7IM

7IM COMMENTARY

Market review

February 2026

It felt like 2026 entered the room by kicking the door down. We had US military intervention in a dysfunctional South American state, NATO infighting over Greenland and a burgeoning revolution in Iran.

More like the background for a Tom Clancy novel or a Tom Cruise film than reality really – so no wonder cash kept flocking into what had helped them last year. Gold and silver, defence stocks, mining companies and semiconductors companies.

Money *pouring* in. Until of course, it went the other way. As we got towards the end of the month, asset prices started jumping around a LOT.

Silver was the most extreme. Of the 21 trading days of January, the price of silver moved by more than 1% on 18 days! That's very much ***not*** normal. An ounce of silver cost you $70 at the start of January, shot up to $80, back towards $70 again before flying up to $100, then $115, back to $100, up again to $115, then ending the month at $78.

It's a perfect real-life example of frequency of observation changing the experience of investing. If you had bought silver and spent January watching it every day (or worse, every hour), you'd have had a miserable time of it. Psychologically, you'd anchor on the $115 high point*. Sitting at $78 at the end of January you'd feel like you missed your chance to sell.

But if you'd bought at the start of January, and only checked at the end of the month, you'd be up 12%. Much happier. Better still, if you'd have bought a year ago, and not looked, you'd be up more than 100%!

This isn't to say buy silver (or gold)**. It's to say that whatever you invest in, if you're really in it for the long term, you're best to act like it. Check it as infrequently as you can. Once a year is good. Once a decade is even better!

*Something called the *peak-end* effect means we remember highpoints and endpoints best.

**We actually don't think they make sense for most portfolios; too volatile, no cash flows, and with too little reliability. We've done the work!

Chart of the Month:

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real Estate 27.7%	Japan Equity 54.6%	Real Estate 15.0%	Japan Equity 9.9%	Emerging Market Equity 32.7%	Emerging Market Equity 25.3%	Global Govt Bonds 1.1%	US Equity 30.7%	Gold 24.4%	US Equity 28.2%	Commodities 13.8%	Japan Equity 28.6%	Gold 27.2%	Gold 64.7%
Japan Equity 21.6%	US Equity 31.5%	Gilts 14.6%	European Equity 3.8%	UK Equity 16.8%	US Equity 21.1%	Cash 0.7%	European Equity 24.8%	US Equity 17.8%	Commodities 27.1%	Cash 1.5%	US Equity 25.7%	US Equity 24.5%	Emerging Market Equity 24.8%
Global High Yield Bonds 19.3%	UK Equity 20.5%	US Equity 13.0%	Emerging Market Bonds 1.9%	Global High Yield Bonds 14.8%	Japan Equity 19.7%	Gilts 0.5%	Real Estate 21.9%	Emerging Market Equity 14.9%	Real Estate 26.1%	UK Equity 0.8%	European Equity 19.2%	Japan Equity 20.7%	Japan Equity 24.3%
Emerging Market Bonds 17.8%	European Equity 17.9%	UK Corporate Bonds 12.5%	Global Govt Bonds 1.8%	UK Corporate Bonds 12.3%	Gold 13.5%	Global Inflation Linked Bonds -1.5%	UK Equity 19.2%	UK Corporate Bonds 9.1%	European Equity 21.0%	Gold -0.3%	Global High Yield Bonds 13.4%	Emerging Market Equity 9.6%	UK Equity 24.2%
UK Corporate Bonds 15.5%	Global High Yield Bonds 8.0%	Japan Equity 9.5%	US Equity 0.7%	Commodities 11.4%	UK Equity 12.9%	Gold -1.6%	Gold 18.8%	Global Inflation Linked Bonds 9.0%	UK Equity 18.2%	Japan Equity -4.5%	Gold 13.1%	UK Equity 9.4%	European Equity 18.3%
US Equity 15.2%	Real Estate 3.7%	Global Inflation Linked Bonds 9.4%	UK Corporate Bonds 0.7%	US Equity 11.2%	Real Estate 10.4%	UK Corporate Bonds -2.2%	Japan Equity 18.5%	Gilts 8.9%	Japan Equity 13.4%	Emerging Market Equity -10.6%	UK Corporate Bonds 9.8%	European Equity 8.3%	US Equity 17.4%
European Equity 13.8%	UK Corporate Bonds 1.6%	Global Govt Bonds 8.5%	UK Equity 0.7%	Gilts 10.7%	Global High Yield Bonds 10.2%	Global Corporate Bonds -2.7%	Emerging Market Equity 13.8%	Japan Equity 8.8%	Global Inflation Linked Bonds 5.4%	Global Govt Bonds -11.7%	Real Estate 9.7%	Global High Yield Bonds 7.5%	Emerging Market Bonds 12.3%
Emerging Market Equity 12.9%	Cash 0.5%	Global Corporate Bonds 7.9%	Cash 0.6%	Global Inflation Linked Bonds 10.3%	Emerging Market Bonds 7.2%	Global High Yield Bonds -3.3%	Global High Yield Bonds 13.7%	Global High Yield Bonds 8.0%	Global High Yield Bonds 1.4%	European Equity -11.7%	Emerging Market Bonds 8.9%	Emerging Market Bonds 7.2%	Commodities 11.1%
UK Equity 12.0%	Global Govt Bonds 0.3%	Emerging Market Bonds 6.2%	Gilts 0.5%	Emerging Market Bonds 9.4%	European Equity 6.5%	US Equity -4.9%	UK Corporate Bonds 11.0%	Global Corporate Bonds 7.2%	Cash 0.0%	Global High Yield Bonds -13.2%	Global Corporate Bonds 8.0%	Cash 5.2%	Global High Yield Bonds 10.8%
Global Corporate Bonds 11.1%	Global Corporate Bonds 0.2%	Emerging Market Equity 4.0%	Global Corporate Bonds 0.1%	Gold 8.0%	UK Corporate Bonds 4.9%	Real Estate -5.6%	Global Corporate Bonds 10.6%	Emerging Market Bonds 5.8%	Global Corporate Bonds -1.0%	Global Corporate Bonds -15.3%	UK Equity 8.0%	Global Corporate Bonds 3.3%	Real Estate 9.6%
Gold 7.1%	Gilts -4.2%	European Equity 1.2%	Global Inflation Linked Bonds -0.7%	Global Corporate Bonds 5.8%	Global Corporate Bonds 4.6%	Emerging Market Bonds -7.1%	Emerging Market Bonds 10.5%	Global Govt Bonds 4.6%	Emerging Market Equity -1.7%	Global Inflation Linked Bonds -18.1%	Global Govt Bonds 5.8%	Global Govt Bonds 2.7%	UK Corporate Bonds 7.1%
Global Inflation Linked Bonds 5.9%	Emerging Market Equity -4.5%	UK Equity 1.2%	Real Estate -0.8%	Real Estate 4.1%	Global Inflation Linked Bonds 2.3%	Emerging Market Equity -9.4%	Gilts 7.1%	Cash 0.4%	Global Govt Bonds -2.0%	US Equity -18.5%	Cash 4.8%	UK Corporate Bonds 1.7%	Global Corporate Bonds 7.0%
Global Govt Bonds 4.7%	Global Inflation Linked Bonds -5.4%	Cash 0.5%	Global High Yield Bonds -4.2%	Global Govt Bonds 3.6%	Gilts 2.0%	UK Equity -9.5%	Global Inflation Linked Bonds 6.8%	Commodities -3.5%	UK Corporate Bonds -3.3%	UK Corporate Bonds -19.3%	Emerging Market Equity 4.1%	Real Estate 0.9%	Gilts 5.0%
Gilts 2.9%	Emerging Market Bonds -8.3%	Global High Yield Bonds -0.1%	Emerging Market Equity -10.0%	European Equity 0.7%	Global Govt Bonds 1.1%	Commodities -13.0%	Global Govt Bonds 5.5%	European Equity -5.1%	Gold -3.4%	Real Estate -25.1%	Gilts 3.6%	Commodities 0.1%	Global Inflation Linked Bonds 4.6%
Cash 0.8%	Commodities -9.6%	Gold -1.4%	Gold -10.6%	Cash 0.6%	Commodities 0.7%	European Equity -14.3%	Commodities 5.4%	Real Estate -9.0%	Emerging Market Bonds -4.8%	Gilts -25.1%	Global Inflation Linked Bonds 3.5%	Global Inflation Linked Bonds -0.7%	Cash 4.4%
Commodities -1.1%	Gold -28.1%	Commodities -17.0%	Commodities -24.7%	Japan Equity -0.7%	Cash 0.4%	Japan Equity -15.1%	Cash 0.8%	UK Equity -10.3%	Gilts -5.3%	Emerging Market Bonds -26.1%	Commodities -12.6%	Gilts -4.0%	Global Govt Bonds 3.4%

Performance is total return and in the local currency of the index, or hedged to GBP. The only exception to this is Emerging Market Equity, where returns are unhedged for a GBP investor. This is due to the cost and constraints on hedging Emerging Markets currency. Source: 7IM / Factset December 2025.

We are often asked about how to position for geopolitical uncertainty, and it's a great question.

If you were to look into your crystal ball in January 2025 and see the plethora of geopolitical events that we experienced throughout the year, you would have thought it would have been a torrid time for markets. Yet, we saw a superb year for all major markets across asset classes, regions and sectors.

What the mosaic shows is that calendar years will be full of random events that no one can predict, but having a consistent, data driven framework is key to cutting through the noise.

Markets Wrap

The start of 2026 didn't disappoint on the excitement front, with strong markets offsetting an array of geopolitical risks rearing their unfortunate heads across the globe. From the extraction of Venezuela's President to the concerns around the Federal Reserve's next Chairman, there was enough to keep market participants and commentators busy.

In equities, all major markets added another positive month on top of their strong 2025. Positive surprises in economic data, particularly in US employment, powered risk assets on to some experiencing all time highs. Corporate earnings allowed equities to kick on, with the S&P 500 flirting with 7,000 for the first time and the FTSE 100 breaking through the 10,000 ceiling.

The fixed income world was quiet in most areas, as bonds should be in a middling interest rate environment with low inflation. The exception was in Japan where the continued political rollercoaster (in some circles, Japan's Prime Minister is being compared to Liz Truss), led Japanese Government Bond yields aggressively upwards given the potential for further tax cuts.

The real talking point for the month was the historic rise in precious metals (even with a reversal at the end of the month), with gold having its best month since 1999 and silver experiencing a ninth consecutive month of positive gains.

Market Movers

Equity	1 Mth	1 Yr	5 Yr
FTSE 100	3%	22%	14%
S&P 500	1%	16%	15%
MSCI Europe ex-UK	3%	16%	13%
Topix	5%	31%	17%
MSCI Emerging Markets	9%	44%	6%
Gov Bonds			
Gilts	0%	4%	-6%
US Treasuries	0%	6%	-1%
Bunds	1%	1%	-3%
Currency **			
USD v GBP	-2%	-10%	0%
EUR v GBP	-1%	4%	0%
JPY v GBP	-1%	-9%	-7%

Quoted returns are in the local currency of the market

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Get in touch

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