

Weekly Market Update

The rest of the world is feeling the ripple effects of developed-market policy and geopolitical shifts; in effect, markets are beginning to price in structural rather than purely cyclical risks — making broad diversification and macro-hedges more relevant.

US

The continued US federal government shutdown continues to delay and disrupt key economic data releases (inflation, retail sales, producer prices), adding uncertainty to economic-policy signals.

The dollar extended four straight sessions of decline amid credit concerns, Fed policy uncertainty and political risk, the EUR/USD rose about 1% this week.

The recently announced threat of 100% tariffs by Donald Trump on Chinese goods, alongside Chinese rare-earth export curbs, rattled markets and raised fears of a renewed US–China trade escalation, though Trump said the US will “be fine” with China, as the two sides prepare to resume talks this week before a trade truce expires on Nov. 10.

Despite the data uncertainties, the US economy continues to show resilience, with insights into manufacturing, housing and regional surveys gaining deeper attention given the data gaps.

UK

The government announced tweaks to its planning-system overhaul to boost growth and accelerate house-building, signalling a pro-growth agenda amid fiscal pressures.

The International Monetary Fund (IMF) warned that UK inflation risks becoming entrenched, projecting the highest inflation among G7 countries in 2025–26 and suggesting that rate cuts may be some way off.

Borrowing costs for UK government debt fell to their lowest in three months (10-year yields below ~4.5%) as global risk-off flows favoured safer assets and the UK signalled fiscal discipline ahead of its November budget.

The labour market showed signs of softness: employment estimates fell slightly, unemployment rose to ~4.8% and vacancies continued to decline, raising questions about the resilience of household incomes.

Europe

European shares (e.g., the STOXX 600) recovered modestly on 13 October after earlier tariff fears (US–China) triggered sharp falls; technology stocks led the rebound.

The political crisis in France continued to deepen, with the newly assembled cabinet collapsing within hours and no-confidence motions piling up, raising questions about France’s ability to deliver on EU defence/security and fiscal goals. The S&P downgraded the nation’s credit rating in an unscheduled move.

A senior German central banker (Joachim Nagel) urged Europe to adopt a tougher stance in trade with China, warning that Europe risks being undercut in critical supply-chains.

Market commentary by private capital heads (e.g., from Apollo Global Management) suggested Europe is “at war with itself” over financial regulation and that regulatory fragmentation is inhibiting investment flows.

Global

China’s September export growth surprised to the upside (+8.3% y/y), driven by non-US markets, but the data was overshadowed by renewed US threats of extreme tariffs and China’s own rare-earth export curbs.

A Reuters survey indicated China is likely to keep benchmark lending rates (1-year & 5-year LPR) unchanged this month, implying policymakers are holding fire despite weak domestic demand and global headwinds.

Shares in Japan fell sharply (e.g., the Nikkei 225 down ~2.6% on 14 October) amid heightened political uncertainty after the ruling coalition’s junior partner exited and the next prime minister’s path became unclear.

Financial contagion fears emanated from the US regional banking sector (e.g., Zions Bank, Western Alliance), prompting global bank-sector risk repricing and a safe-asset bid.

Performance

Asset Class/Region	Currency				
		Week ending 17 Oct 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	1.7%	−0.3%	14.1%	15.1%
United Kingdom	GBP	−0.7%	0.3%	17.8%	15.3%
Continental Europe	EUR	0.8%	2.0%	14.9%	10.9%
Japan	JPY	−0.8%	1.0%	16.5%	20.9%
Asia Pacific (ex Japan)	USD	−0.8%	0.9%	26.3%	19.6%
Australia	AUD	0.4%	1.7%	13.3%	11.2%
Global	USD	1.4%	−0.2%	17.2%	16.5%
Emerging markets equities					
Emerging Europe	USD	−2.2%	−1.4%	41.3%	39.2%
Emerging Asia	USD	−0.6%	1.6%	28.4%	22.0%
Emerging Latin America	USD	2.5%	−2.8%	39.1%	20.4%
BRICs	USD	−1.5%	−2.6%	21.6%	15.7%
China	USD	−3.9%	−6.1%	33.0%	31.7%
MENA countries	USD	0.7%	1.2%	6.5%	9.4%
South Africa	USD	0.8%	2.4%	59.4%	42.2%
India	USD	2.6%	5.5%	7.0%	0.5%
Global emerging markets	USD	−0.3%	1.2%	29.1%	22.4%
Bonds					
US Treasuries	USD	0.4%	1.0%	6.5%	4.7%
US Treasuries (inflation protected)	USD	0.1%	0.6%	7.5%	5.4%
US Corporate (investment grade)	USD	0.5%	0.9%	7.9%	6.0%
US High Yield	USD	0.5%	−0.1%	6.9%	7.3%
UK Gilts	GBP	1.1%	1.5%	3.4%	0.4%
UK Corporate (investment grade)	GBP	0.7%	1.0%	5.2%	4.2%
Euro Government Bonds	EUR	0.6%	1.1%	1.4%	1.3%
Euro Corporate (investment grade)	EUR	0.3%	0.6%	3.4%	3.9%
Euro High Yield	EUR	0.2%	−0.4%	4.1%	5.5%
Global Government Bonds	USD	0.8%	0.4%	7.6%	4.2%
Global Bonds	USD	0.8%	0.5%	8.9%	5.9%
Global Convertible Bonds	USD	1.1%	1.2%	22.6%	23.3%
Emerging Market Bonds	USD	0.5%	0.9%	10.5%	8.9%

▲ Performance

Asset Class/Region	Currency				
		Week ending 17 Oct 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	3.8%	0.2%	4.0%	-2.4%
Australian Property Securities	AUD	1.7%	2.4%	11.0%	1.7%
Asia Property Securities	USD	0.0%	0.0%	18.4%	7.7%
Global Property Securities	USD	2.4%	-0.1%	11.6%	3.8%
Currencies					
Euro	USD	0.6%	-0.7%	12.8%	7.8%
UK Pound Sterling	USD	0.5%	-0.3%	7.2%	3.1%
Japanese Yen	USD	1.0%	-1.8%	4.6%	-0.1%
Australian Dollar	USD	0.0%	-2.0%	4.9%	-3.2%
South African Rand	USD	0.5%	-0.7%	8.7%	1.8%
Swiss Franc	USD	1.2%	0.3%	14.6%	9.3%
Chinese Yuan	USD	0.1%	-0.1%	2.4%	0.0%
Commodities & Alternatives					
Commodities	USD	0.1%	-1.6%	2.5%	4.1%
Agricultural Commodities	USD	0.7%	-0.6%	-5.6%	-5.2%
Oil	USD	-2.3%	-8.5%	-17.9%	-17.7%
Gold	USD	5.8%	10.5%	62.0%	57.9%

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



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