Marketing Material

MONTHLY HOUSE VIEW

FEBRUARY 2026

The Year of the Fire Horse

Architects of Wealth

01

EDITORIAL

The Year of the Fire Horse

Alexandre
DRABOWICZ
Global Chief
Investment Officer

Dear Reader,

From macroeconomics to central bank activity and geopolitics, 2026 is already shaping up to be another year of surprises. In just a few weeks, we have witnessed a flurry of significant developments. US inflation continues to moderate, with core inflation at 2.6% and unemployment edging down to 4.4%. Meanwhile, geopolitical risks have returned to the spotlight, with Venezuela, Iran, and Greenland making headlines. Despite these challenges, the macroeconomic backdrop remains broadly supportive—even as tensions persist. However, the most consequential development is the unprecedented scrutiny facing the US Federal Reserve (Fed).

THE FEDERAL RESERVE UNDER ATTACK

In a highly unusual move, the US Department of Justice has opened a criminal investigation into Fed Chair Jerome Powell, focusing on the 2.5 billion dollars renovation of the Fed's headquarters. The Fed's response was equally historic: Chair Jerome Powell addressed the nation, reaffirming that monetary policy decisions will remain grounded in economic evidence. Notably, he avoided referencing the word "independence"—a subtle but powerful signal of leadership under pressure.

The investigation centres on 700 million dollars in cost overruns compared to the original 2017 estimate. Though not renovation experts, we note that budget overruns have been widespread since post-COVID inflation. The Financial Times reported that Jerome Powell provided comprehensive responses to lawmakers' questions before the Senate Banking Committee, complicating the administration's claims that Jerome Powell had misled Congress.

UNPRECEDENTED SUPPORT

The immediate reaction was a remarkable show of solidarity: eleven central bank governors issued a joint letter expressing "full solidarity" with Chair Jerome Powell and underscoring that "the independence of central banks is a cornerstone of price, financial, and economic stability in the interests of the citizens we serve." Jerome Powell, a longstanding Republican, also received bipartisan support—most notably from Senator Thom Tillis of the Senate Banking Committee, who threatened to block any new Fed nominations until the legal matter is resolved.

This situation could therefore backfire on the US administration, potentially resulting in significant political and institutional consequences. Chair Powell's term expires in May 2026, while his governorship runs until 2028. It is rare for a former Chair to remain on the Board, but in this case, Jerome Powell may choose to do so to preserve the institution's integrity. Until the situation is resolved, we expect the US dollar to remain vulnerable and long-term US government rates to stay elevated and volatile, reflecting higher inflation expectations and diminished confidence in the current administration's governance. Gold should continue to benefit, as central banks, institutional investors, and private clients seek diversification and alternative sources of return in an environment marked by uncertainty.

What is clear is that the next Fed Chair will need to demonstrate true independence, with the Senate playing a pivotal role in the nomination process. The stakes remain high.

SOME WORDS OF WISDOM

Returning from Asia, I was reminded by a Feng Shui master at our Global Outlook presentation that 2026—the Year of the Fire Horse—symbolises boldness, transformation, and innovation. It is a time to seize opportunities, but also to avoid impulsive decisions. Success will require clarity, careful planning, and sound advice. In a world of constant change: "Stay grounded, remain flexible, and maintain a long-term vision" applies —especially in investments.

I hope you find reading this month's publication pleasant and insightful.

02 MACROECONOMICS & INVESTMENT STRATEGY

The Era of Great Ambitions

Grégory STEINER, CFA
Global Head of
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Bénédicte KUKLA
Chief Strategist

Financial markets are navigating a landscape of bold ambitions on all fronts: Donald Trump's assertive policies, China's global expansion, and the exponential growth of tech companies set the tone. Europe and Jerome Powell strive to maintain credibility amid unpredictable US leadership. Gold prices benefit from renewed uncertainty, while Japan draws attention with its economic ambitions. For investors, the challenge is clear: distinguish genuine opportunities from geopolitical noise and focus on fundamentals.

MACROECONOMIC SCENARIO

THE US ECONOMY OUTSHINES

We have revised our already ambitious US growth forecasts to 2.7% of GDP (versus the market consensus of 2.1%). A better-than-expected Q3 GDP (at 4.3% versus 3.3% expected by markets), driven primarily by household consumption, which contributed to more than half of this growth. Despite the negative impact of the government shutdown, high-frequency activity indicators remain robust, and consumer sentiment is improving, particularly among middle-income groups. This *momentum* should continue with the implementation of Donald Trump's fiscal agenda, notably a 15% increase in tax refunds expected in 2026 compared to 2025, directly reflecting tax reduction measures. As the impact of tariffs fades, some struggling sectors may rebound, with the orders/inventory ratio suggesting possible improvement in manufacturing. Additionally, easing financial conditions and a relative decline in mortgage rates should support a moderate recovery in the real estate market in 2026.

US Tax Refunds:
+15%
in
2026

Pressure is mounting on the Fed for further rate cuts. We anticipate another cut in 2026 (to 3.5%), but the latest inflation figures (2.6% in December), more dovish than expected, could prompt the Fed to go further. Following the cancellation of October's CPI release due to the shutdown, November's inflation was shaped by holiday discounts and technical factors in shelter, which temporarily suppressed the figures. While these factors may continue to introduce volatility, the broader trend remains disinflationary. The effects of tariffs are waning, the labour market is non-inflationary, with moderate job creation and contained wage growth. Stricter migration policy could reignite inflation fears, while the impact of productivity gains, notably from AI, remains uncertain.

Finally with mid-terms around the corner (November 2026), President Trump has evoked several pro-growth measures from possible caps on interest rates from credit card to dividend cheques to low-income earners financed through tariffs. These upside risks are not reflected in our central scenario due to uncertainty around tariffs and the potentially counterproductive effects of such policies—banks may tighten credit if risk pricing declines.

EUROPE'S FRAGILE RECOVERY

The Euro Area's recovery continues despite slowing exports and an uncertain backdrop, with the US-EU trade agreement still frozen. In 2026, European policy is shifting towards trade diversification (Mercosur, India), advancing the "Competitiveness Compass[1]" and supporting defence via SAFE[2], with disbursements expected in the second half, while a 90 billion euros loan to Ukraine has been approved. The German fiscal plan is progressing slowly, but disbursements are beginning as state elections approach. The German economy should rebound in the second half of 2026 thanks to renewed investment and expansionary fiscal policy. Euro Area growth will be supported by domestic demand, accommodative fiscal and monetary policies, and below-target inflation, boosting purchasing power. Furthermore, the labour market remains strong, French consumption is recovering, and businesses are gradually benefitting from lower rates. However, a strong euro and low productivity weigh on exports. Inflation should remain below the European Central Bank (ECB) target in 2026, due to negative energy price effects, early-year service price adjustments, and initial signs of imported disinflation in German industrial goods (German imports from China rose by nearly 9% year-on-year in November). In this context, the ECB is expected to cut rates by another 25 basis points (bps) to 1.75%.

+9%: Growth in **GERMAN IMPORTS** from China

ASIA'S RESILIENCE

Disinflation continues in Asia, allowing central banks to maintain accommodative policies. India has surpassed Japan to become the world's fourth-largest economy, with ambitions to catch up with Germany, according to the government's annual report. Japan's growth forecasts have been revised upwards thanks to increased public spending, but risks remain due to diverging central bank rate policies and inflationary fiscal measures.

In China, despite a slowdown in Q4-2025, annual growth reached 5%, in line with Beijing's target. Growth is projected at 4.7% for 2026, reflecting expectations for gradual stimulus and further policy support toward consumption. Chinese exports rose by 6.6% year-on-year in December 2025, exceeding expectations, thanks to strong demand outside the US. The People's Bank of China has announced further easing, while the services sector is now the main growth driver as manufacturing slows. New loan growth is improving, and a positive credit impulse could support the real estate sector in the second half of 2026, boosting household sentiment. Overall, Asia should remain the engine of global growth in 2026.

TABLE 1: MACROECONOMIC FORECAST 2025-2027, %

● Downward forecasts since 6.11.2025 ● Upward forecasts since 6.11.2025

	GDP			INFLATION		
	2025	2026	2027	2025	2026	2027
United States	2.2%	2.7%	2.1%	2.7%	2.5%	2.3%
Euro Area	1.4%	1.2%	1.8%	2.1%	1.8%	2.1%
China	5.0%	4.7%	4.3%	0.2%	0.6%	1.3%
World	3.0%	3.1%	3.0%	-	-	-

Source: Indosuez Wealth Management.

1 - A new roadmap designed to restore Europe's dynamism and stimulate its economic growth.
2 - Security Action for Europe: A 150 billion euros loan programme to finance the purchase of military equipment by EU member states.

Adrien ROURE
Multi-Asset Portfolio Manager

US Companies:
EPS
above
15%
for 2026

ASSET ALLOCATION CONVICTIONS

EQUITIES

Although recent trade and geopolitical developments have led to a slight increase in short-term volatility, the overall macroeconomic framework remains favourable and financial conditions are still accommodative, supporting risk appetite in the markets. We therefore maintain an overweight allocation to risk assets in our portfolios.

In the United States, the "Goldilocks" scenario is once again prevailing, as evidenced by our upwardly revised economic outlook. This environment, combined with the robust fundamentals of US companies—illustrated by expected earnings per share growth above 15% for 2026—should continue to support US equity performance, which remains central in our allocations.

Specifically, we continue to favour large US capitalisations, particularly those exposed to AI. However, we anticipate increased dispersion of performance within this segment, making selectivity essential, with close attention paid to financial structure and valuation levels. Furthermore, we believe the new phase of AI development could now benefit "adopters": companies leveraging AI to significantly improve productivity. Current data suggests growth potential in this segment remains largely untapped. We also diversify into quality small and mid-cap stocks, which should continue to benefit from observed economic dynamism, recent fiscal reforms, and a less restrictive monetary and regulatory environment.

Emerging markets also remain a strong conviction within our allocations. A relatively weak US dollar, encouraging economic signals, and already implemented or anticipated monetary easing create a favourable environment for this geographical area.

On a microeconomic level, prospects remain attractive, with expected annual earnings growth above 20% for Asia ex-Japan. Moreover, emerging markets occupy a strategic position as essential suppliers in the global race for AI and defence, supporting medium-term development. Significant reforms aimed at improving corporate profitability—such as Korea's "Value Up[3]" programme or anti-involution measures in China—should continue to generate positive effects for certain Asian equities.

Regarding European equities, we adopt a more measured approach due to ongoing political uncertainty and less favourable earnings growth dynamics. Nevertheless, we continue to favour small and mid-cap stocks and undervalued shares, which benefit from a relatively well-oriented economic environment and recent ECB rate cuts. Finally, we maintain a cautious stance on Japanese equities, due to the Bank of Japan's monetary tightening and increased risk to the yen.

3 - A government initiative designed to enhance the valuation of listed companies, particularly on the Korean market.

EMERGING MARKETS ASSETS:
a strong conviction

RATES AND CREDIT MARKETS

Within fixed income, we maintain moderate exposure to sovereign debt. As anticipated, long-term rates have risen; however, we believe risks related to fiscal trajectories, particularly net debt issuance and refinancing of existing debt, may continue to weigh on longer maturities. We therefore favour maturities up to five years, which are more sensitive to central bank policies and offer a more attractive profile due to the current yield curve.

We favour quality corporate debt in the Euro Area, where corporate financial health remains solid. Steady investor flows seeking more attractive yields after the decline in money market returns should also support this asset class. We have upgraded our view to neutral on US high yield. This revision reflects an upwardly revised growth scenario, while technical factors remain positive with continued inflows and relatively low default rates.

Finally, we remain positive on emerging market debt in local currencies. Beyond offering attractive yields, strong inflows should continue to support the asset class. Moreover, observed inflation levels in emerging countries could lead to a wave of monetary easing, benefiting this segment.

CURRENCIES

Despite robust US economic growth at the start of 2026, we remain cautious on the US dollar due to increased geopolitical risks linked to Donald Trump's policies and his repeated criticism of the Fed, which could undermine confidence. We are increasing our exposure to the yen, given the recent sharp tightening of the rate differential with other developed countries, which is not reflected in the yen's value. In the event of renewed volatility, the yen should benefit from repatriation flows to Japan. The renminbi should also benefit from China's favourable economic context, while we expect relative stability for the Swiss franc in the coming months. Finally, commodities are benefiting from the global focus on renewable energy and defence, with gold remaining the preferred safe haven amid commercial and political uncertainties.

KEY CONVICTIONS - TACTICAL VIEW

○ 24.10.2025 ● 15.01.2026

	-	-/=	=	+/=	+
EQUITIES				●	
Europe			●		
USA				●	
Japan		●			
Emerging Markets					●
Small Caps Europe				●	
Small Caps US				●	
Value Europe				●	
Value US			●		
Growth Europe			●		
Growth US			●		
BONDS		●			
Government bonds (EUR)	●				
Corporate IG bonds (EUR)				●	
High Yield (EUR)				●	
Government bonds (USD)		●			
Corporate IG bonds (USD)			●		
High Yield (USD)		○	●		
Emerging Market bonds (Local Currency)				●	
USD VS. EUR		●			
YEN			○	●	
GOLD				○	●

Source: Indosuez Wealth Management.

03

FOCUS

AI: A Productivity Odyssey

Lucas MERIC
Cross Asset Strategist

Signs of rising productivity are emerging in the United States, heralding the most optimistic prospects at the dawn of the artificial intelligence (AI) era. This evolution should continue to support US growth and financial markets, beyond technology companies, and gradually transform the labour market, though the implications for inflation and the Federal Reserve (Fed) remain less certain.

Productivity measures how efficiently economic factors are used in the production process. It is a key driver for any economy, enabling higher economic growth and improved standard of living. Many factors can lead to increased productivity, such as education and technological or managerial innovations. The technological investment wave of the 1990s led to a strong productivity boom, and the rise of AI offers investors the most optimistic outlook.

The productivity rebound to 4.5% annualised over the last two quarters (2.2% average since 1950) is fuelling this enthusiasm. It seems premature to attribute such momentum mainly to AI; the Richmond Fed reports that "only" 30% of US business leaders reported productivity gains from AI in recent months. This figure rises to 55% when projecting to 2026, an encouraging sign as corporate adoption rates have also surged, from less than 10% in early 2023 to 55% now.

PRODUCTIVITY IN THE AI ERA

The most obvious economic impact is on economic growth, with estimates pointing to an average positive annual impact of nearly 1.2% over the next ten years. An economy's potential growth is driven by two factors: hours worked and output per hour. This potential currently faces major structural obstacles, with demographic slowdown (ageing population and declining immigration), so rising productivity should play a key role in supporting growth in the coming years.

+1.2%:
Annual Productivity Impact on Growth

AI is expected to have a significant impact on employment, already accounting for 50'000 layoffs (4% of the total) in the US in 2025 (source: Challenger, Gray & Christmas, December 2025). The impact is also seen in young graduates, which has declined by nearly 16% since late 2022 according to a Stanford study, while remaining stable among more experienced workers. The real impact of AI on the labour market will ultimately depend on the balance between automation and augmenting worker capacity. The University of Pennsylvania recently estimated that 23% of tasks could eventually be replaced by AI, potentially resulting in significant worker displacement (estimated at 6–7% over ten years by Goldman Sachs), but also enabling many employees to focus on higher value-added tasks.

It is also important to remember that every technological innovation creates new jobs: 60% of current workers hold jobs that did not exist in 1940[4]. Furthermore, stronger growth should also generate more hiring in services, where employment is less exposed to AI. However, some frictions could justify upward pressure on the US unemployment rate.

The main candidates for Fed Chair have also cited productivity to justify their disinflationary outlook. On this point, prospects seem more uncertain. On one hand, higher productivity should justify, in the medium term, greater supply in the economy and lower unit labour costs, although the latter will depend on AI's ability to make workers more productive and thus capture some of the gains.

4 - New Frontiers: The Origins and Content of New Work, 1940–2018: https://www.nber.org/papers/w30389.

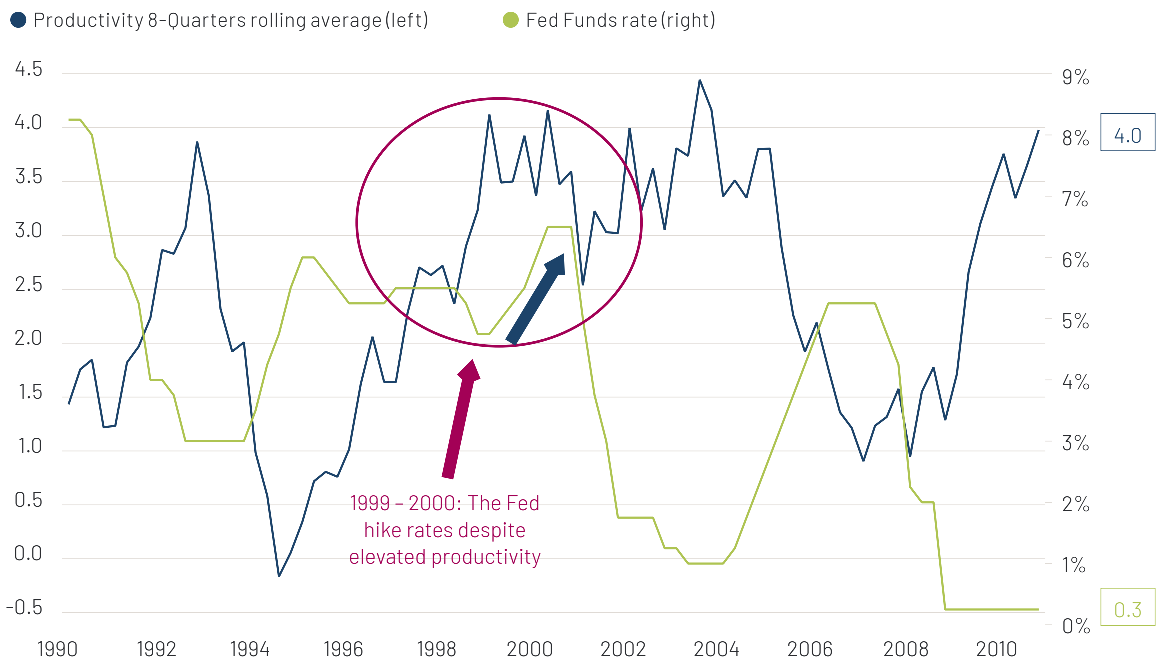
At the same time, it is important to note that technological revolutions also involve significant investments, which support economic activity and drive demand for commodities (industrial metals and energy), with electricity prices, for example, rising sharply in cities near data centres in recent years. Optimism around innovation in financial markets is also accompanied by significant wealth effects that can limit the disinflationary impact, with US net wealth rising by 38 trillion dollars since the start of the AI rally in late 2022.

Such dynamics notably forced the Fed to raise rates in 1999 (Chart 1), even though it had cut them a few years earlier amid a technology-led productivity boom. Moreover, rising investment theoretically increases demand for capital and thus the Fed's equilibrium rate, which we currently estimate at 3.5%. A productivity boom should certainly be disinflationary in the long term, but timing is crucial to avoid policy errors.

In the medium-term, prospects for disinflationary growth could also ease risks to debt sustainability. Congressional Budget Office (CBO) debt/GDP estimates to 2035 only factor in annual productivity growth of 1.1% (3% average between 1995 and 2005), while the University of Pennsylvania estimates that productivity growth could reduce the deficit by more than 1% of GDP over ten years.

An environment of rising growth and profits, as well as easing pressure on rates, would be favourable for equity markets. This could also broaden the benefits of AI beyond large technology firms to the wider economy, especially to companies with high unit labour costs and automation potential.

CHART 1: HIGH PRODUCTIVITY DOES NOT NECESSARILY MEAN ULTRA-ACCOMMODATIVE MONETARY POLICY



Source: Macrobond, Indosuez Wealth Management, January 2026.

MARKET VIEWS

04 Currencies: Politics, Power and Precious Metals

Alexandre GAUTHY
Senior Cross-Assets Manager / Market Forex Strategist

2026 is shaping up to be pivotal for global currencies and metals. US political drama is colliding with economic resilience, testing the dollar's safe-haven status. Meanwhile, the undervalued yen, and strengthening renminbi are drawing investor attention. With geopolitical risks and diversification needs rising, metals—especially gold—are set to shine.

USD: POLITICS VS. POWER

The US dollar remains central to investor focus, caught between heightened US political risks and the country's economic resilience. In early January, the dollar strengthened, with the dollar index (DXY) rising 1%, driven by robust economic data post-government shutdown, which reinforced confidence in the US economy. The assertive display of US military power in Venezuela further supported the dollar's appeal. Nevertheless, we remain cautious on the dollar, though we do not expect the same degree of depreciation seen in 2025, when the dollar started from an unusually strong position. The interest rate differential has notably shifted in favour of the euro this month, reflecting expectations of a more dovish Fed amid softer US inflation and slower job growth. Markets remain skewed toward more cuts due to intensifying political pressure on the Fed, the anticipated impact of AI on productivity and job creation, and the possibility of tariffs being overturned by the US Supreme Court, which could further lower inflation risks. Furthermore, President Trump's assertive geopolitical strategies and ongoing questions about Fed independence continue to drive investor appetite for diversification away from the greenback. Notably, about a third of all flows into US equities since April are now hedged against the dollar risk, highlighting growing caution among global investors. In this context, we maintain our 2026 target for EUR/USD at 1.23.

EUR/USD
target
1.23

JPY: STRETCHED DIFFERENTIALS

The Japanese yen remains notably undervalued, especially against the US dollar, and the risk of missing a sharp reversal is rising as market tensions build. The gap between the US-Japan interest rate differential and the yen's valuation has widened to historical levels (Chart 2, page 11). Recent developments suggest that rate hikes in Japan are grounded, underpinned by reflationary dynamics and a persistently tight labour market. Announcements from Prime Minister Sanae Takaichi on new fiscal spending for social security, defence, and education have also pushed Japanese interest rates higher, reviving concerns about debt sustainability. However, Fitch's recent affirmation of Japan's sovereign rating with a stable outlook suggests these concerns are most likely overblown. The fiscal deficit is set to rise to 2.4% of GDP by March 2026, up from a 33-year low of 1.4% in 2024. Fitch expects Japanese government debt to commence on a downward trend as higher nominal GDP offsets larger deficits and rising financing costs. In this context, we anticipate the yen will appreciate in 2026, especially versus the US dollar, as monetary policy normalization progresses. Our EUR/JPY target for 2026 remains at 165, reflecting a constructive medium-term outlook. Finally, the yen also continues to serve as a strong macro hedge during periods of global uncertainty, reinforcing its strategic value in diversified portfolios, even if some volatility can be expected as Japan prepares for a snap election on 8 February to reinforce PM Takaichi position.

CHF: BORING CAN BE BEAUTIFUL

The Swiss franc stands out not for dramatic moves, but for its few notable developments beyond persistently low inflation (just 0.1% year-on-year as of December 2025) remaining the main story. The Swiss National Bank (SNB) is likely to continue FX interventions to prevent excessive appreciation, given the impact of import prices on inflation. The 0.92 level should provide a solid floor for EUR/CHF. With a neutral stance on EUR/CHF and a cautious outlook on the dollar versus the euro, we expect the Swiss franc to appreciate against the dollar in 2026, potentially reaching 0.75 USD/CHF.

RMB: POISED FOR FURTHER STRENGTH

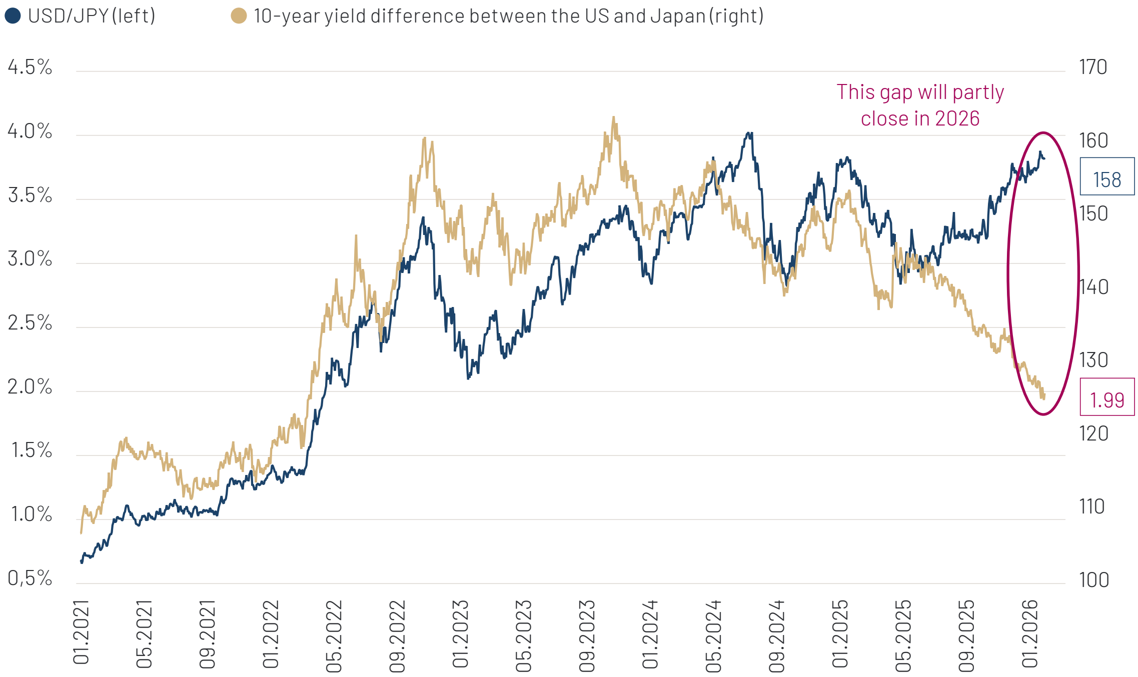
The Chinese renminbi (RMB) reached its strongest level since May 2023, trading around 6.96 per dollar in mid-January. This reflects broad dollar weakness, China's persistent trade surplus, improved domestic conditions, seasonal inflows, and clear central bank guidance. Forward market sentiment remains optimistic, with hedging costs at a three-year low and 12-month forwards signalling further appreciation. The renminbi also benefits from its role as a cyclical trade, along with rallies in industrial metals and global financial stocks. China's advances in technology could attract further investment flows, and our above-consensus growth forecasts for 2026 and 2027 should provide an additional tailwind. We believe the renminbi can appreciate against the dollar in 2026, potentially reaching 6.8 USD/RMB.

SPOTLIGHT ON METALS

With the rise of AI, the energy transition, and the resurgence of geopolitical risks—as highlighted by the particularly busy political agenda for 2026 (see our CIO Perspectives: 10 things to watch in 2026!)—as well as renewed interest in diversification, metals appear particularly well positioned for strong performance. At the same time, limited new mine supply—resulting from declining ore grades, permitting delays, and underinvestment—is causing persistent shortages in gold, copper, and silver. As corporate investment returns, demand for mission-critical metals remains robust: growing needs in defence (silver in missiles), electrification and electric vehicles (copper wiring), 5G (silver conductors), and AI data centres (copper cooling and power supply) are generating inelastic structural demand that continues to outpace constrained supply. Focusing more specifically on gold, fundamentals remain particularly strong: intensifying geopolitical tensions, central banks diversifying reserves away from dollar-denominated assets, and high levels of public debt in developed economies. Recent challenges to the Fed's independence by Donald Trump have also contributed to the rise in gold prices, giving fresh momentum to their upward trend. In this context, we have revised our year-end target for gold to 5'500 dollars per ounce – a target that could soon be obsolete.

Contributions from Yannis DJELLOULI

CHART 2: USD/JPY & YIELD DIFFERENTIAL



Source: Macrobond, Indosuez Wealth Management, January 2026.

05

MARKET MONITOR (LOCAL CURRENCIES)

Overview of selected markets

DATA AS OF 22.01.2026

GOVERNMENT BONDS	YIELD	4 WEEKS CHANGE (BPS)	YTD CHANGE (BPS)
US Treasury 10-year	4.24%	11.14	7.79
France 10-year	3.52%	-4.60	-4.70
Germany 10-year	2.89%	2.60	3.30
Spain 10-year	3.27%	-1.70	-1.70
Switzerland 10-year	0.30%	-3.40	-2.40
Japan 10-year	2.24%	19.50	17.80

BONDS	LAST	4 WEEKS CHANGE	YTD CHANGE
Government Bonds Emerging Markets	42.17	1.42%	1.44%
Euro Government Bonds	214.52	0.42%	0.29%
Corporate EUR high yield	243.45	0.57%	0.51%
Corporate USD high yield	396.29	0.94%	0.71%
US Government Bonds	335.20	-0.13%	-0.24%
Corporate Emerging Markets	46.08	0.38%	0.46%

CURRENCIES	LAST SPOT	4 WEEKS CHANGE	YTD CHANGE
EUR/CHF	0.9276	-0.09%	-0.34%
GBP/USD	1.3501	-0.15%	0.19%
USD/CHF	0.7890	0.31%	-0.45%
EUR/USD	1.1755	-0.25%	0.08%
USD/JPY	158.4100	1.66%	1.08%

VOLATILITY INDEX	LAST	4 WEEKS CHANGE (POINTS)	YTD CHANGE (POINTS)
VIX	15,64	2,17	0,69

EQUITY INDICES	LAST PRICE	4 WEEKS CHANGE	YTD CHANGE
S&P 500 (United States)	6'913.35	-0.27%	0.99%
FTSE 100 (United Kingdom)	10'150.05	2.83%	2.20%
STOXX 600	608.86	3.42%	2.81%
Topix	3'616.38	5.80%	6.08%
MSCI World	4'500.06	0.57%	1.57%
Shanghai SE Composite	4'723.71	1.75%	2.03%
MSCI Emerging Markets	1'495.16	7.43%	6.46%
MSCI Latam (Latin America)	3'045.62	12.29%	12.41%
MSCI EMEA (Europe. Middle East. Africa)	279.67	7.04%	7.89%
MSCI Asia Ex Japan	964.42	6.69%	5.58%
CAC 40 (France)	8'148.89	0.56%	-0.01%
DAX (Germany)	24'856.47	2.12%	1.49%
MIB (Italy)	45'091.23	1.09%	0.33%
IBEX (Spain)	17'663.40	2.86%	2.05%
SMI (Switzerland)	13'228.40	-0.11%	-0.29%

COMMODITIES	LAST PRICE	4 WEEKS CHANGE	YTD CHANGE
Steel Rebar (CNY/Tonne)	3'075.00	-1.28%	-0.97%
Gold (USD/Oz)	4'936.02	10.19%	14.28%
Crude Oil WTI (USD/Bbl)	59.36	1.73%	3.38%
Silver (USD/Oz)	96.37	35.68%	36.50%
Copper (USD/Tonne)	12'755.50	4.88%	2.68%
Natural Gas (USD/MMBtu)	5.05	18.93%	36.87%

Source: Bloomberg, Indosuez Wealth Management.
Past performance does not guarantee future performance.

MONTHLY INVESTMENT RETURNS, PRICE INDEX

FTSE 100 | Topix | MSCI World | MSCI EMEA | MSCI Emerging Markets
STOXX 600 | S&P 500 | Shanghai SE Composite | MSCI Latam | MSCI Asia Ex Japan

	OCTOBER 2025	NOVEMBER 2025	DECEMBER 2025	4 WEEKS CHANGE	YTD (22.01.2026)
BEST PERFORMING +	6.19%	5.73%	4.41%	12.29%	12.41%
	4.45%	1.40%	2.74%	7.43%	7.89%
	4.12%	0.79%	2.73%	7.04%	6.46%
	3.92%	0.18%	2.57%	6.69%	6.08%
	2.46%	0.13%	2.28%	5.80%	5.58%
	2.27%	0.03%	2.17%	3.42%	2.81%
	1.94%	-1.79%	0.90%	2.83%	2.20%
	1.02%	-2.46%	0.73%	1.75%	2.03%
	0.85%	-2.47%	-0.05%	0.57%	1.57%
− WORST PERFORMING	0.00%	-2.91%	-0.45%	-0.27%	0.99%

Source: Bloomberg, Indosuez Wealth Management.
Past performance does not guarantee future performance.

06 MEET THE TEAM

Meet the global editorial team at Indosuez Wealth Management, devoted to effectively communicating the investment strategies developed by our experts worldwide, all with the aim of providing exceptional service to our clients.

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Deputy Global Head of Investment Management

Alexandre DRABOWICZ, CAIA
Global Chief Investment Officer

Jérôme VAN DER BRUGGEN
Chief Market Strategist

Bénédicte KUKLA
Chief Strategist

Hans BEVERS
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Global Head of Content Marketing

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07 GLOSSARY

Basis point (bps): 1 basis point = 0.01%.

Blockchain: A technology for storing and transmitting information. It takes the form of a database which has the particularity of being shared simultaneously with all its users and generally does not depend on any central body.

BLS: Bureau of Labor Statistics.

Brent: A type of sweet crude oil, often used as a benchmark for the price of crude oil in Europe.

CPI (Consumer Price Index): The CPI estimates the general price level faced by a typical household based on an average consumption basket of goods and services. The CPI tends to be the most commonly used measure of price inflation.

Cyclicals: Cyclicals refers to companies that are dependent on the changes in the overall economy. These stocks represent the companies whose profit is higher when the economy is prospering.

Defensives: Defensives refers to companies that are more or less immune to the changes in the economic conditions.

Deflation: Deflation is the opposite of inflation. Contrary to inflation, it is characterised by a sustained decrease in general price levels over an extended period.

Duration: Reflects the sensitivity of a bond or bond fund to changes in interest rates. This value is expressed in years. The longer the duration of a bond, the more sensitive its price is to interest rate changes.

EBIT (Earnings Before Interest and Taxes): Refers to earnings generated before any financial interest and taxes are taken into account. It takes earnings and subtracts operating expenses and thus also corresponds to non-operating expenses.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): EBITDA takes net income and adds interest, taxes, depreciation and amortisation expenses back to it. It is used to measure a company's operating profitability before non-operating expenses and non-cash charges.

Economic Surprises Index: Measures the degree of variation in macro-economic data published versus forecasters' expectations.

EPS: Earnings per share.

ESG: Non-financial corporate rating system based on environmental, social and governance criteria. It is used to evaluate the sustainability and ethical impact of an investment in a company.

FDIC: The Federal Deposit Insurance Corporation is an independent agency of the United States government that insures individual deposits in banks and other financial institutions up to 250'000 dollars in the event of a bank failure.

Fed: The US Federal Reserve, i.e. the central bank of the United States.

FOMC (Federal Open Market Committee): The US Federal Reserve's monetary policy body.

GDP (Gross Domestic Product): GDP measures a country's yearly production of goods and services by operators residing within the national territory.

GENIUS Act: The Guiding and Establishing National Innovation for US Stablecoins Act is a federal law passed in July 2025 that establishes a regulatory framework for stablecoins, cryptocurrencies whose value is pegged to a fiat currency such as the US dollar.

Growth: Growth style refers to companies expected to grow sales and earnings at a faster rate than the market average. As such, growth stocks are generally characterised by a higher valuation than the market as a whole.

High yield bonds: High yield bonds are of lower quality compared to investment grade bonds, although, like the latter — and in most cases — they are rated by specialised agencies.

IMF: The International Monetary Fund.

Inflation breakeven: Level of inflation where nominal bonds have the same return as inflation-linked bonds (of the same maturity and grade). In other words, it is the level of inflation at which it makes no difference if an investor owns a nominal bond or an inflation-linked bond. It therefore represents inflation expectations in a geographic region for a specific maturity.

Inflation swap rate 5-Year: A market measure of what 5-Year inflation expectations will be in five years' time. It provides a window into how inflation expectations may change in the future.

IPPC: The Intergovernmental Panel on Climate Change.

IRENA: International Renewable Energy Agency.

ISM: Institute for Supply Management.

OECD: Organisation for Economic Co-operation and Development.

"One Big Beautiful Bill Act": Is the name given to a sweeping budget reconciliation bill passed by the United States Congress and signed into law by President Trump on 4 July 2025. It is a significant and complex piece of legislation that includes numerous provisions affecting various aspects of American life, such as taxes, healthcare, energy policy, and more.

OPEC: Organization of the Petroleum Exporting Countries; 14 members.

OPEC+: OPEC plus 10 additional countries, notably Russia, Mexico, and Kazakhstan.

PMI: Purchasing Managers' Index.

Quality: Quality stocks refers to companies with higher and more reliable profits, low debt and other measures of stable earnings and strong governance. Common characteristics of Quality stocks are high return to equity, debt to equity and earnings variability.

Quantitative easing (QE): A monetary policy tool by which the central bank acquires assets such as bonds, in order to inject liquidity into the economy.

Ratings: Bond ratings generally range from AAA (highest quality) to C (lowest quality) in descending order: AAA — AA — A — BBB — BB — B — CCC — CC — C.

SAFE (Security Action for Europe): The programme, backed by 150 billion euros in funding, is a European initiative designed to streamline and enhance joint arms procurement among EU Member States. It is a key component of a broader rearmament strategy for the continent, unveiled by the European Commission, with an ambitious goal of mobilising up to 800 billion euros.

SEC (Securities and Exchange Commission): The SEC is an independent federal agency with responsibility for the orderly functioning of US securities markets.

Spread (or credit spread): A spread is the difference between two assets, typically between interest rates, such as those of corporate bonds over a government bond.

SRI: Sustainable and Responsible Investments.

Stagflation: Stagflation refers to an economy that is experiencing simultaneously an increase in inflation and stagnation of economic output.

Value: Value style refers to companies that appear to trade at a lower price relative to its fundamentals. Common characteristics of value stocks include high dividend yield, low price-to-book ratio, and a low price-to-earnings ratio.

VIX: The index of implied volatility in the S&P 500 Index. It measures market operators' expectations of 30-day volatility, based on index options.

WTO: World Trade Organization.

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