DATE: January 9, 2026
TITLE: Patience, Rotation, and the Quiet Return of Old Economy Power

TRANSCRIPT:
Host:
Eric, markets feel oddly calm for early January — despite geopolitics, commodities moving, and central banks holding firm. What's really driving things this week?
Eric:
The word I keep coming back to is *patience* — and that's unusual for markets.
What we're seeing globally is an economy that's cooling just enough to ease inflation, but not enough to break growth. In the US, jobless claims have edged higher, but they're still low by historical standards. Continuing claims are rising slowly, which tells you layoffs aren't accelerating — it's just taking longer to find the next job.
From the Fed's perspective, that's exactly the outcome they want. There's nothing here that forces urgent rate cuts. So policy stays on hold, and markets adjust.

Host:
And it wasn't just the US — Europe and Japan surprised as well.
Eric:
They did. Germany posted stronger factory orders than expected, including exports — not a boom, but a reminder that Europe isn't rolling over.
Japan was more interesting. Household spending jumped almost 3% year-on-year in November. Wages are still uneven, but households are sitting on large savings buffers. If confidence holds, consumption can still surprise on the upside — and that's helping underpin Japanese equities.
China, meanwhile, remains steady but subdued. Consumer inflation is positive, producer prices are still weak. That points to continued liquidity support rather than any dramatic policy shift.
So across regions, it's the same story: no panic, no stimulus rush — just patience.

Host:
Markets didn't feel sleepy though — there was a clear rotation.
Eric:
Exactly. This week wasn't risk-off — it was *rotation*.
The Dow rose, the S&P was flat, and the Nasdaq slipped. That's not fear — that's capital moving. Energy and defence led the market. Oil jumped sharply, lifting energy stocks, while defence names rallied on talk of much higher future defence spending.
Meanwhile, parts of mega-cap tech paused rather than fell. Alphabet even moved ahead of Apple in market cap, just behind Nvidia. That tells you tech isn't being abandoned — it's being priced more selectively.
In Asia, equities remain close to record highs. The message is clear: investors are rotating away from crowded growth trades into energy, defence, and real assets — without stepping away from risk altogether.

Host:
Commodities seem central to that shift.
Eric:
Very much so.

Oil has repriced geopolitical risk — not demand. Venezuela, OPEC discipline, sanctions — markets are focusing on supply security.
But copper is the bigger structural story. Demand from AI data centres, electrification, defence and robotics is accelerating. Estimates suggest copper demand could rise around 50% by 2040. Without major new investment, that leaves a persistent supply gap.
That's why mining companies are racing for scale, and why commodity returns are increasingly driven by geopolitics and policy — not just the growth cycle.

Host:
Any risk from the upcoming US labour data?
Eric:
There's always noise at this time of year, and recent data quality hasn't been perfect. But markets aren't positioned for perfection — they're positioned for resilience.
As long as growth doesn't deteriorate sharply, the broader risk backdrop stays constructive.

Host:
Final takeaway for investors?
Eric:
This is a market learning how to function without constant policy support.
Growth is slowing but stable. Inflation is easing gradually. Central banks are patient. And capital is rotating, not retreating.
The winners aren't just innovation leaders — they're companies tied to energy, security, infrastructure and real assets in a more fragmented world.
That's a healthy way to start 2026.

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