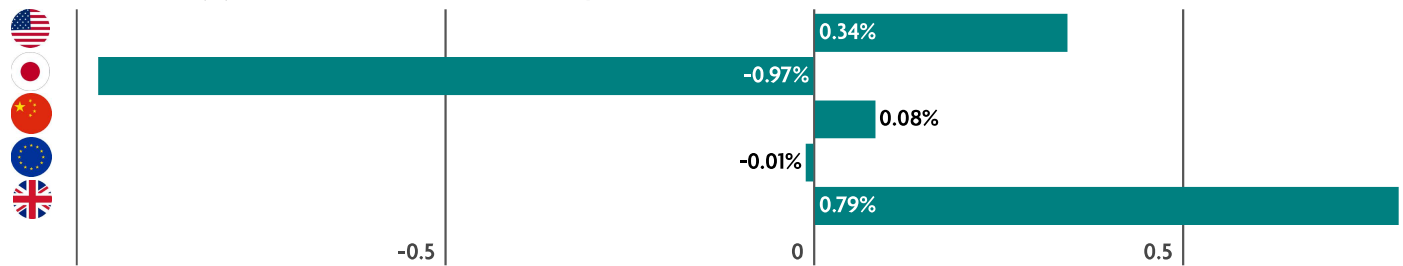


2 February 2026

Last week's performance – major stock markets

Market Monitor (%): How did major stock markets perform last week*?



Key stories from last week



US: S&P 500 BRIEFLY TOUCHES RECORD HIGHS BEFORE PULLING BACK ON SOFTENING INVESTOR SENTIMENT

U.S. equities advanced, with the S&P 500 briefly topping 7,000 (an all-time high) before paring gains. Large-cap value stocks outperformed, while small and mid-caps lagged. Macro data showed consumer confidence falling sharply to its weakest level since 2014, signalling softer sentiment around the economy and labour market. Jobless claims were little changed, suggesting ongoing resilience. Durable goods orders rebounded strongly in November, and producer prices rose more than expected, driven by services inflation. The Federal Reserve held rates steady at 3.5% - 3.75% after three consecutive cuts, striking a more constructive tone on growth and noting stabilising unemployment. Jerome Powell emphasised a meeting-by-meeting approach. President Trump nominated former Fed governor Kevin Warsh to succeed Powell when his term ends in May.



JAPAN: YEN STRENGTH AND CONCERNS SURROUNDING AI-RELATED TECH SPENDING WEIGHS ON EQUITIES

Japan's stock markets ended the week lower, with the Nikkei 225 Index declining 0.97%. AI-related tech spending and a strengthening yen (a negative for its export-oriented industries) weighed on sentiment. Political uncertainty surrounding the upcoming February 8 election fuelled sharp currency swings. The yen experienced sharp swings following Takaichi's snap election announcement and discussions around unfunded tax cuts. Rising speculation that authorities might step into the foreign exchange market triggered a rapid appreciation of the currency against the U.S. dollar. While no direct intervention was confirmed, officials engaged in strong verbal guidance, with Takaichi pledging that the government would take all necessary steps to counter speculative or abnormal market movements. Tokyo inflation eased to 2.0%, tempering expectations for further near-term rate hikes from the Bank of Japan.



CHINA: GROWTH EXPECTATIONS LOWERED ACROSS SEVERAL CHINESE PROVINCES

Mainland markets were broadly flat, while Hong Kong outperformed. Bloomberg reported that several provinces, including key coastal regions such as Guangdong and Zhejiang, lowered their 2026 GDP targets, indicating more cautious local growth expectations amid uneven economic momentum.



EUROPE: EUROZONE GDP GROWTH BEATS EXPECTATIONS IN 2025

Major stock indices were mixed. Germany's DAX fell 1.45% and France's CAC 40 Index slipped 0.20%, while Italy's FTSE MIB rose 1.55%. The eurozone continued its gradual recovery, with GDP rising 1.5% in 2025, ahead of European Commission's forecast of 1.3% and up from 0.9% growth in 2024. Confidence is improving across most sectors at the start of 2026, but still remains below long-term averages. Germany trimmed its growth forecasts to 1% (from 1.3%) due to delays in policy implementation, however, this still remains well above the 0.2% growth in 2025. Sweden's Riksbank held rates steady through at least 2026.



UK: ALL EYES ON UPCOMING BANK OF ENGLAND MEETING

The FTSE 100 rose 0.8% for the week. Investor focus remains on the upcoming Bank of England meeting, slated for Thursday, 5 February. Markets are betting that the Bank of England will hold interest rates steady at 3.75%. Positive economic data pointed to an improving productivity outlook for the UK. Economists have suggested that 2025 was one of the strongest years for productivity growth in the UK since 2008. In separate news, housing indicators weakened. Mortgage approvals fell to an 18-month low in December, highlighting continued softness in UK housing demand despite improved sentiment elsewhere in Europe.



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*Source: Bloomberg. All performance measured in local currency.

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