



## Weekly overview of short news

- The price of gold rose from \$4,633.85 to \$4,987.49 an ounce this week, as the situation concerning Greenland fuelled demand for safe assets.
- The price of oil increased slightly from \$64.35 to \$66.11 per barrel on the weekly level.
- The Central Bank of Austria Governor has warned that using trade threats as political leverage increases global economic risks, which could accelerate inflation in the U.S.
- Trump said he would refrain from imposing tariffs on eight E.U. countries as of 1 February, citing a framework for a future agreement with NATO on Greenland, without giving further details. The President told CNBC that the U.S. would be "involved" in the Arctic island's mineral rights. Trump has ruled out the use of force in his attempt to gain territory.
- The Bank of Japan kept its benchmark interest rate on hold and announced a higher inflation forecast, leaving the possibility of a rate increase before the summer. It kept the interest rate at 0.75%, the statement said, taking into account the impact of last month's increase and pending the outcome of the early elections. The decision was in line with market expectations.
- The U.S. GDP was revised higher to 4.4% in Q3 2025, from the previous 4.3%.

## FX NEWS

### EUR/USD



The EUR/USD exchange rate had an upward trend this week. The exchange rate strengthened during the first two days of the week following Donald Trump's statement about the possible introduction of new tariffs to certain European countries in the context of his campaign related to taking control of Greenland. The return of trade tensions and geopolitical uncertainty weakened the dollar against the euro. The exchange rate recorded a short-term drop in mid-week after Trump softened his rhetoric and ruled out the use of military force concerning Greenland. The exchange rate recorded growth during the last two days of the week, with the fact that the growth was very sharp on Friday as the news came that the Fed could intervene in the currency market together with the Bank of Japan in order to stabilize the volatility of the yen.

### EUR/GBP



The EUR/GBP exchange rate was stable at the very beginning of the week, only to record a sharp increase the very next day as data from Great Britain reinforced expectations that the Bank of England will reduce the interest rate by 25bp at least once this year, while expectations that it will reduce the

interest rate by the same amount for the second time this year also increased. After an initial rise in mid-week, the exchange rate began to weaken as it was announced that inflation in the U.K. rose 3.4% in December and was higher than the expected 3.3%. The exchange rate made a sharp rise on Thursday, which was short-lived. This short-lived rise occurred due to political uncertainty following the news that Andrew Gwynne, who has been suspended from the Labour Party for offensive messages, is expected to resign as MP for Gorton and Denton (UK House of Commons constituency). That could trigger early elections to fill the vacancy and heighten concerns about Labour's stability. The exchange rate weakened again on the last day of the week due to the statement of Megan Green, a member of the Bank of England's Monetary Policy Committee, that the Fed's looser policy could encourage inflation in Great Britain. After this statement, the markets are counting on only one interest rate cut by the Bank of England in 2026.

### EUR/JPY



The EUR/JPY exchange rate had an upward trend during most of this reporting period. The exchange rate rose as yields on Japan's long-term bonds rose significantly, fuelled by the Japanese government's commitment to extending tax relief. Thus, the yield on 20-year bonds rose to the highest level since 1998. The regular meeting of the Bank of Japan was held during the week, at which no decision was made to change the interest rate, so this meeting did not have a major impact on the exchange rate trend. The exchange rate recorded a sharp decline on the last day of the week as the Prime Minister of Japan warned the markets that Japan is ready to react to abnormal changes in the yen development, and the U.S. signalled that it could support Japan in defending the yen.

**Table 1 - Exchange rates of the most important currencies**

	<b>19.01.2026.<sup>1</sup></b>	<b>23.01.2026.<sup>2</sup></b>	<b>% Change</b>
EUR/USD	1.1609	1.1828	1.89
EUR/GBP	0.86755	0.86682	-0.08
EUR/JPY	184.16	184.06	-0.05
EUR/AUD	1.73297	1.71498	-1.04
EUR/CHF	0.93241	0.92307	-1.00
USD/JPY	158.63	155.70	-1.85
GBP/USD	1.3381	1.3643	1.96

**Table 2 - Overview of the leading central banks' interest rates**

<b>Central Bank</b>	<b>Reference interest rate</b>	<b>Reference interest rate level</b>	<b>Next meeting</b>
European Central Bank (ECB)	ECB main refinancing rate	2.15%	5-Feb-2026
Federal Reserves (Fed)	Federal Funds Target Rate	3.75%	28-Jan-2026
Bank of Japan (BoJ)	Overnight Call Rate	0.75%	19.03.2026.
Bank of England (BoE)	Official Bank Rate	3.75%	5-Feb-2026
Swiss National Bank (SNB)	Libor Target Rate	0.00%	19-Mar-2026
Bank of Canada (BoC)	Target Overnight Rate	2.25%	28-Jan-2026
Reserve Bank of Australia (RBA)	Cash Rate Target	3.60%	3-Feb-2026

**Table 3 – ESTR and Euribor**

	<b>19.01.2026.<sup>1</sup></b>	<b>23.01.2026.<sup>2</sup></b>	<b>Change in basis points</b>
ESTR	1.9300	1.9330	0.3
Euribor 1W	1.886	1.881	-0.5
Euribor 1M	1.985	1.959	-2.6
Euribor 3M	2.033	2.038	0.5
Euribor 6M	2.143	2.157	1.4
Euribor 12M	2.248	2.243	-0.5

<sup>1</sup> Opening market value on Monday

<sup>2</sup> Closing market value on Friday

**Table 4 - Economic indicators (19 - 23 January 2026)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>Consumer price index (CPI)</b> This indicator estimates the changes in the cost of living, by measuring changes in the price level of the basket of consumer goods and services purchased by an average household. Therefore, it is a key measure of euro area inflation.	F December MoM% YoY%	0.2% 2.0%	0.2% 1.9%	0.2% 2.0%
	<b>Average Weekly Earnings 3M/YoY</b> This indicator refers to the average amount of money a person earns during the week from their employment. It usually includes all forms of salary, fees, bonuses and commissions, but may exclude certain benefits, such as pension contributions or the value of immovable benefits.  <b>Pay rolled Employees Monthly Change</b> It shows the number of persons who are employed and whose taxes and contributions are automatically deducted from their wages. This indicator indicates whether employment is increasing or decreasing month-on-month.  <b>Consumer price index (CPI)</b> It estimates the cost-of-living changes by measuring changes in the price level of market basket of consumer goods and services purchased by an average household. Therefore, it is the key inflation measure.	November   December k=1000   December MoM% YoY%	4.6%   -20 K   0.4% 3.3%	4.7%   43   0.4% 3.4%	4.7%   -38k   -0.2% 3.2%
Germany	<b>Producer Price Index (PPI)</b> This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.	December MoM% YoY%	-0.2% -2.4%	-0.2% -2.5%	0.0% -2.3%
USA	<b>Gross domestic product (GDP)</b> Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity.	December 3Q T	4.3%	4.4%	4.3%
	<b>Initial Jobless Claims</b> This indicator measures the number of people receiving unemployment allowances.	17 January k=1000	209 K	200 K	198k

Abbreviations: P-preliminary data, F-final data, T-third and final estimate, k=thousand, b=billion, SA=seasonal adjusted, WDA=working days adjusted.

## EUROPEAN GOVERNMENT BONDS MARKET



The yield on German 10-year government bonds rose from 2.81% to 2.90% this week. The yield trended higher on Monday as the U.S. President Donald Trump threatened Europe with new tariffs over Greenland. The yield fell the next day as investors raised expectations that the ECB could cut interest rates later this year amid renewed trade war fears. The yield on 10-year German bonds rose in the rest of the week as a result of fiscal concerns and the release of the German PMI index for January - being better than expected. French government bond prices rose on Friday once the Prime Minister, Sébastien Lecornu, “survived” two no-confidence votes on the 2026 budget, narrowing the spread over German 10-year bonds to 58bp, the lowest since June 2024.

## U.S. GOVERNMENT BONDS MARKET



The yield on U.S. 10-year government bonds fell from 4.25% to 4.22% during the week. The U.S. market was closed on Monday for the holiday (Martin Luther King Day). The yield rose in the first half of the day on Tuesday due to heightened tensions between the U.S. and Europe over Greenland. The U.S. President's threats of tariffs over Greenland have reduced the appeal of the U.S. bonds and also raised concerns that they will add to inflationary pressures. The yield weakened in the rest of the week. The yield on the 10-year U.S. government bonds fell on Wednesday once the strong demand for the 20-year bond auction eased concerns over the fallout from U.S. President Donald Trump's tariff threats. Trump said he had reached a "framework" agreement on Greenland after talks with the NATO Secretary General in Davos. The yield recovered on Thursday as data on the U.S. labour market and consumer spending confirmed expectations that the Fed will delay interest rate cuts until end-2026. The yield on 10-year U.S. government bonds averaged at 4.24% on Friday.



## GOLD



The price of gold rose from \$4,633.85 to \$4,987.49 per ounce in this reporting week. The price was stable on Monday, as it was a holiday in the USA. The price of gold rose for the rest of the week as the U.S. President Donald Trump's pressure to take over Greenland stirred up fears of a potential trade war between the U.S. and Europe. The price of gold briefly fell on Wednesday due to the calming of geopolitical tensions and the strengthening of the dollar. Fears of a trade conflict between the U.S. and the E.U. eased at the end of the week after Trump softened his tone on the acquisition of Greenland. The price of gold rose again the following day as the dollar fell against most currencies. It continued to rise on Friday and was boosted by the escape of investors from government bonds and currencies to gold.

## OIL



The price of oil fluctuated during this week, but it increased slightly, from \$64.35 to \$66.11 per barrel during the week. The oil price trend was volatile for the first two days of the week, as the market assessed the consequences of the U.S. President Donald Trump's threats to annex Greenland, while on the other hand, tensions over Iran were calming down. Trump's announcement of tariffs due to Greenland reverberated in global markets: stock prices fell, gold and silver prices hit record highs, as investors sought a safe haven. The price of oil rose on Wednesday after Trump gave up on his threat of tariffs. The price fell the next day as the U.S. Secretary of Energy called in Davos to double oil production from current levels. Geopolitical tensions and a winter storm in the USA had an impact on the price of this energy generating products at the very end of the week. The winter storm disrupted electricity supplies and traffic across the U.S. At least 17,000 flights were cancelled.

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