



## Weekly overview of short news

- The price of gold rose from \$4,357.75 to \$4,509.50 per ounce in this reporting week as a result of geopolitical tensions.
- The price of oil increased from \$61.66 to \$64.05 per barrel in this reporting week.
- Inflation in the euro area has slowed, supporting policymakers' view that interest rates may remain at current levels unless the economic outlook significantly changes. The consumer price index increased by 2% in December compared to the same period of the previous year, which was in line with economists' estimates. Core inflation, which excludes volatile food and energy costs, slowed to 2.3%.
- The White House said the Trump administration would not rule out the use of military force to take over Greenland. The WSJ reported that Marco Rubio told lawmakers that the goal was to buy the island from Denmark. European leaders have warned that the island's existing borders are non-negotiable. Greenland's Prime Minister called for respectful dialogue, while the U.S. emphasized the island's strategic importance for missile defence and economic opportunities.
- Bloomberg reported that Germany will propose a joint NATO mission to monitor and protect the Arctic region in an effort to ease tensions with the U.S. over Greenland.

## EUR/USD



The EUR/USD exchange rate recorded growth in early week after the release of data on the U.S. manufacturing sector. Activity in that sector in December recorded the highest drop since 2024, to 47.9 from the previous 48.2. However, the exchange rate constantly weakened during the rest of the week. The drop in the exchange rate occurred as inflation in most euro area economies slowed down more than expected in December, whereas inflation in Germany fell to 2.0% from the previous 2.6%, while the euro area inflation amounted to 2.0%. On the other hand, positive data from the U.S. service sector contributed to the strengthening of the US dollar. Additional pressure on the EUR/USD exchange rate at the end of the week was also caused by the report from the U.S. labour market, which showed that the unemployment rate in December fell to 4.4% from the previous 4.6%.

## EUR/GBP



The EUR/GBP exchange rate depreciated this week. The renewal of geopolitical tensions between Russia and Ukraine in early week put pressure on the euro, and the exchange rate fell to a 16-week low of 0.86444 on Tuesday. The exchange rate was stable in the rest of the week. Sterling was supported by expectations of a gradual easing of monetary policy by the Bank of England, and the focus of investors was on preliminary data on inflation in the euro area. The exchange rate started to recover slightly on Wednesday afternoon, as the markets did not overreact to the data on the slowdown of inflation in the euro area. The exchange rate fluctuated in the last two days of the week, but did not change significantly. Various German economic data limited support for the European currency, while investors were cautious in anticipation of data from the British labour market.

## EUR/JPY



The EUR/JPY exchange rate fell at the very beginning of the week as the Bank of Japan Governor reiterated the central bank's determination to raise interest rates, stressing that the economic recovery is sustainable, that wages are rising and that inflation is above 2%. Additionally, the drop in the exchange rate during the week was also influenced by the news that Japanese households increased consumption in November to 2.9% year on year. However, at the very end of the week, EUR/JPY recorded a strong recovery, making up previous losses, due to speculation that Sanae Takaichi could call for early elections.

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

	5-Jan-2026 <sup>1</sup>	9-Jan-2026 <sup>2</sup>	% Change
EUR/USD	1.1719	1.1637	-0.70
EUR/GBP	0.87080	0.86806	-0.31
EUR/JPY	183.84	183.75	-0.05
EUR/AUD	1.75226	1.74012	-0.69
EUR/CHF	0.92876	0.93231	0.38
USD/JPY	156.84	157.89	0.67
GBP/USD	1.3456	1.3404	-0.39

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

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
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%	23 January 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**

	5-Jan-2026 <sup>1</sup>	9-Jan-2026 <sup>2</sup>	Change in basis points
ESTR	1.9360	1.9320	-0.4
Euribor 1W	1.891	1.893	0.2
Euribor 1M	1.953	1.971	1.8
Euribor 3M	2.029	2.019	-1.0
Euribor 6M	2.105	2.116	1.1
Euribor 12M	2.245	2.251	0.6

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

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

**Table 4 - Economic indicators (5 - 9 January 2026)**

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	<b>CPI estimate</b> Early assessment of the Consumer Price Index The consumer price index measures changes in the cost of living, tracking price changes in a basket of goods and services used by an average household.	P December YoY%	2.0%	2.0%	2.1%
	<b>CPI Core</b> This index tracks price changes in the basket of consumer goods and services used by the average household, but excludes items subject to frequent price changes - food, energy, alcohol and cigarettes.	P December YoY%	2.4%	2.3%	2.4%
	<b>ECB 1 Year CPI Expectations</b> This indicator shows how much consumers in the euro area expect prices to rise over the next 12 months, based on a European Central Bank survey. It serves as an early signal of inflationary pressures and helps the ECB assess how stable inflation expectations are.	November	2.7%	2.8%	2.8%
	<b>Unemployment Rate</b> The percentage of individuals who are on the labour market and who are unemployed but actively looking for a job. In general, higher unemployment rate weakens the economy and results in lower personal spending.	November	6.4%	6.3%	6.4%
	<b>Retail Sales</b> This indicator measures the volume of sales of goods for personal and household spending.	MoM% November YoY%	0.1% 1.6%	0.2% 2.3%	0.3% 1.9%
Germany	<b>Industrial Production</b> It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).	November MoM% (SA) YoY% (WDA)	-0.7% -1.0%	0.8% 0.8%	2.0% 1.0%
	<b>Trade Balance</b> The difference between exports and imports of goods and services.	November SA	16.4b	13.1b	17.2b
USA	<b>ISM Manufacturing</b> This indicator assesses the state of the industry by surveying executives on production, new orders, employment, raw material deliveries and supplies.	December	48.4	47.9	48.2
	<b>ISM Services Index</b> The indicator measures activities in the services sector and is calculated based on surveys of purchasing managers in various industries in this sector.	December	52.2	54.4	52.6
	<b>JOLTS Job Openings</b> This indicator monitors the number of vacancies in the economy (newly opened, unfilled or positions that will soon become vacant) for which the employer undertakes special actions to fill them.	November	7648k	7146K	7449k
	<b>Change in nonfarm payrolls</b> This report shows the number of newly employed persons by branch of the economy, and does not include employees on farms, in some government services, in private households and non-profit organizations.	December	70k	50	64b
	<b>Trade Balance</b> The difference between exports and imports of goods and services.	October	-\$58.7b	-\$29.4b	-\$48.1b
	<b>Unemployment Rate</b> It shows the number of unemployed persons as a percentage of the total labour force.	December	4.5%	4.4%	4.6%

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



## EUROPEAN GOVERNMENT BONDS MARKET



The yield on German 10-year bonds fell slightly this week from 2.86% to 2.84%. The yield weakened during the first days of the week as data showed that inflation in Germany and France "eased" in December. Markets have reduced expectations that the ECB will increase interest rates, i.e. they do not anticipate a rate change until the end of the year. The growth of German bond prices was also stimulated by the data on retail sales in November, which were weaker than expected, as well as by slower inflation in the euro area in December. The yield on 10-year German government bonds rose slightly on Thursday, from 2.80% to 2.82%, whereas the yield weakened towards the end of the day, as did the yield on most of their competitors in the euro area, as investors bought bonds from Italy, Portugal, France and Spain. At the end of the week, the market expected the first rate increase by the ECB to be early next year. The yield did not record major changes on Friday and averaged 2.86%.

## U.S. GOVERNMENT BONDS MARKET



The yield on the U.S. 10-year bonds fluctuated during this week, ending it at a slightly lower level compared to the beginning of the week - the yield fell from 4.18% to 4.16%. The value of government bonds rose on Monday, mainly due to the release of data on the ISM manufacturing index in the U.S., which was weaker than expected in December. The yield recovered the next day due to the rise in share prices in the technology sector. The yield weakened again on Wednesday once the U.S. President called for the purchase of \$200 billion worth of mortgage bonds in an effort to reduce housing costs. The yield fluctuated at the very end of the week (averaging at 4.17%) due to various U.S. employment reports that were released for December.

## GOLD



The price of gold rose from \$4,357.75 to \$4,509.50 per ounce in this reporting week. The price of gold rose during the first two days of this week as a result of geopolitical tensions, caused by the arrest of the President of Venezuela by the U.S. There was a slight price drop in mid-week, as investors took a more cautious stance ahead of the release of the key U.S. macroeconomic data. However, the price of gold rose again in the last two days of the week, after the release of mixed data from the U.S. labour market, which further strengthened expectations that the Federal Reserve could implement two interest rate cuts this year.

## OIL



The price of oil recorded an increase from \$61.66 to \$64.05 per barrel during this week. The price rose in early week due to the U.S. intervention in Venezuela. A slight drop in the price of oil followed the very next day, after the U.S. President declared that Venezuela would deliver 50 million barrels of oil to the USA. The price of oil did not record a significant change in mid-week. However, a strong rise occurred on Thursday, as the market reacted to the U.S. President's threats against Iran, as well as the seizure of two oil tankers linked to Venezuela. The price of oil continued its upward trend on the last day of the week, as a result of the still present geopolitical tensions.

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