January 2026 | Monthly update

Omnis Managed Portfolio Service

Monetary policy shifts and market momentum have dominated recent developments.

Market-moving events

Central bank action takes centre stage. The US Federal Reserve cut interest rates by 0.25 percentage points, bringing its target range to 3.50%–3.75%, while the Bank of England also lowered rates by a quarter point to 3.75%. In contrast, Japan raised rates by 0.25 percentage points to 0.75%, marking their highest level in three decades. Each of these central bank moves was widely anticipated by markets.

Santa rally proceeds in the UK, Asia and Europe, but falters in the US. A backdrop of falling interest rates, more resilient economic growth and improved sentiment around artificial intelligence (AI) saw UK, European and Asian equities perform strongly. Meanwhile, US equities underperformed as concerns surrounding elevated valuations saw the index finish largely flat.

US economic data remains mixed. Incomplete datasets and delays caused by the government shutdown have resulted in mixed signals on employment and inflation. Meanwhile, delayed third-quarter US growth figures came in at 4.3%, the fastest pace in two years. This was almost twice the growth rate expected for the fourth quarter of 2025.

Investment highlights

No changes during the month. Following November's portfolio changes and rebalance, we made no changes to the portfolio composition in December.

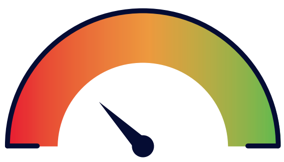
Remaining cautiously positioned. We remain modestly underweight equities and modestly overweight fixed interest. This positioning reflects our caution around elevated equity valuations, particularly in the US, and concerns that cash flows generated by AI-exposed companies may be insufficient to cover the cost of the infrastructure spending required.

Asset allocation

Red = underweight
Amber = neutral weighting
Green = overweight

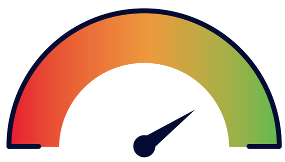
If you'd like more detail on our asset allocation views then please visit our online dashboard.

equities



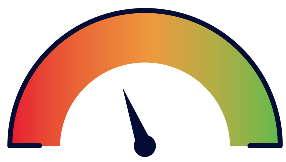
Overweight = UK
Underweight = US + overall

bonds



Overweight = government bonds + overall
Underweight = corporate bonds

alternatives + cash



Overweight = short-dated bonds
Underweight = overall

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Approved by Omnis Investments on 1 January 2026