

Market Update: January

Internacional:

January ends as a benign month for risk assets, though with significant dispersion and major reversals throughout the month. Key themes included geopolitical tensions stemming primarily from American military actions (Venezuela, Greenland, and Iran), noise surrounding the autonomy of the U.S. Federal Reserve, and the snap election in Japan. The combination of these factors resulted in a weaker U.S. dollar and a rotation of portfolios into international assets, boosting metals and energy commodities, real assets, and emerging market equities, in a move reminiscent of the late-2025 rotation.

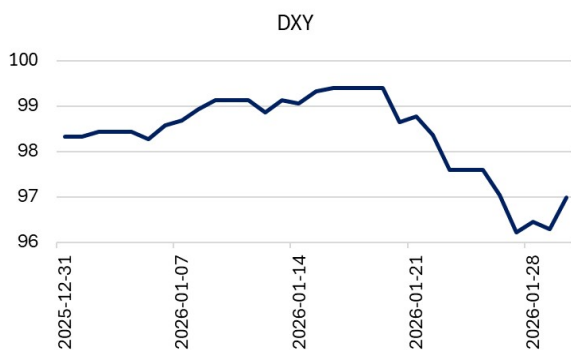


Figure 1: Monthly Performance DXY. Source: BBG

In the **U.S.**, we observe a cyclical reacceleration, with robust growth at the end of last year, employment data pointing to higher occupancy, and an inflationary surprise. Given the set of data highlighting a highly resilient economy, the Federal Reserve kept interest rates unchanged at 3.50%–3.75%, pausing the easing cycle it had been implementing and signaling that any additional cuts, if necessary, should only occur in the second half of the year. The central bank remained in the spotlight for several weeks after the Department of Justice opened an investigation into expenses related to the construction of a new headquarters, which was interpreted by the market as a move to undermine the Fed's independence in conducting monetary policy. However, the nomination of Kevin Warsh as Fed Chair significantly eased concerns, leading to a partial recovery of the U.S. dollar and a correction in metal commodity prices.

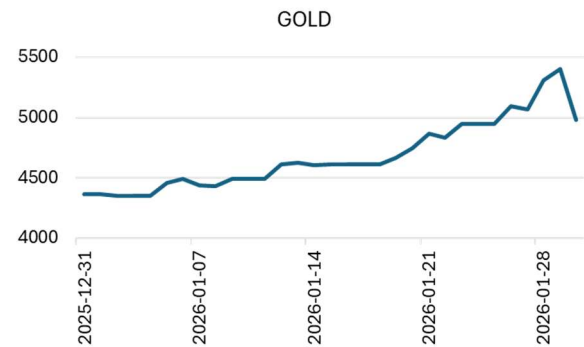


Figure 2: Monthly Performance Gold. Source: BBG

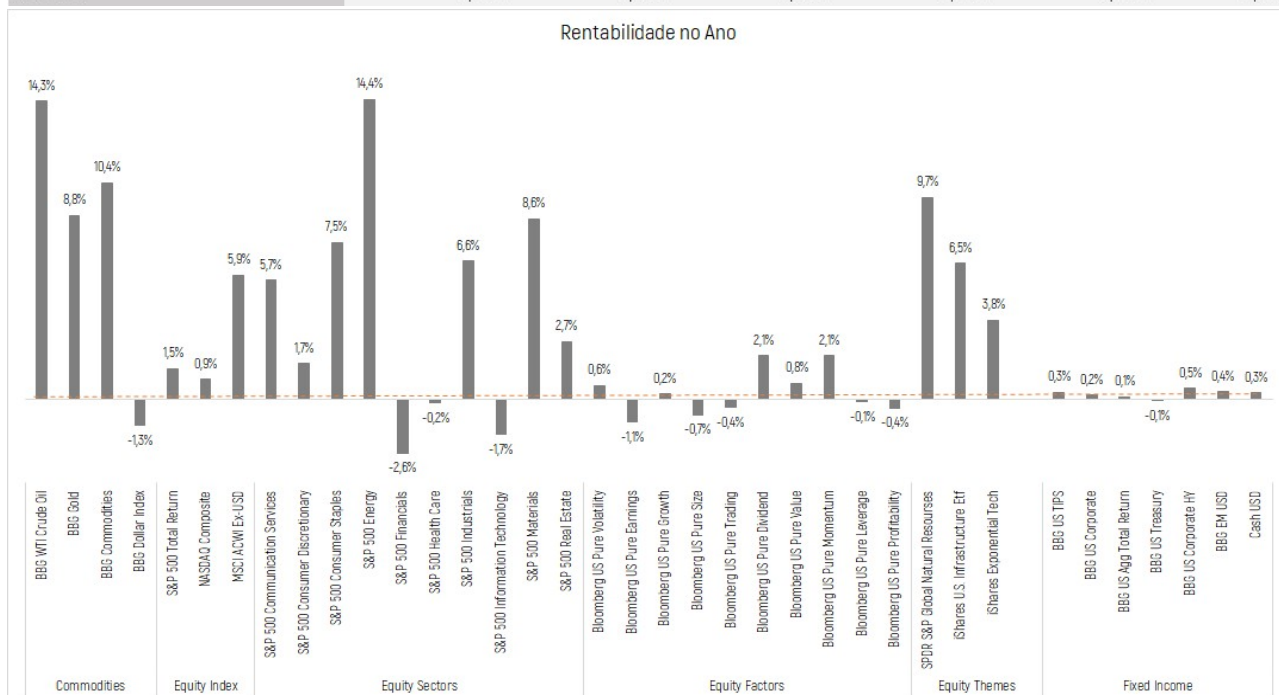
In **Europe**, the landscape remained relatively stable. Activity continues to be weak in the industrial sector, while services show greater resilience. Inflation remains on a convergence path toward the target, allowing the ECB to maintain a cautious stance. The market has begun to discuss the start of rate cuts throughout 2026 with greater intensity, but the monetary authority continues to signal data dependency, especially regarding wages and services. The region continues to experience low growth, though without signs of an abrupt contraction.

In **China**, recent data indicated continued moderate growth, though tempered by fragility in domestic consumption and the real estate sector. Performance in 2025 remained close to the official target, primarily sustained by industrial production and exports. Selective stimulus policies are expected to persist throughout 2026, focusing on infrastructure and credit support as the government seeks to stabilize the property market. However, the most intense news flow from Asia came from **Japan**: the long end of the yield curve saw a relevant steepening, reflecting fiscal discussions and internal political uncertainty following the snap election. Upward pressure on interest rates weighed on the global bond market, while currency depreciation led to growing speculation regarding a coordinated FX intervention between Japan and the U.S., aimed at strengthening the Japanese Yen, which gained significant traction.

Domestic (Brazil)

In **Brazil**, January was marked by the maintenance of the Selic rate at 15% and signaling that the easing cycle will begin in March, likely with a 50-basis-point move, contingent on the evolution of inflation and the labor market. Data remain mixed: the labor market continues to show resilience, with a low unemployment rate and wage growth at the margin, while leading indicators suggest a moderation in activity. Inflation remains controlled in the short term, benefiting from a more appreciated exchange rate and lower pressure from industrial goods. The base-case scenario continues to be one of gradual cuts throughout 2026, keeping monetary policy in restrictive territory for a prolonged period. In the markets, the month was quite positive for local assets. The appreciation of the Real, in line with global Dollar weakness, contributed to a narrowing of the yield curve, and the Ibovespa recorded a relevant gain, reflecting both the more favorable external environment and the anticipation of the start of the rate-cutting cycle. On the political front, Flávio Bolsonaro showed improvement in polls, though there are still no definitions regarding the names that will represent the center right.

Global Assets	1m	3m	6m	12m	24m	36m
Commodities						
BBG WTI Crude Oil	14,30%	9,28%	-0,19%	3,01%	12,83%	19,22%
BBG Gold	8,82%	17,95%	42,21%	65,74%	125,43%	138,22%
BBG Commodities	10,36%	13,53%	21,63%	22,91%	34,11%	24,60%
BBG Dollar Index	-1,27%	-2,67%	-2,73%	-9,13%	-4,02%	-2,85%
Equity Index						
S&P 500 Total Return	1,45%	1,76%	10,13%	16,35%	47,04%	77,65%
NASDAQ Composite	0,95%	-1,11%	11,08%	19,54%	54,72%	102,53%
MSCI ACWI Ex-USD	5,94%	8,80%	18,44%	31,67%	42,36%	46,75%
Equity Sectors						
S&P 500 Communication Services	5,69%	11,21%	23,66%	28,42%	85,39%	162,66%
S&P 500 Consumer Discretionary	1,70%	-0,10%	8,97%	2,59%	43,39%	69,62%
S&P 500 Consumer Staples	7,52%	9,57%	6,33%	6,92%	20,33%	20,62%
S&P 500 Energy	14,37%	16,51%	17,88%	17,69%	23,47%	13,84%
S&P 500 Financials	-2,61%	2,00%	1,98%	3,73%	37,75%	46,05%
S&P 500 Health Care	-0,18%	7,30%	18,72%	5,37%	10,21%	16,04%
S&P 500 Industrials	6,62%	6,73%	8,87%	19,53%	46,47%	62,43%
S&P 500 Information Technology	-1,69%	-6,25%	7,03%	24,89%	58,30%	135,45%
S&P 500 Materials	8,64%	15,23%	12,79%	11,63%	20,38%	17,00%
S&P 500 Real Estate	2,74%	1,72%	0,82%	0,64%	9,39%	2,65%
Equity Factors						
Bloomberg US Pure Volatility	0,64%	-0,23%	1,96%	4,02%	7,24%	7,09%
Bloomberg US Pure Growth	0,24%	-0,72%	-2,87%	-2,39%	0,67%	0,87%
Bloomberg US Pure Size	-0,75%	-0,98%	0,96%	4,94%	6,63%	12,70%
Bloomberg US Pure Dividend	2,09%	1,45%	1,34%	0,63%	-0,26%	-1,81%
Bloomberg US Pure Value	0,76%	2,56%	2,51%	2,85%	0,95%	2,56%
Bloomberg US Pure Momentum	2,07%	1,40%	5,32%	7,75%	17,88%	23,16%
Equity Themes						
SPDR S&P Global Natural Resources	9,67%	17,77%	26,97%	34,55%	37,38%	23,86%
iShares U.S. Infrastructure Etf	6,50%	7,04%	11,86%	20,49%	50,30%	52,63%
iShares Exponential Tech	3,79%	3,51%	18,01%	25,83%	37,69%	49,19%
Fixed Income						
BBG US TIPS	0,31%	0,09%	2,43%	5,97%	9,12%	11,53%
BBG US Corporate	0,18%	0,63%	3,57%	7,37%	10,45%	15,04%
BBG US Agg Total Return	0,11%	0,58%	3,54%	6,85%	9,06%	11,35%
BBG US Treasury	-0,09%	0,19%	2,74%	5,67%	7,13%	8,44%
BBG US Corporate HY	0,51%	1,66%	3,94%	7,70%	18,12%	29,09%
BBG EM USD	0,36%	1,04%	5,30%	10,34%	19,53%	25,63%
Cash USD	0,30%	0,95%	2,05%	4,29%	9,80%	15,63%



Brasil	1m	3m	6m	12m	24m	36m
Pós-Fixado						
Brazil CETIP DI Rate Accumulat	1,16%	3,48%	7,31%	14,49%	26,99%	43,34%
Anbima IMA-S	1,18%	3,51%	7,39%	14,64%	27,53%	44,19%
Anbima Debentures Index IDA DI	1,36%	3,71%	7,25%	15,80%	30,51%	49,49%
Prêmio de Crédito	0,19%	0,23%	-0,06%	1,15%	2,77%	4,29%
Pré-Fixado						
Anbima IRF-M 1	1,20%	3,47%	7,38%	14,68%	26,08%	42,41%
Anbima IRF-M	1,96%	3,98%	8,50%	17,51%	21,96%	41,86%
Anbima IRF-M 1+	2,28%	4,20%	9,06%	18,77%	19,88%	41,91%
Indexado Inflação						
Anbima IMA-B 5	1,20%	3,26%	6,25%	10,91%	19,15%	32,65%
Anbima IMA-B	1,00%	3,38%	5,90%	13,09%	12,01%	29,41%
Anbima IMA-B5+	0,84%	3,46%	5,58%	14,66%	6,79%	27,10%
Anbima Debentures Index ID	3,06%	4,73%	8,48%	17,80%	22,27%	42,54%
Prêmio de Crédito (s/ média B5 e B)	1,93%	1,37%	2,27%	5,18%	5,78%	8,78%
Inflação IPCA*	0,33%	0,60%	1,24%	4,26%	9,30%	14,35%
Imobiliário						
Bovespa Real Est In Fund	2,27%	7,44%	12,36%	27,82%	15,82%	36,86%
Hedge Funds*						
Anbima Hedge Funds Index	2,23%	4,20%	9,77%	16,88%	25,10%	34,75%
Renda Variável						
BRAZIL IBOVESPA INDEX	12,56%	21,28%	36,29%	43,79%	41,97%	59,89%
BOVESPA Dividend Index	10,56%	18,13%	30,25%	38,85%	45,03%	67,63%
BM&FBOVESPA Small Cap	10,15%	12,61%	21,61%	35,68%	15,49%	22,82%
BRAZIL Financial Index	14,87%	22,26%	38,21%	51,54%	50,89%	90,98%
BOVESPA Utilities Index	6,07%	16,26%	42,00%	63,03%	64,95%	95,21%
BM&FBOVESPA REAL ESTATE	12,22%	18,69%	41,59%	75,05%	59,62%	109,19%
BM&FBOVESPA Consumption	7,27%	11,39%	22,98%	34,76%	15,98%	10,47%
BOVESPA INDUSTRIAL INDEX	6,25%	15,17%	23,02%	21,33%	49,99%	56,55%
BOVESPA Basic Mat Index	8,62%	17,80%	30,82%	21,41%	18,24%	8,34%
BRAZIL ELECTRIC.ENERGY IX	2,61%	12,67%	30,64%	54,89%	39,00%	61,03%
FX						
USD-BRL Carry Return	-4,65%	-4,41%	-10,37%	-17,82%	-7,54%	-15,19%

Rentabilidade no Ano

Índice / Categoria	Rentabilidade no Ano
Brazil CETIP DI Rate Accumulat	1,16%
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Anbima Hedge Funds Index	2,23%
BRAZIL IBOVESPA INDEX	12,56%
BOVESPA Dividend Index	10,56%
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