

Bureaucracy is too slow and Trump is too fast

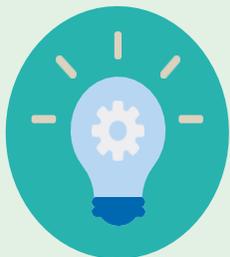
Global stock markets finished higher last week, with the Supreme Court ruling providing a late boost to proceedings. Australian stocks led the way in EUR terms, with strong earnings reports from major banks and mining companies continuing to support the rally in 2026. The UK also had a strong week with shares in defence companies driving returns after Prime Minister Keir Starmer said Britain “needs to go faster” on military spending.

Economic releases in the UK also played their part as expectations for further rate cuts by the Bank of England received a significant boost. The annual inflation rate dropped markedly from 3.4% in December to 3.0% in January, while the unemployment rate hit a five-year high of 5.2% in December, up from 5.1% in the month previous. The sterling weakened against the euro, while the 10-year Gilt yield fell from 4.40% at the start of the week to 4.35%.

Meanwhile, a number of key Purchasing Managers’ Index (PMI) releases last week provided a very positive indication of global economic health. The Eurozone Manufacturing PMI rose to 50.8 from 49.5 in February, a 44-month high and ahead of forecasts of 50.0. The rebound in activity was spearheaded by Germany, whose domestic PMI index climbed to 50.7 in February, surpassing projections of 49.5. In Japan, manufacturing activity expanded at its fastest rate since May 2022 in February, with the PMI rising from 51.5 to 52.8. Finally, in the UK, the composite PMI (Manufacturing and Services) came in at 53.9 in February, its highest level since April 2024 and ahead of expectations of 53.3.

US industrial activity also showed positive signs, with production growing 0.7% MoM in January, beating expectations for a 0.4% rise. However, fourth quarter GDP in the US rose at 1.4% YoY, well below estimates of 2.5%, having been dragged by the government shutdown. Meanwhile, the PCE inflation rate ticked up to 2.9% in December from 2.8% in November.

Precious metals experienced a surge due to tensions in Iran, with gold and silver prices rising 2.0% and 10.1% in EUR terms respectively. Oil also jumped 6.3% in EUR terms due to related supply concerns.



Fact of the week

US stocks have had their worst start to the year versus the global market since 1995.

Our regular market information continues on the next page.

Snapshot



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

The week ahead

23 Feb	US Chicago Fed National Activity Index for January is reported.
24 Feb	US Consumer Confidence Index for February is released.
27 Feb	German inflation and unemployment rates for February go to print.



	1 Week Return 13.02.26 to 20.02.26		Year to Date Return 31.12.25 to 20.02.26	
	Local Currency	Euro	Local Currency	Euro
World	1.0%	1.6%	2.9%	2.6%
U.S.	1.1%	1.6%	0.8%	0.4%
Europe	2.2%	2.2%	6.2%	6.2%
Ireland	1.9%	1.9%	-2.0%	-2.0%
U.K.	2.6%	2.3%	8.2%	8.2%
Japan	-0.7%	-1.3%	11.5%	12.4%
Hong Kong	1.2%	1.7%	10.1%	9.2%
Corporate Bonds	0.1%	0.1%	1.2%	1.2%
Sovereign Bonds	0.4%	0.4%	2.2%	2.2%

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

- Global stocks finished up 1.6% in euro terms and up 1.0% in local terms last week.
- Year-to-date global markets are up by 2.6% in euro terms and up by 2.9% in local terms.
- The U.S. market, the largest in the world, finished up at 1.6% in euro terms and up at 1.1% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.1% last week. The German equivalent finished at 2.7%. The Irish 10-year bond yield finished at 3.0%.
- The Euro/U.S. Dollar exchange rate finished at 1.18, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at \$66 per barrel and is up 15.2% year-to-date in euro terms.
- Gold finished the week at \$5,108 per troy ounce and is up 17.9% year-to-date in euro terms.
- Copper finished the week at \$12,881 per tonne and is up 3.1% year-to-date in euro terms.