London Investment Markets – Newsletter

London Investment Markets

LIM is the exclusive, institutional-grade trading platform providing a definitive edge for CFD, Forex, and Commodities traders.

London Investment Markets – News & Markets

LIM keeps you informed with the latest financial news, market analysis, and economic events that move global markets.

Week Commencing: January 19, 2026

US Inflation & The "Trump Stimulus"

The primary focus for the week will be the **US Personal Consumption Expenditures (PCE)** price index. As the Federal Reserve's preferred inflation gauge, this data point will be critical in determining if the Fed pauses or continues its cutting cycle.

- **Federal Reserve Watch:** After a 25-basis-point cut in December, markets are pricing in a pause for the late-January meeting. However, if PCE inflation prints higher than the expected **0.2%**, yields on the **10-year Treasury** (currently hovering around 4.23%) could spike.
- **Davos 2026:** The World Economic Forum kicks off this week. Markets will be listening closely to world leaders and central bankers, including **President Trump**, for clues on trade policy and the "One Big Beautiful Bill Act" fiscal expansion.

Central Bank Divergence: BoJ vs. The World

While most of the West is eyeing rate cuts, the **Bank of Japan (BoJ)** remains the global outlier.

- **BoJ Interest Rate Meeting (Friday):** Forecasts suggest a **25-basis-point hike**. With the Japanese Yen showing persistent weakness and core inflation remaining sticky, Governor Ueda is expected to continue the "normalization" path.
- **Trading Impact:** A hawkish BoJ could trigger significant volatility in **USD/JPY** and provide a tailwind for Japanese financials.

China's Q4 GDP: The Growth Floor

On Monday, China releases its **Q4 2025 GDP** figures. After a sluggish 4.8% growth in Q3, preliminary expectations point to a further easing to **4.6% YoY**.

- **Key Metrics:** Beyond GDP, watch for **Retail Sales** and **Industrial Production**. Traders are looking for "green shoots" following recent stimulus measures, though the property sector remains a significant drag on sentiment.

Earnings Season: Tech Giants Under the Microscope

The Q4 2025 earnings season moves into high gear this week. While major banks like **JPMorgan** reported record revenues last week, the focus now shifts to tech and consumer staples.

Date	Company	Ticker	Why it Matters
Jan 20	**Netflix**	NFLX	A litmus test for consumer discretionary spending.
Jan 20	**United Airlines**	UAL	Insights into travel demand and energy costs.
Jan 22	**Intel**	INTC	Monitoring the chip sector's recovery and AI hardware spend.
Jan 22	**Visa**	V	Key indicator for global transaction volumes and consumer health.

Commodities: Silver’s Historic Run

Precious metals continue to dominate the commodity space. **Silver** recently blasted past **$80 an ounce** to hit a record high, driven by a combination of speculative flows and its role in the "critical minerals" conversation for green energy.

Pro Tip: Watch for a "rotation trade" where investors pull profits from mega-cap tech and move into materials and energy, a trend that has already boosted the **ASX 200** to recent highs.

The Bottom Line for Traders

Expect a **choppy, sideways-to-bearish** consolidation this week. The **S&P 500** is testing the psychological **7,000** barrier, but without a clear "beat and raise" from the upcoming tech earnings or a friendly PCE print, the market may be due for a short-term breather.

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