

## Private Wealth Market Brief

### LAST WEEK...

**Wall Street's major indexes** during the holiday-shortened week, with relatively light trading volumes for much of the period. For the week, the S&P 500 declined by 1.03%, to end at 6,858.47 points. The Nasdaq Composite lost 1.52% to end at 23,235.63 points while the Dow Jones Industrial Average fell 0.67% to end at 48,382.39 points.

**Treasury yields** rose on the longer end tenors following lower than expected jobless claims data. Yields on the two-year notes remained constant at 3.48% while the benchmark 10-year notes increased by 6-bps to 4.19%. The yield on the 30-year bonds also increased by 4-bps to 4.86%.

The **US dollar** rose as investors shifted focus to early January 2026 economic data. The dollar index increased 0.40% to 98.42 points. The **Euro** edged down 0.23% against the dollar to US\$1.169.

**Oil** prices edged higher as geopolitical tensions between the US and Venezuela intensified. US Brent crude futures fell 0.20% to US\$60.75 a barrel while US West Texas Intermediate (WTI) crude futures increased 1.69% to US\$57.47 a barrel.

**Gold** prices fell as investors capitalised on profit taking following the year-end rally. Spot gold fell 3.9% to US\$4,372.35 per ounce while US gold futures were 4.7% lower at US\$4,314.40 per ounce.

### THE WEEK AHEAD

#### Monday 05<sup>th</sup> January:

- US ISM manufacturing index

#### Tuesday 06<sup>th</sup> January:

- S&P final US services PMI

#### Wednesday 07<sup>th</sup> January:

- US job openings for November 2025
- US factory orders
- US ADP employment

#### Thursday 08<sup>th</sup> January:

- US initial jobless claims
- US trade deficit

#### Friday 09<sup>th</sup> January:

- US employment report for December 2025
- US unemployment rate

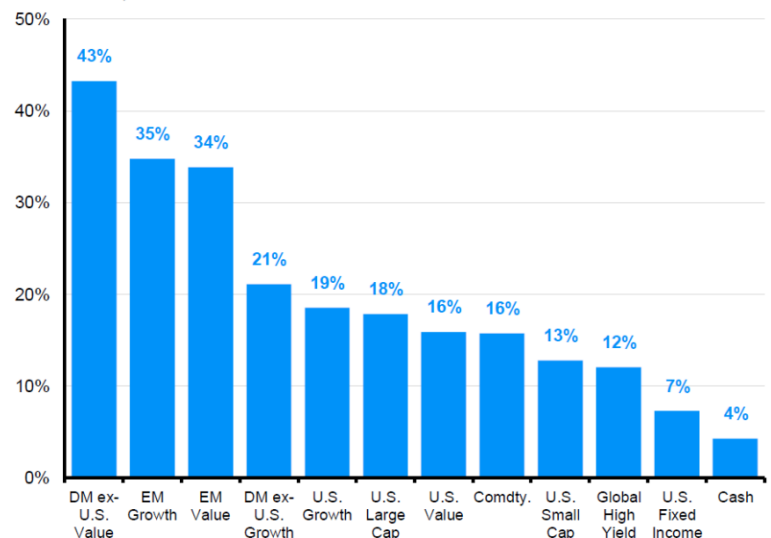
Equities	Index Returns				
	Level as at 01/02/2026	1 Week	MTD	QTD	YTD
TT COMP	950.66	0.24%	0.44%	0.44%	0.44%
ALL T&T	1,379.17	0.44%	0.60%	0.60%	0.60%
JSE COMB	329,738.38	1.36%	0.39%	0.39%	0.39%
JSE ALL JAMAICAN	367,200.16	1.22%	0.52%	0.52%	0.52%
S&P 500	6,858.47	-1.03%	0.19%	0.19%	0.19%
DOW JONES 30	48,382.39	-0.67%	0.66%	0.66%	0.66%
NASDAQ COMPOSITE	23,235.63	-1.52%	-0.03%	-0.03%	-0.03%
RUSSELL 2000	2,508.22	-1.03%	1.06%	1.06%	1.06%
MSCI EAFE	2,910.01	0.51%	0.60%	0.60%	0.60%
MSCI EM	1,429.48	2.30%	1.79%	1.79%	1.79%

Key Rates	Levels (%)				
	1/2/2026	12/26/2025	12/31/2025	12/31/2025	1/3/2025
1-mth U.S. Treasuries	3.64	3.62	3.59	3.59	4.32
3-mth U.S. Treasuries	3.62	3.63	3.63	3.63	4.30
6-mth U.S. Treasuries	3.61	3.59	3.62	3.62	4.28
1-yr U.S. Treasuries	3.47	3.49	3.48	3.48	4.17
2-yr U.S. Treasuries	3.48	3.48	3.47	3.47	4.28
10-yr U.S. Treasuries	4.19	4.13	4.15	4.15	4.60
30-yr U.S. Treasuries	4.86	4.82	4.83	4.83	4.82

### CHART OF THE WEEK

#### 2025 asset class returns

Total return, U.S. dollars



Source: FactSet, FTSE Russel, MSCI, Standard & Poor's, J.P. Morgan Asset Management

#### US markets were boosted by AI despite tariffs pullback:

Markets experienced pronounced volatility over the year, shaped primarily by two opposing forces: trade tariffs and rapid advances in artificial intelligence. In April 2025, the introduction of tariffs dampened expectations for global economic growth, prompting a rally in overseas bond markets and a broad selloff in global equities.

The S&P 500 delivered a total return of 18%, with gains driven largely by developments in artificial intelligence that more than offset the negative effects of tariffs. Technology-related sectors accounted for approximately 60% of the index's total return and earnings growth, although market performance showed some broadening. Investment in AI-related capital expenditure supported industrial and energy companies, while increased capital markets activity benefited banks.

## TOP STORIES

### International US News – US invades Venezuela, captures President Maduro and his wife:

US forces captured Venezuelan President Nicolás Maduro and his wife, Cilia Flores, during a large-scale overnight military operation in Venezuela on 3<sup>rd</sup> January 2026. American authorities said the couple had been indicted in the Southern District of New York on drug-trafficking and related charges. President Donald Trump said the operation was conducted in coordination with US law enforcement, while Attorney General Pam Bondi confirmed the indictments, which include conspiracy to commit narco-terrorism, cocaine importation conspiracy and multiple weapons-related offenses.

President Trump stated that the operation involved US military units, with media reports indicating the participation of the Army's Delta Force. He said the United States sustained a small number of injuries but no fatalities and that the operation was delayed for several days due to weather conditions. According to President Trump, President Maduro and his wife were flown from Venezuela to the USS *Iwo Jima* and then transported to New York to face the charges.

The operation prompted debate within the United States regarding its legal basis and broader implications. Senator Mike Lee of Utah said Secretary of State Marco Rubio informed him that the deployment was intended to protect personnel executing an arrest warrant, adding that the action likely fell within the president's constitutional authority to safeguard US forces. Rubio reiterated his long-standing position that Maduro does not represent a legitimate government and described him as the leader of a narco-terror organisation, while Deputy Secretary of State Christopher Landau said the arrest would allow President Maduro to face justice for alleged crimes.

### International US News – China reacts to US attack on Venezuela, condemning the actions of the US:

China has publicly condemned the recent US military action against Venezuela that led to the capture of President Nicolás Maduro and his wife, characterising the operation as a violation of international law and Venezuelan sovereignty. Beijing's response included strong language from the foreign ministry, which said it was "deeply shocked" by the use of force and urged the United States to respect the purposes and principles of the U.N. Charter, cease what it described as hegemonic actions and refrain from undermining the sovereignty of other states. China also advised its citizens to avoid travel to Venezuela amid the heightened tensions.

Despite the harsh rhetoric, China stopped short of issuing threats, focusing instead on diplomatic criticism and calls for adherence to international norms. The reaction reflects broader global concern about the implications of the US intervention for international law and regional stability, even as other nations consider the wider geopolitical fallout. China's stance underscores its long-standing opposition to unilateral military actions and its interest in maintaining strategic ties with Venezuela.

### Local Trinidad and Tobago News – Massy Finance posts 85% drop in after-tax profit:

MASSY Finance GFC Ltd (MFGFC) reported an after-tax profit of TT\$222,000 for the year ended 30<sup>th</sup> September, 2025, representing an 85% decline from the TT\$1.47 million recorded in the prior year. Chairman James McLetchie described the period as one of consolidation and disciplined transition, with the board prioritising the preservation of financial strength and selective investment in operational leadership and governance capabilities. He noted that the company's performance should be assessed against a backdrop of broader economic headwinds, including periods of contraction in early 2025 and mixed growth trends across key sectors in Trinidad and Tobago. Throughout the year, the Central Bank of Trinidad and Tobago maintained the repo rate at 3.50%, influencing credit demand and reinforcing the need for prudent risk management and liquidity discipline.

Despite the decline in profitability, MFGFC reported total assets of TT\$998 million, reflecting the stability of its lending and investment portfolios. Instalment credit and other loans rose to TT\$592 million, indicating sustained demand for the company's financing products. Profit before tax amounted to TT\$1.71 million, which McLetchie attributed to a deliberate, board-approved shift toward a more conservative approach to aged credit exposures, alongside targeted investments to strengthen operational and leadership capacity. The company ended the financial year with a capital adequacy ratio of 19.05%, significantly above the regulatory minimum of 10%, underscoring its capital strength and ability to protect depositor interests.

McLetchie highlighted the continued support of the Massy Group as a defining feature of the year, particularly MFGFC's close relationship with Massy Motors Trinidad, which provides a steady pipeline of asset-backed lending opportunities and contributes to portfolio stability. Looking ahead, the board has approved a multi-year resource strengthening programme spanning FY2026 and FY2027, aimed at accelerating investments in technology and operational capabilities. A key focus will be the modernisation of the company's core banking platform and digital customer interfaces, with the objective of improving customer experience, reducing operational risk, enabling scalable digital loan origination and enhancing competitiveness in an evolving financial services environment.

### Local Trinidad and Tobago News – Central Bank of Trinidad and Tobago states that the non-energy sector is slowing:

The Central Bank reported that while the energy sector recorded some positive developments during mid-2025, business activity in the non-energy sector has slowed, reflecting heightened uncertainty linked to ongoing tensions between the United States and Venezuela. In its December 2025 Monetary Policy Announcement, the Bank noted that although the impact of US tariffs imposed earlier in the year had been less severe than initially expected, the prolonged geopolitical standoff has weighed on business confidence. The Bank described economic growth as tentative, despite inflation remaining well contained, credit growth still reasonable and liquidity conditions improving.

Energy sector performance was supported by increased natural gas production following first gas from bpTT's Cypre field and the bpTT/EOG Mento field. Natural gas output rose by 11.7% year-on-year in the second quarter of 2025, while crude oil production increased by 8.9%. The petrochemical sector also recorded gains in ammonia and urea production, although methanol output continued to decline. The Central Bank cautioned, however, that these energy-driven gains may be partly offset by weakening momentum across several non-energy sub-sectors, indicating the broader economy still requires support to achieve a sustained recovery.

The Bank also highlighted improving liquidity and external indicators, with commercial banks' excess reserves rising to TT\$5.3 billion by mid-December 2025 and foreign reserves increasing from US\$4.6 billion in October to US\$5.3 billion by 19<sup>th</sup> December 2025. At the same time, private sector credit growth slowed, particularly in business lending. With inflation remaining in the lower single-digit range and reserve adequacy requiring continued monitoring, the Monetary Policy Committee decided to maintain the repo rate at 3.50%.

## COMPANY NEWS

**Chevron Corporation (CVX):** US oil stocks, led by Chevron, rallied strongly in early trading after President Donald Trump indicated that American energy companies could play a central role in revitalising Venezuela's vast oil sector following the capture of President Nicolás Maduro, driving investor optimism about future access to under-utilised reserves. Chevron's shares jumped sharply in pre-market activity, supported by broader gains among US refiners and oilfield service firms as markets priced in potential long-term opportunities despite current oversupply and logistical constraints on Venezuelan production.

**Coinbase Global, Inc. (COIN):** Cryptocurrency exchange Coinbase has announced it will discontinue its Argentine peso-based services, including peso-to-USDC trading and local peso withdrawals, effective 31<sup>st</sup> January 2026, less than a year after entering the market. Users will have a 30-day period to convert and withdraw pesos before the change takes effect, although crypto-to-crypto trading on the platform will continue uninterrupted. The company described the move as a "strategic pause" to reassess and strengthen its product offerings rather than a permanent exit from Argentina.

**Shell plc (SHEL):** Shell is exploring a return to Venezuela's energy sector, focusing on the Dragon offshore gas field near the Venezuelan-Trinidad maritime border, which could provide significant long-term gas supply for regional LNG and petrochemical industries. The company's plans depend on securing US sanctions exemptions or licenses, potentially allowing investment in partnership with American firms. Observers note that such a move would revive previously inactive projects, strengthen regional energy ties and capitalise on evolving policies encouraging foreign participation in Venezuela's resource sector.

**CrowdStrike Holdings, Inc. (CRWD):** CrowdStrike CEO George Kurtz has invested approximately US\$300 million to acquire a minority stake—around 5%—in the Mercedes Formula 1 team, combining his personal passion for racing with a role as technical adviser to support commercial and data-driven performance initiatives. The move reflects the growing intersection of global tech entrepreneurship and elite motorsports, while also underscoring Kurtz's long-term engagement with Mercedes. The investment comes as CrowdStrike continues to show strong financial performance and anticipates rising demand for cybersecurity solutions in an AI-driven threat environment.

**Uber Technologies, Inc. (UBER):** Uber Technologies is reportedly in advanced talks to acquire parking reservation startup SpotHero, a move that would extend its services beyond ride-hailing into parking solutions for drivers in over 400 cities. The potential deal, first reported by *The Information*, could allow Uber to integrate SpotHero's parking capabilities into its app to help users find and reserve parking, potentially supporting broader urban mobility services and enhancing offerings for drivers and riders alike. Ongoing discussions mean the transaction is not yet finalised and details, including price, remain undisclosed.

**Rheinmetall AG (RHM.DE):** European defence firm Rheinmetall was among the notable beneficiaries in the wake of US military action in Venezuela, with its share price climbing around 6–7 % as investors responded to heightened geopolitical risk and expectations of increased defence spending. The rally in Rheinmetall and other aerospace and defence stocks helped push European defence indices to multi-week highs, reflecting a broader market shift toward "hard power" sectors following the capture of Venezuelan President Nicolás Maduro. Analysts suggested that the episode may reinforce long-term demand for defence capabilities and budgets across Europe.

## ANALYSTS' OPINION

**The Estée Lauder Companies Inc. (EL):** Raymond James double upgraded Estee Lauder to Strong Buy from Market Perform with a US\$130 price target.

**Coinbase Global, Inc. (COIN):** Goldman Sachs upgraded Coinbase to Buy from Neutral with a price target of US\$303, up from US\$294. The company's recent product launches enhance the competitiveness of its core business.

**The Hershey Company (HSY):** Wells Fargo upgraded Hershey to Equal Weight from Underweight with a price target of US\$182, up from US\$157. The firm says cocoa prices are down over 50% from the peak this time last year, which is a "welcome development" for Hershey.

**Twilio Inc. (TWLO):** Piper Sandler downgraded Twilio to Neutral from Overweight with a price target of US\$148, up from US\$145. The firm says that its general view on the company is unchanged, though it expects the re-acceleration narrative will fade later in 2026.

**Sources:** *Thomas Reuters News, Refinitiv DataStream, Bloomberg, CariCRIS Daily NewsWire, CNN Business, Investopedia, CNBC, Yahoo Finance, T&T Guardian Newspaper*