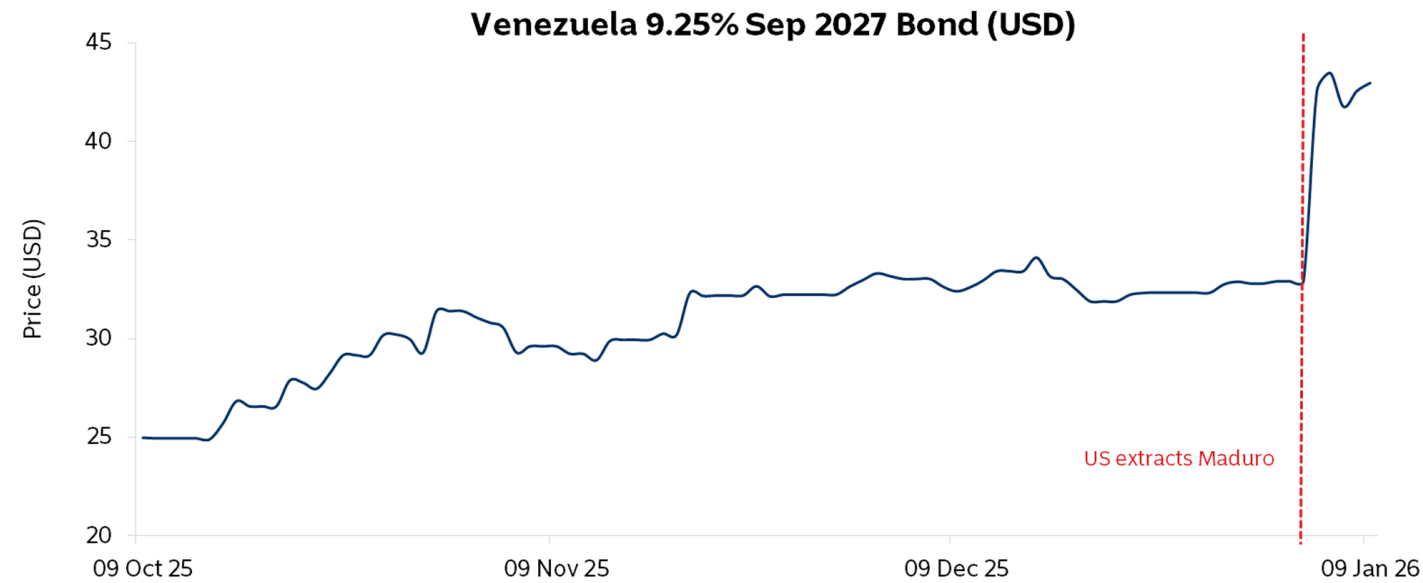


Chart of the Week

12 January 2026



Source: Momentum Global Investment Management, Bloomberg Finance L.P. Data to 9 January 2026.



You must be Caracas

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What this chart shows

The chart shows the price of the US dollar denominated Venezuela 9.25% Sep 2027 bond over the last three months. This bond, along with Venezuela's other international sovereign bonds and those issued by proxy sovereign issuers such as Petróleos de Venezuela (PDVSA) – the state owned oil and gas company – has been in default since late 2017 when the state failed to pay coupons payable under its debt obligations. The chart shows the marked uplift in price when trading in its already defaulted debt resumed last Monday following the dramatic capture and extraction of President Nicolas Maduro and his wife by US forces. The bonds rose ~35% on the day. Just a few years ago these bonds were trading at just a few cents on the dollar. For the brave folk that picked them up at those levels returns will have been considerable.

Why this is important

The sharp change in price is a reflection of better expectations for the eventual settlement terms on the defaulted debt. These bonds – or the claims on them – are traded only amongst a small handful of specialist funds that have deep pockets and a lot of patience. They are often prepared to wait many years and fund lengthy and expensive legal processes in order to extract a return. For that reason, and the risk that they may not see any return on their capital, the return expectations need to be high to justify the investment.

More broadly it could be argued this is a reflection on eventual regime change in Venezuela. At this stage no one really knows how the local politics will evolve, and who the eventual key players will be. For now, Vice President Delcy Rodriguez walks a fine line as she looks to balance the interests of the US, local military chiefs and various guerrilla groups. A smooth transition to a new government and petrodollars flowing into government coffers raises the prospect of further bond returns. But previous US incursions into oil rich countries might bode less well.

Weekly market update

Week ending 9 January 2026

momentum

global investment management

US geopolitical shocks - from Maduro's capture to heightened tensions over Greenland, Iran, and planned withdrawals from international bodies - elevated risk sentiment globally, even as markets focused on macro drivers and recalibrated asset allocation amid uncertainty.



US

- » US military forces captured Venezuelan President Nicolás Maduro in early January, triggering global market reactions and political debate.
- » President Trump escalated rhetoric about US control of Greenland as a strategic move against Russia and China, while Nordic governments rejected his claims of foreign military threats; reports of US contingency planning for possible military action prompted strong pushback from Denmark, NATO allies, and parts of the US military.
- » Trump issued stern warnings to the Iranian regime, indicating the US would respond forcefully if Iranian security forces escalate violence against domestic protesters; this contributed to heightened geopolitical risk sentiment.
- » The Trump administration announced plans to withdraw from 66 international organisations, intensifying discussions over US global leadership and cooperation.



UK

- » The Government stressed support for a peaceful transition in Iran amid intense protests and international tensions.
- » Labour MPs called for banning cryptocurrency political donations, highlighting rising concerns over campaign finance transparency.
- » Economic commentary focused on UK fiscal uncertainty, with growing debate over Chancellor Reeves' 2025 policy reversals and credibility.
- » UK unemployment rose modestly but was interpreted as reflecting higher labour participation rather than pure job losses.



Europe

- » The EU, with the UK and Germany, reaffirmed Greenland's sovereignty, rejected US control, and discussed NATO deployments and Arctic security cooperation to counter rising US pressure.
- » European stock markets extended the global rally seen at the start of the year, with defence and industrial sectors performing strongly.
- » EU-China trade and economic relations remain under focus, with reports warning of potential sharpening trade tensions in 2026.
- » EU ambassadors provisionally endorsed the long-awaited EU-Mercosur trade deal, aiming to remove most tariffs across a 700-million-person market, though final ratification is still pending.



Rest of the World/Asia

- » China's geopolitical competition with the US in the Americas was highlighted after the US warned China to stay out of its hemisphere.
- » Japan's Prime Minister Sanae Takaichi is considering an early general election in February 2026, which could reshape fiscal and stimulus plans.
- » Greenland's parliament decided to convene early to address these US threats, with political leaders affirming their desire for autonomy and rejection of US control.
- » Nationwide protests in Iran escalated into a near-complete internet blackout as public unrest grows against economic conditions.

Weekly market data

Week ending 9 January 2026

Cumulative returns					
Asset Class / Region	Currency	Week ending 9 January	Month to date	YTD 2026	12 months
Developed Markets Equities					
United States	USD	1.6%	1.8%	1.8%	18.8%
United Kingdom	GBP	1.7%	1.9%	1.9%	25.8%
Continental Europe	EUR	2.3%	3.0%	3.0%	20.5%
Japan	JPY	3.1%*	3.1%	3.1%	31.6%
Asia Pacific (ex Japan)	USD	1.2%	3.0%	3.0%	34.4%
Australia	AUD	-0.1%	0.0%	0.0%	8.1%
Global	USD	1.5%	1.8%	1.8%	22.5%
Emerging Markets Equities					
Emerging Europe	USD	2.0%	4.4%	4.4%	57.8%
Emerging Asia	USD	1.5%	3.5%	3.5%	38.5%
Emerging Latin America	USD	3.7%	4.2%	4.2%	58.1%
BRICs	USD	-0.4%	1.5%	1.5%	27.3%
China	USD	0.3%	2.9%	2.9%	41.7%
MENA countries	USD	0.3%	0.8%	0.8%	0.4%
South Africa	USD	2.1%	2.8%	2.8%	82.4%
India	USD	-2.7%	-2.1%	-2.1%	5.1%
Global emerging markets	USD	1.6%	3.4%	3.4%	39.2%
Bonds					
US Treasuries	USD	0.2%	0.2%	0.2%	6.8%
US Treasuries (inflation protected)	USD	0.3%	0.1%	0.1%	7.2%
US Corporate (investment grade)	USD	0.3%	0.3%	0.3%	8.7%
US High Yield	USD	0.4%	0.4%	0.4%	8.6%
UK Gilts	GBP	1.2%	0.8%	0.8%	7.5%
UK Corporate (investment grade)	GBP	1.0%	0.8%	0.8%	9.1%
Euro Government Bonds	EUR	0.6%	0.3%	0.3%	2.1%
Euro Corporate (investment grade)	EUR	0.5%	0.3%	0.3%	3.9%
Euro High Yield	EUR	0.6%	0.5%	0.5%	6.0%
Global Government Bonds	USD	-0.1%	-0.2%	-0.2%	7.5%
Global Bonds	USD	0.0%	-0.1%	-0.1%	9.7%
Global Convertible Bonds	USD	1.8%	3.4%	3.4%	26.1%
Emerging Market Bonds	USD	-0.1%	-0.3%	-0.3%	12.7%

Cumulative returns					
Asset Class / Region	Currency	Week ending 9 January	Month to date	YTD 2026	12 months
Property					
US Property Securities	USD	1.4%	1.7%	1.7%	4.9%
Australian Property Securities	AUD	-1.3%	-1.3%	-1.3%	1.5%
Global Property Securities	USD	1.7%	1.9%	1.9%	15.3%
Currencies					
Euro	USD	-0.8%	-0.9%	-0.9%	13.0%
UK Pound Sterling	USD	-0.4%	-0.4%	-0.4%	9.0%
Japanese Yen	USD	-0.8%	-0.8%	-0.8%	0.0%
Australian Dollar	USD	0.0%	0.1%	0.1%	7.9%
South African Rand	USD	-0.1%	0.3%	0.3%	14.7%
Swiss Franc	USD	-1.2%	-1.0%	-1.0%	13.9%
Chinese Yuan	USD	0.2%*	0.2%	0.2%	5.1%
Commodities & Alternatives					
Commodities	USD	2.3%	2.1%	2.1%	7.4%
Agricultural Commodities	USD	1.0%	0.6%	0.6%	-5.4%
Oil	USD	4.3%	4.1%	4.1%	-17.7%
Gold	USD	4.1%	4.3%	4.3%	69.1%

*Data to 31 December 2025. Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

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