Weekly Market Update

Global markets faced heightened volatility as US political dysfunction and China trade tensions, UK fiscal uncertainty, EU energy and trade reforms, Middle East ceasefire easing oil risk, and Japan's political instability combined with rising gold, reflecting broad economic and geopolitical uncertainty.

US

The partial US government shutdown, which began on 1st October, continued to disrupt the release of key economic data (including the September CPI now expected on the 24th), leaving markets without fresh inflation insights.

Political standoff highlighted the country's rising national debt and growing concern about long-term fiscal stability; commentators warned of debt servicing risks.

Markets reacted nervously to President Trump's renewed tariff threats on China (100% tariffs announced), which rattled risk assets and prompted talk of retaliation.

Practical policy fallout: the Administration said it would ensure military pay (15th October) despite shutdown, trying to blunt political blowback.

UK

Chancellor Rachel Reeves reported to be planning a larger fiscal buffer ahead of the 26th November budget amid weaker growth and higher borrowing costs – taxing/spending trade-offs resurfaced.

The Bank of England's Financial Policy Committee flagged elevated global risks to UK financial stability in its October record.

Office for Budget Responsibility/forecasts and think-tank commentary put pressure on Treasury, feeding markets' concern about possible tax rises and SME squeeze.

Market and political attention focused on the November Budget timetable; investors priced in policy uncertainty around fiscal consolidation vs growth support.

Europe

The EU began a gradual rollout of the Entry/ Exit System (EES) for external borders (biometrics/ registration), a major political and administrative development for Schengen travel management.

EU ambassadors cleared a political step for a plan to phase out Russian oil and gas imports by 2028, moving energy realignment forward.

The EU proposed new steel-sector safeguards, cutting tariff-free quotas 47% and imposing 50% tariffs above limits – a signal of more aggressive trade defence.

The EU aims to shore up domestic demand through industrial policy and strengthen its resilience in global supply chains, part of a broader recalibration of trade posture.

Global

A temporary Gaza ceasefire and hostage-exchange deal saw Hamas release 20 Israelis and Israel free nearly 2,000 Palestinian detainees, prompting Israeli troop pullbacks and displaced civilians' return, while easing oil prices as Middle East risk premiums fell.

Beijing publicly warned it would retaliate to US tariff threats, calling the moves escalatory and vowing to defend its trade interests, as markets in China and across Asia came under pressure amid renewed trade-war fears and growth concerns.

In Japan, Sanae Takaichi's surprise rise in the LDP leadership race pushed the yen lower and equities higher, but Komeito's exit from the coalition heightened political uncertainty and cast doubt on her premiership path.

Gold surged to record highs on Fed-cut expectations plus political/market uncertainty globally.

Performance

Asset Class/Region	Currency	Week ending 10 Oct 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	-2.4%	-2.0%	12.2%	14.4%
United Kingdom	GBP	-0.6%	1.0%	18.6%	18.2%
Continental Europe	EUR	-1.2%	1.1%	14.0%	10.6%
Japan	JPY	2.2%	1.9%	17.5%	20.8%
Asia Pacific (ex Japan)	USD	-0.6%	1.7%	27.2%	18.5%
Australia	AUD	-0.3%	1.2%	12.8%	12.6%
Global	USD	-2.3%	-1.6%	15.6%	15.8%
Emerging markets equities					
Emerging Europe	USD	-0.7%	0.8%	44.5%	41.7%
Emerging Asia	USD	-0.4%	2.2%	29.1%	20.0%
Emerging Latin America	USD	-3.3%	-5.1%	35.8%	16.4%
BRICs	USD	-1.9%	-1.1%	23.4%	12.5%
China	USD	-3.3%	-2.3%	38.4%	27.7%
MENA countries	USD	0.6%	0.5%	5.8%	8.5%
South Africa	USD	-0.3%	1.5%	58.1%	42.7%
India	USD	1.6%	2.9%	4.3%	-3.1%
Global emerging markets	USD	-0.6%	1.5%	29.4%	20.5%
Bonds					
US Treasuries	USD	0.5%	0.7%	6.1%	4.3%
US Treasuries (inflation protected)	USD	0.5%	0.5%	7.3%	5.0%
US Corporate (investment grade)	USD	0.1%	0.4%	7.4%	5.6%
US High Yield	USD	-0.8%	-0.7%	6.3%	7.1%
UK Gilts	GBP	0.3%	0.4%	2.3%	0.6%
UK Corporate (investment grade)	GBP	0.1%	0.3%	4.5%	4.8%
Euro Government Bonds	EUR	0.4%	0.5%	0.8%	1.4%
Euro Corporate (investment grade)	EUR	0.1%	0.3%	3.1%	4.2%
Euro High Yield	EUR	-0.7%	-0.6%	4.0%	5.8%
Global Government Bonds	USD	-0.6%	-0.5%	6.7%	3.2%
Global Bonds	USD	-0.4%	-0.2%	8.1%	5.0%
Global Convertible Bonds	USD	-1.5%	0.1%	21.3%	22.7%
Emerging Market Bonds	USD	0.0%	0.5%	9.9%	8.7%

Performance

Asset Class/Region	Currency	Week ending 10 Oct 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	-3.5%	-3.4%	0.2%	-2.8%
Australian Property Securities	AUD	-1.4%	0.7%	9.1%	1.9%
Global Property Securities	USD	-2.4%	-2.4%	9.0%	3.0%
Currencies					
Euro	USD	-1.1%	-1.3%	12.1%	6.4%
UK Pound Sterling	USD	-1.0%	-0.8%	6.6%	2.4%
Japanese Yen	USD	-2.9%	-2.7%	3.6%	-2.0%
Australian Dollar	USD	-1.9%	-2.0%	4.8%	-3.5%
South African Rand	USD	-1.4%	-1.2%	8.2%	0.5%
Swiss Franc	USD	-0.8%	-0.8%	13.3%	7.0%
Chinese Yuan	USD	-0.2%*	-0.2%	2.3%	-0.8%
Commodities & Alternatives					
Commodities	USD	-1.9%	-1.7%	2.4%	0.6%
Agricultural Commodities	USD	-1.6%	-1.3%	-6.2%	-7.4%
Oil	USD	-2.8%	-6.4%	-16.0%	-21.0%
Gold	USD	3.4%	4.5%	53.1%	53.4%

*Data to 30.09.2025. Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited
研富投資服務有限公司
9th Floor, Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

Tel +852 2827 1199
Fax +852 2827 0270
belvest@bis.hk
www.bis.hk

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