



BANQUE
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SOMMAIRE

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1. EDITORIAL

SAME PLAYERS. ANOTHER ROUND?

After a first month of the year as eventful as 2025 was, one question often comes to mind for investors: will the trends continue? In short, will 2026 look like 2025 in terms of stock market performance?

The same leading assets are still in the lead, despite a tumultuous end to the month: despite a drop of nearly 9% on the last trading day of the month, gold still rose by 13% in January on top of last year's 65% gains. Despite a 30% drop in the same session, silver also ended the month up nearly 20%, following a 130% gain in 2025.

T1: US MARKET – SECTOR PERFORMANCE VS. GENERIC INDEX

Sector	Performances			
	2025	Delta vs. index	YTD	Delta vs. index
US Large Caps	16.40%	0.00%	1.37%	0.00%
Materials	8.43%	-7.97%	8.64%	7.27%
Industrials	17.70%	1.30%	6.62%	5.25%
Consumer Staples	1.32%	-15.08%	7.52%	6.15%
Energy	4.96%	-11.44%	14.37%	13.00%
Technology	23.31%	6.91%	-1.69%	-3.06%
Consumer Discretionary	5.31%	-11.09%	1.70%	0.33%
Communications	32.41%	16.01%	5.69%	4.32%
Financials	13.32%	-3.08%	-2.61%	-3.98%
Health Care	12.53%	-3.87%	-0.18%	-1.55%
Utilities	12.69%	-3.71%	1.32%	-0.05%
Real Estate	-0.35%	-16.75%	2.74%	1.37%

Source: Bloomberg, Banque Eric Sturdza, 30/01/26

Looking at the performance of less stellar assets, the CAC40 is already underperforming the Eurostoxx and Stoxx600! As for Bitcoin, which has been struggling since autumn 2025, it seems to be continuing to slide at the start of this year. At first glance, the winners and losers so far would suggest that for 2026, a portfolio modelled on the 2025 trends would be the best bet.

The situation becomes a little more complicated when we look at the equity market. Geographically, some outperformers seem to be confirming their leadership (Korea is still shining with a 20% gain since the beginning of the year!). In the United States, however, we are seeing serious changes in index hierarchies and significant sector rebalancing.

First observation: mid-cap stocks are catching up, with the small cap index gaining 6% while large US stocks are up just 2%.

Second observation: the table summarising the performance of the main sectors of the US stock market speaks for itself: with one or two exceptions, what was red in 2025 is largely in the green this year and vice versa.

Some of the performances in January 2026, such as the rebound in consumer stocks, may simply be a catch-up after last year's sharp underperformance. Nevertheless, if we focus on 2026 in order to understand the macro scenario underlying the performance observed in both sectors and asset classes, one answer comes to mind: the market is "playing" an inflationary boom. The word is perhaps a bit strong; a "modest" boom would probably be more appropriate, but this is undoubtedly the only scenario that reconciles the strength of metals, outperforming industrial stocks and emerging markets.

The continuation of January's stock market trends will surely depend on the realisation of this modest inflationary boom scenario. One caveat, however, is that stock market performance does not depend solely on underlying economic growth, far from it in fact! The German stock market demonstrated this clearly by gaining around 70% over the last three years, even though the country was in recession or near recession throughout! Many other explanatory factors come into play, including initial valuations and the dynamics of change.

Returning to 2026, the modest inflationary boom scenario implied by market behaviour in January seems “reasonable” to us. To implement it, we could consider:

- **Emerging markets, particularly those where sensitivity to commodities is greater and valuations are more reasonable.**
- **Metals driven by electrification needs – energy transition, artificial intelligence. The brutal drop experienced over the last few days looks like more to a healthy profit taking in what was increasingly becoming overcrowded than to a change in investment thesis.**
- **Certain European stocks supported by sovereignty themes. The recent geopolitical newsflow (Russia-Ukraine, Greenland) supports the affirmed willingness of Europeans to regain their sovereignty in critical infrastructure, defence.**

And since good management goes hand in hand with a touch of paranoia, three observations will guide our thinking: the unpredictability of the US President, the tense valuation of part of the US market and the fragility of the bond markets already observed last month in both Japan and the United States.

2. FIXED INCOME

THE SHUTDOWN HAS NOT YET REVEALED ALL ITS SURPRISES.

2026, a year of bullish steepening?

2026 could be a year marked by the steepening of the US yield curve, with long-term rates decreasing less than short-term rates. The markets believe that the Treasury and the Fed will work together to “manipulate” the slope of the curve. While no quantitative easing programme is planned in the short term, the new Reserve Management Programme (RMP) could take the form of “QE in disguise” to keep long-term rates at an acceptable level. The best argument in favour of easing US long-term rates remains macroeconomic. If inflation is no longer an issue and the labour market shows signs of weakness, long-term rates will inevitably fall.

A hawkish BoJ but not overly so

The Bank of Japan (BoJ) opted to keep its key rates stable in January, while signalling its intention to raise them at a future meeting following an upward revision to its inflation forecast. The political environment is uncertain ahead of early elections called for the 8th February. The government’s ambitious fiscal plan is worrying the markets. This is a massive stimulus plan announced at the end of 2025, to which a two-year exemption from the 8% consumption tax on food products was recently added. Given that the Prime Minister has stated that this programme will be implemented without additional borrowing, doubts have arisen about its sources of funding, raising fears of a “Liz Truss moment”.

All these concerns are obviously reflected in the bond market, with Japanese 10-year yields continuing to rise. We have repeatedly warned of the risk of the Japanese bear market spreading to all major government debt markets. In Western markets, we do not particularly fear a widespread sell-off unless the Japanese scenario materialises.

Shutdown: watch out for CPI revisions!

We are concerned about potential revisions to the CPI inflation rate, which will not be seen until the April report is published on Tuesday 12th May. The recent 43-day shutdown caused numerous distortions. In October, no data was collected, and although data was collected for November’s CPI, it was only in the second half of the month (the “Black Friday” period and similar such events). We can therefore expect inflation data to be underestimated until the April report. In terms of investments, this leads us to remain extremely cautious about duration risk because there is still a high risk of inflation figures being adjusted in May, potentially sharply, as it would correct six months of underestimated figures in one go. However, if the April CPI report triggers a significant rebound in long-term rates, we would be inclined to extend the duration of our portfolios.

3. EQUITIES

A START TO THE YEAR THAT IS MOVING (TOO) FAST?

After a strong performance for 2025 (nearly +20% in USD for the flagship index of global blue chips), global equity markets continued their upward trend (+2.25% in January), buoyed by cautious investor optimism and corporate earnings.

United States: historic highs and geopolitical tensions

In the United States, the S&P500 rose this month but failed for a few points to break above the 7'000 level, buoyed by continued enthusiasm among retail investors and the spread of the rally to other sectors such as industrials and small & mid-caps. Among

the major tech stocks, selectiveness remains the order of the day: Alphabet's continued growth and Meta's rebound are offset by more mixed performances by Microsoft and Apple. The earnings season reassured investors about the resilience of US companies, with nearly 80% of companies reporting results above expectations and earnings up 15% year-on-year. However, the events on January 20th reminded investors that 2026 would not be plain sailing. During that session, the main US indices (S&P 500, Nasdaq, Dow Jones) fell significantly following geopolitical tensions around Greenland and US tariff threats. This reignited the trade war debate, leading to a brief spike in volatility and a wave of mistrust towards US assets (equity markets, USD).

T2: US MARKET – Q4 RESULTS SUMMARY

Sector	Reported		Earnings Surprise				Earnings Growth			
			+	Inline	-	%	+	Inline	-	%
US Large Caps	167	500	133	8	26	9.35%	122	2	43	15.04%
Materials	10	27	5	0	5	0.31%	5	0	5	-5.41%
Industrials	37	74	28	3	6	31.01%	27	0	10	48.65%
Consumer Staples	11	36	9	0	2	2.43%	7	1	3	-1.99%
Energy	7	23	7	0	0	6.24%	4	0	3	1.77%
Technology	20	64	19	0	1	8.56%	18	0	1	25.25%
Consumer Discretionary	14	48	8	1	5	8.39%	6	0	8	-13.13%
Communications	6	26	6	0	0	7.92%	3	0	4	4.24%
Financials	43	80	37	2	4	6.83%	40	1	2	16.91%
Health Care	14	60	11	1	2	2.22%	11	0	3	-10.30%
Utilities	1	31	1	0	0	1.21%	1	0	0	3.19%
Real Estate	4	31	2	1	1	1.46%	0	0	4	-11.35%

Source: Bloomberg, Banque Eric Sturdza, 31-1-26

Europe, sovereignty and selectiveness

In the Old Continent, equity markets also posted robust gains in January. The STOXX Europe 600 index ended the month up nearly 3%, buoyed by Banking and Industrial stocks, with Defence stocks regaining investor favour amid geopolitical tensions surrounding Greenland. Investor optimism about Germany's economic recovery in 2026 and the expected rebound in earnings after a flat year in 2025, enabled European markets to overcome macroeconomic and geopolitical uncertainties as well as the strength of the euro.

Emerging markets buoyed by the fall in the USD and the rise in commodities

Emerging markets also rose sharply in January (+8% for the overall index in USD). With the USD bearing the brunt of the Fed's more dovish policy and attacks on its independence, international investor capital flows are moving towards those faster-growing economies. Despite the reversal in precious metal prices at the end of the month, it is also the greater sensitivity to commodities of these emerging markets that is enabling them to rebound strongly and outperform developed markets. In Asia, Technology continues to attract investor interest, with Taiwanese and Korean companies leading the way in the memory and chip segments, and Chinese AI champions commanding more attractive valuations than their US counterparts.

January 2026 was therefore characterised by an upward trend, which enabled the S&P 500 to reach new highs, while also seeing stronger growth in European and emerging market stocks. This despite brief and intense episodes of volatility linked to global trade, geopolitics and the unwinding of speculative positions, such as those seen at the end of the month in precious metals. The year 2026 could mirror this first month, with continued selectivity across equity markets, a desire to maintain significant international diversification and acceptance of sudden and intense episodes of consolidation in the short term.

5. PERFORMANCE

EQUITIES	30.01.26	CURRENT	1M	3M	6M	YTD	2025	2024	2023	2022	2021
US	DOW JONES	48'892	1.7%	2.8%	10.8%	1.7%	13.0%	12.9%	16.2%	-6.9%	20.9%
	S&P 500	6'939	1.4%	1.4%	9.5%	1.4%	16.4%	23.3%	26.3%	-18.1%	28.7%
	S&P500 EW	8'018	3.3%	5.3%	7.8%	3.3%	9.3%	10.9%	13.8%	-11.5%	29.6%
	NASDAQ 100	25'552	1.2%	-1.2%	10.1%	1.2%	20.2%	24.9%	55.1%	-32.4%	27.5%
	RUSSELL 2000	2'614	5.3%	5.4%	18.2%	5.3%	11.3%	10.0%	16.9%	-20.5%	14.8%
EUROPE	STOXX 600	611	3.2%	6.8%	11.9%	3.2%	16.7%	6.0%	16.6%	-9.9%	25.8%
	FTSE 100	10'224	2.9%	5.2%	11.9%	2.9%	21.5%	5.7%	7.7%	4.6%	18.4%
	CAC 40	8'127	-0.3%	0.1%	4.6%	-0.3%	10.4%	-2.2%	20.1%	-6.7%	31.9%
	DAX	24'539	0.2%	2.4%	2.0%	0.2%	23.0%	18.8%	20.3%	-12.3%	15.8%
	SPI SWISS	18'220	0.0%	7.3%	10.3%	0.0%	17.8%	6.2%	6.1%	-16.5%	23.4%
ASIA	MSCI EM	1'528	8.8%	9.0%	22.9%	8.8%	30.6%	5.1%	10.2%	-19.8%	-2.3%
	MSCI Asia ex Japan	988	8.2%	7.7%	21.3%	8.2%	29.3%	9.8%	3.6%	-21.5%	-6.4%
	TOPIX	3'566	4.6%	7.0%	21.2%	4.6%	22.4%	17.7%	28.3%	-2.5%	12.8%
	CSI 300	4'706	1.7%	1.4%	15.5%	1.7%	17.7%	14.7%	-9.1%	-19.8%	-3.5%
FX & COMMODITIES	30.01.26	CURRENT	1M	3M	6M	YTD	2025	2024	2023	2022	2021
CURRENCIES	EUR-USD	1.185	0.9%	2.7%	3.8%	0.9%	13.1%	-6.2%	3.1%	-5.9%	-6.9%
	EUR-CHF	0.916	-1.5%	-1.3%	-1.2%	-1.5%	-0.9%	1.2%	-6.1%	-4.6%	-4.0%
	USD-CHF	0.773	-2.5%	-3.9%	-4.8%	-2.5%	-12.3%	7.8%	-9.0%	1.3%	3.1%
	USD-JPY	154.8	-1.2%	0.5%	2.7%	-1.2%	0.3%	11.5%	10.5%	13.9%	11.5%
	USD INDEX	96.99	-1.4%	-2.8%	-3.0%	-1.4%	-9.1%	7.1%	-2.1%	8.2%	7.0%
COMMODITIES	Gold	4894.23	13.3%	22.3%	48.8%	13.3%	65.3%	27.2%	13.1%	-0.3%	-4.2%
	Silver	85.20	18.9%	75.0%	132.1%	18.9%	132.4%	21.5%	-0.7%	2.8%	-13.6%
	WTI Crude Oil	65.21	13.6%	6.9%	-5.8%	13.6%	-21.0%	0.1%	-10.7%	6.7%	59.1%
	Natural Gas	4.35	18.1%	5.6%	40.2%	18.1%	9.7%	44.5%	-43.8%	20.0%	46.9%
	Copper	13'068	4.9%	20.2%	36.7%	4.9%	37.4%	2.2%	0.9%	-14.1%	25.7%
FIXED INCOME	30.01.26	CURRENT	1M	3M	6M	YTD	2025	2024	2023	2022	2021
RATES	US 10 year gvt	4.24	0.07	0.16	(0.14)	0.07	-42 bps	69 bps	0 bps	237 bps	60 bps
	German 10 year gvt	2.84	(0.01)	0.21	0.15	(0.01)	53 bps	34 bps	-54bps	275 bps	39 bps
BONDS	Global Aggregate USD hdg.	609.9	0.2%	0.2%	2.3%	0.2%	4.6%	3.4%	7.1%	-11.2%	-1.4%
	Global Aggregate EUR hdg.	220.0	0.1%	-0.2%	1.3%	0.1%	2.5%	1.7%	4.7%	-13.3%	-2.2%
	Global Aggregate CHF hdg.	160.4	-0.1%	-0.8%	0.1%	-0.1%	0.3%	-1.0%	2.5%	-13.7%	-2.5%
	US Treasuries	2432.6	-0.1%	0.2%	2.7%	-0.1%	6.1%	0.6%	4.1%	-12.5%	-2.3%
	US TIPS	373.7	0.3%	0.1%	2.4%	0.3%	6.8%	1.8%	3.9%	-11.9%	6.0%
	US IG Corporates	3551.5	0.2%	0.6%	3.6%	0.2%	7.5%	2.1%	8.5%	-15.8%	-1.0%
	US High Yield	2929.3	0.5%	1.7%	3.9%	0.5%	8.2%	8.2%	13.4%	-11.2%	5.3%
	Euro Government	246.5	0.7%	0.1%	1.0%	0.7%	0.3%	2.0%	7.1%	-18.2%	-3.4%
	Euro IG Corporates	267.8	0.8%	0.3%	1.4%	0.8%	2.8%	4.7%	8.2%	-13.6%	-1.0%
	Euro High Yield	506.3	0.8%	1.4%	2.2%	0.8%	4.6%	9.1%	12.8%	-11.1%	4.2%
	EM USD Aggregate	1391.9	0.4%	1.0%	5.3%	0.4%	10.9%	6.6%	9.1%	-15.3%	-1.7%

Source: Bloomberg, 30.01.26

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