	0.7%	3.7%	3.7%
Ireland	-0.2%	-0.2%	-0.5%	-0.5%
U.K.	1.2%	1.3%	3.1%	3.9%
Japan	4.3%	4.6%	7.6%	8.1%
Hong Kong	2.0%	2.3%	6.5%	7.7%
Corporate Bonds	0.2%	0.2%	0.5%	0.5%
Sovereign Bonds	0.3%	0.3%	0.7%	0.7%

Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

Warning: Benefits may be affected by changes in currency exchange rates.

Warning: If you invest in this product, you may lose some or all of the money you invest.

Equities

- Global stocks finished up 0.5% in euro terms and up 0.1% in local terms last week.
- Year-to-date global markets are up by 3.3% in euro terms and up by 1.9% in local terms.
- The U.S. market, the largest in the world, finished neutral at 0.0% in euro terms and down at -0.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.2% last week. The German equivalent finished at 2.8%. The Irish 10-year bond yield finished at 3.1%.
- 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 4.8% year-to-date in euro terms.
- Gold finished the week at \$4,596 per troy ounce and is up 7.8% year-to-date in euro terms.
- Copper finished the week at \$12,865 per tonne and is up 4.6% year-to-date in euro terms.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced, or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing, or creating any MSCI expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability, and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Source ICE Data Indices, LLC ("ICE DATA"), is used with permission. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD-PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVE THIRD-PARTY PROVIDERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD-PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES. Figures are calculated using Total Returns Indices.

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

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.