

# Weekly market update: Greenland takes center stage.



## The market and economy

- U.S. stocks saw mixed performance amid periods of volatility for the abbreviated trading week ending January 23; the U.S. financial markets were closed on Monday in observance of the Martin Luther King Jr. Day holiday. The Dow Jones Industrial Average and the broad-market S&P 500 Index declined over the week, while the tech-heavy Nasdaq Composite Index was virtually flat. Investors reacted to shifting news regarding President Donald Trump's efforts to acquire Greenland, an autonomous territory of Denmark. The Cboe Volatility Index (VIX), which measures the constant 30-day volatility of the U.S. stock market, spiked 32% to a two-month high of 20.55 on Tuesday, and then plummeted nearly 10% the following day. Additionally, gold and silver prices reached new record highs during the week as investors sought safe-haven assets.
- In a social media post last Saturday, Trump announced that the U.S. government would impose a 10% tariff on imported goods from several European countries opposing his bid to take control of Greenland, including Denmark, Norway, Sweden, the U.K., France, Germany, the Netherlands, and Finland. The new levies would take effect on February 1, and would rise to 25% in June if a deal was not reached "for the complete and total purchase of Greenland." His comments raised fears in Europe that the U.S. would attempt to take Greenland by force if Denmark did not agree to a sale, leading to a selloff in global equity markets on Tuesday.
- In an address to the World Economic Forum in Davos, Switzerland on Wednesday, Trump said that the U.S. would seek to acquire Greenland via negotiations, not force, citing national security needs. He criticized European government leaders and the North Atlantic Treaty Organization (NATO), calling Denmark "ungrateful."
- Later on Wednesday, Trump reversed course, indicating that he would not assess the tariffs because he had reached a "framework of a future deal" with NATO Secretary-General Mark Rutte for Greenland and the "entire Arctic region." Trump's comments led to a relief rally in the U.S. stock market on Wednesday afternoon. According to *The New York Times*, the proposed agreement includes the establishment of a NATO mission called Arctic Sentry, granting the U.S. sovereign control over certain military bases in Greenland, and blocking Russia and China from mining the territory's rare-earth minerals (a group of 17 metals that are used in the production of electronics such as smartphones, computer hard drives, and big-screen televisions.)
- The government has continued to release economic data that were delayed by the 43-day shutdown that ended in mid-November. The Department of Commerce reported that the personal-consumption expenditures (PCE) price index rose 0.2% in both October and November. The index advanced 2.7% and 2.8% year-over-year in October and November, respectively, after rising at an annual rate of 2.8% in September. The core PCE price index, which excludes volatile food and energy prices, was up 0.2% in both October and November, consistent with the rise in September. The index posted corresponding gains of 2.7% and 2.8% in October and November following a 2.8% annual increase in September. The PCE price index is widely considered the Fed's preferred measure of inflation as it tracks the prices that consumers pay for goods and services to reveal underlying inflation trends. The data reaffirmed the market's expectations that the Federal Reserve will leave the federal funds rate unchanged at its meeting next week.
- According to the revised estimate from the Department of Commerce, U.S. gross domestic product (GDP) expanded at an annual rate of 4.4% in the third quarter of 2025—marginally higher than the government's initial estimate of 4.3% and up from the 3.8% gain in the second quarter. The upturn in the economy for the third quarter was attributable primarily to increases in consumer spending, exports, and government spending. Conversely, there was a decline in residential fixed investment (purchases of private residential structures and residential equipment that property owners use for rentals). The upward adjustment in third-quarter GDP from the initial estimate resulted from increases in exports and private inventory investment (a measure of the changes in values of inventories from one time period to the next), partially offset by a downward revision to consumer spending.

## Stocks

- Global equities were mixed during the week. Emerging markets posted gains and outperformed developed markets.
- U.S. equities also ended the week with mixed performance. Energy and materials were the top-performing sectors, while financials and real estate were the primary market laggards.
- Value stocks outperformed growth stocks, while small caps surpassed large caps.

## Bonds

- The 10-year U.S. Treasury note yield edged up to 4.23% during the week.
- The U.S. bond market was flat for the week.
- Corporate bonds led the market, followed by high-yield bonds and government bonds.

As of January 23, 2026	1 Week	YTD	1 Year	Friday's Close
<b>Global Equity Indexes</b>				
MSCI ACWI (\$)	-0.2%	2.1%	18.8%	1036.0
MSCI EAFE (\$)	-0.2%	3.3%	27.7%	2986.7
MSCI Emerging Mkts (\$)	0.7%	6.5%	38.3%	1495.2
<b>US &amp; Canadian Equities</b>				
Dow Jones Industrials (\$)	-0.5%	2.2%	10.2%	49100.1
S&P 500 (\$)	-0.4%	1.0%	13.0%	6913.4
NASDAQ (\$)	0.0%	1.1%	17.2%	23504.8
S&P/TSX Composite (C\$)	0.2%	4.4%	30.1%	33093.3
<b>UK &amp; European Equities</b>				
FTSE All-Share (£)	-0.8%	2.3%	17.8%	5475.0
MSCI Europe ex UK (€)	-1.0%	2.5%	13.3%	2106.3
<b>Asian Equities</b>				
Topix (¥)	-0.8%	6.5%	31.9%	3629.7
Hong Kong Hang Seng (\$)	-0.4%	4.4%	35.8%	26749.5
MSCI Asia Pac. Ex-Japan (\$)	0.1%	5.2%	33.2%	760.0
<b>Latin American Equities</b>				
MSCI EMF Latin America (\$)	6.2%	12.4%	54.6%	3045.6
Mexican Bolsa (peso)	1.4%	5.9%	33.4%	68096.3
Brazilian Bovespa (real)	9.2%	11.7%	46.9%	179955.8
<b>Commodities (\$)</b>				
West Texas Intermediate Spot	0.1%	3.6%	-20.6%	59.5
Gold Spot Price	8.4%	14.9%	80.1%	4965.8
<b>Bond Indices (\$)</b>				
Bloomberg U.S. Aggregate	0.0%	0.0%	7.4%	2348.9
Bloomberg Global Aggregate	0.3%	0.0%	8.2%	501.2
JPMorgan Emerging Mkt Bond	0.1%	0.3%	13.3%	1021.2
<b>10-Year Yield Change (basis points*)</b>				
US Treasury	1	6	-41	4.23%
UK Gilt	11	4	-12	4.51%
German Bund	7	5	36	2.91%
Japan Govt Bond	7	19	105	2.26%
Canada Govt Bond	4	-2	9	3.41%
<b>Currency Returns**</b>				
US\$ per euro	1.9%	0.7%	13.5%	1.182
Yen per US\$	-1.5%	-0.6%	-0.2%	155.77
US\$ per £	1.9%	1.2%	10.4%	1.364
C\$ per US\$	-1.6%	-0.2%	-4.8%	1.370

Source: Bloomberg. Equity-index returns are price only, others are total returns. \*100 basis points = 1 percentage point. \*\*Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

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