Weekly Market Update

Central banks remained cautious as resilient growth and energy-related inflation complicated the outlook. Technology earnings and political developments drove sharper regional moves, leaving markets highly sensitive to policy credibility and corporate delivery.

US

The FED kept its policy rate at 3.75% to 4.00%. Strong activity and still elevated inflation left investors expecting policy to remain restrictive, with further tightening still possible.

Third quarter economic growth was stronger than expected, while core consumer inflation remained firm. The combination reinforced the tension between resilient demand and the Federal Reserve's inflation objective.

Major technology earnings revived concerns about the cost and near-term returns of artificial-intelligence investment. Weak guidance from several large companies weighed heavily on technology shares despite broader market resilience.

Consumer confidence improved and unemployment claims remained subdued, signaling continued household and labour market strength. This resilience supported growth expectations but reduced the case for an early policy easing.

UK

The Autumn Budget broadly avoided market disruption, while preserving the government's fiscal rules. A larger borrowing profile and higher debt-interest costs nevertheless kept attention on the credibility of the medium-term plan.

The Budget included support for household energy costs, investment incentives and measures aimed at AI infrastructure. Markets viewed the package as measured rather than a decisive change in the growth outlook.

Business surveys indicated modest and uneven growth, alongside renewed upward pressure on prices. This combination complicated the Bank of England's task of balancing weak activity against inflation risks.

October shop price inflation reached a two year high, while housing indicators remained soft. The contrast highlighted pressure on household purchasing power and the sensitivity of domestic demand to borrowing costs.

Europe

The ECB left rates unchanged at 2.50%. Its balanced communication acknowledged tighter financial conditions, while maintaining that another increase could be considered if inflation pressures persist.

Higher energy costs lifted near-term inflation expectations and remained an important risk for households and industry. Gas price volatility also increased uncertainty over the region's winter growth and inflation outlook.

Eurozone economic sentiment weakened, although activity indicators continued to suggest modest expansion. Markets therefore faced a mixed picture of resilient growth momentum but deteriorating confidence.

French government bonds rallied after the country avoided a credit rating downgrade. The move eased immediate sovereign risk concerns, although political and fiscal uncertainty continued to influence regional bond markets.

Global

China's official manufacturing index fell below the expansion threshold in October, with weaker production and new orders. The data pointed to a soft start to the fourth quarter and renewed focus on policy support.

Asian technology shares came under pressure as disappointing US and regional earnings revived doubts over the pace and profitability of AI related investment. Japan and South Korea were particularly exposed to the global technology repricing.

The Bank of Canada raised its policy rate to 2.50%, citing the risk that higher energy costs could become embedded in broader inflation. The decision reinforced the wider global shift towards cautious monetary tightening.

Brazilian assets sold off sharply after President Lula's unexpected election victory, as investors reassessed the fiscal outlook. The reaction showed how political surprises can quickly affect currencies, bonds and equities.

Performance

Asset Class/Region	Currency	Week ending 30 Oct 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	-0.6%	-0.9%	11.5%	12.0%
United Kingdom	GBP	0.3%	1.5%	11.3%	13.8%
Continental Europe	EUR	2.0%	1.6%	10.7%	14.1%
Japan	JPY	0.0%	-3.5%	18.8%	22.9%
Asia Pacific (ex Japan)	USD	0.6%	-6.9%	15.3%	14.3%
Australia	AUD	1.3%	1.4%	5.2%	3.7%
Global	USD	-0.2%	-0.8%	10.9%	12.3%
Emerging Markets Equities					
Emerging Europe	USD	0.9%	-5.1%	19.0%	26.5%
Emerging Asia	USD	0.5%	-8.5%	16.0%	14.6%
Emerging Latin America	USD	-15.3%	-7.6%	6.0%	13.9%
BRICs	USD	-2.6%	-5.1%	-14.7%	-17.2%
China	USD	-0.4%	-7.0%	-18.0%	-22.7%
MENA countries	USD	1.5%	-5.0%	-6.3%	-12.0%
South Africa	USD	-1.6%	-3.8%	-7.8%	4.1%
India	USD	1.9%	3.0%	-15.6%	-16.0%
Global emerging markets	USD	-0.7%	-8.0%	13.5%	13.2%
Bonds					
US Treasuries	USD	0.5%	2.4%	-0.4%	-0.3%
US Treasuries (inflation protected)	USD	0.5%	2.7%	0.4%	0.2%
US Corporate (investment grade)	USD	0.5%	2.0%	-0.8%	-0.7%
US High Yield	USD	0.5%	0.3%	0.3%	1.4%
UK Gilts	GBP	0.5%	1.5%	-1.0%	-0.7%
UK Corporate (investment grade)	GBP	0.4%	0.6%	-0.7%	-0.2%
Euro Government Bonds	EUR	0.4%	1.0%	-2.3%	-3.0%
Euro Corporate (investment grade)	EUR	0.4%	0.8%	-0.5%	-0.9%
Euro High Yield	EUR	0.6%	-1.0%	-0.9%	-0.5%
Global Government Bonds	USD	0.2%	1.3%	-1.4%	-1.3%
Global Bonds	USD	0.4%	1.4%	-1.8%	-1.3%
Global Convertible Bonds	USD	-0.2%	-5.9%	5.6%	4.6%
Emerging Market Bonds	USD	0.4%	1.6%	-0.8%	0.0%

Performance

Asset Class/Region	Currency	Week ending 30 Oct 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	1.2%	3.2%	13.0%	12.9%
Australian Property Securities	AUD	3.8%	1.7%	-13.7%	-16.1%
Global Property Securities	USD	0.7%	1.7%	4.1%	5.1%
Currencies					
Euro	USD	-0.4%	-1.6%	-5.0%	-3.6%
UK Pound Sterling	USD	0.1%	0.9%	-0.5%	1.8%
Japanese Yen	USD	-0.3%	-0.1%	-0.4%	-2.1%
Australian Dollar	USD	0.0%	1.1%	5.4%	7.2%
South African Rand	USD	-0.8%	-1.8%	-1.0%	3.2%
Swiss Franc	USD	0.1%	1.3%	-3.7%	-2.7%
Chinese Yuan	USD	0.3%	0.8%	5.0%	6.8%
Commodities & Alternatives					
Commodities	USD	-1.4%	1.7%	44.7%	46.9%
Agricultural Commodities	USD	-2.8%	-6.0%	9.5%	7.6%
Oil	USD	0.8%	13.6%	93.3%	81.0%
Gold	USD	-2.9%	-6.6%	-10.1%	-3.0%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

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