Weekly Market Update

Markets were pulled between resilient economic data and renewed concerns over inflation, politics and artificial intelligence investment, leaving interest-rate expectations and concentrated technology exposure as the week's principal sources of volatility.

US

October payrolls rose by 165,000, well above expectations, while unemployment fell to 4.1%. The combination of resilient hiring and firmer wage growth reduced the case for near-term monetary easing.

The midterm elections delivered Democratic control of both chambers of Congress. Markets initially welcomed the removal of electoral uncertainty, although the resulting divided government leaves the policy outlook less predictable.

Technology shares came under renewed pressure as investors questioned the financing and prospective returns from artificial intelligence infrastructure. Local opposition to data-centre development added a political constraint to an already demanding investment case.

Hopes of progress in US-Iran negotiations drove a sharp fall in oil prices. This eased an important source of inflation pressure, but the benefit was not enough to offset concerns around technology valuations and future interest rates.

UK

The Bank of England raised Bank Rate by 0.25 percentage points to 4.0%, with all nine policymakers supporting an increase. The unanimous vote underlined concern that inflation remains too persistent to ignore.

The Bank expects inflation to approach 5% next year, largely because of higher energy costs. It nevertheless stressed that the increase should not be interpreted as the start of an automatic sequence of rate rises.

Services activity strengthened in October, with improving new business and the first increase in employment for two years. This resilience gave policymakers more scope to tighten policy despite pressure on household finances.

Construction remained weak, particularly in residential building, as high borrowing costs and subdued confidence constrained demand. Faster input-cost inflation also highlighted the difficult combination of soft activity and persistent price pressure.

Europe

Eurozone inflation rose to 4.0% in October, its highest level for three years, primarily because of energy costs. Core inflation was steadier, suggesting that the European Central Bank faces renewed headline pressure rather than a broad acceleration across prices.

Business activity continued to expand, but the composite purchasing managers' index slowed to a four-month low. Softer demand, weaker confidence and higher input costs pointed to a fragile growth backdrop.

German factory orders rebounded in September, led by domestic and capital-goods demand. The improvement was encouraging, although the broader three-month trend remained broadly flat and did not yet signal a decisive industrial recovery.

The sharp fall in oil prices provided some relief for consumers and energy-intensive businesses. However, low regional gas storage and continuing geopolitical uncertainty mean Europe's inflation and growth outlook remains sensitive to energy markets.

Global

Asian technology markets sold off sharply after the US decline, with semiconductor-heavy markets in Japan, South Korea and Taiwan particularly affected. The episode demonstrated how closely regional indices are now linked to the global artificial intelligence investment cycle.

China's manufacturing survey moved back into contraction as weaker demand weighed on confidence. Policymakers responded with measures to support equity markets, but the muted initial reaction showed that investors remain focused on underlying economic momentum.

The Reserve Bank of Australia raised its cash rate by 0.25 percentage points to 4.85% as inflation remained a concern. The decision reinforced the wider message that some central banks still face pressure to tighten policy.

India proved relatively resilient during the regional technology sell-off, reflecting its lower direct exposure to the semiconductor cycle. Meanwhile, falling oil prices offered broader relief to energy-importing Asian economies after recent inflation pressure.

Performance

Asset Class/Region	Currency	Week ending 06 Nov 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	-2.7%	-2.7%	8.5%	9.4%
United Kingdom	GBP	-0.6%	-0.6%	10.6%	13.0%
Continental Europe	EUR	0.5%	0.5%	11.3%	15.4%
Japan	JPY	-6.5%	-6.5%	11.1%	16.0%
Asia Pacific (ex Japan)	USD	-4.5%	-4.5%	10.1%	11.4%
Australia	AUD	1.4%	1.4%	6.6%	6.1%
Global	USD	-2.5%	-2.5%	8.1%	10.1%
Emerging Markets Equities					
Emerging Europe	USD	-0.5%	-0.5%	18.4%	27.0%
Emerging Asia	USD	-5.4%	-5.4%	9.7%	11.0%
Emerging Latin America	USD	0.2%	0.2%	6.2%	12.0%
BRICs	USD	5.7%	5.7%	-9.8%	-11.1%
China	USD	5.4%	5.4%	-13.6%	-16.4%
MENA countries	USD	3.1%	3.1%	-3.4%	-6.7%
South Africa	USD	7.5%	7.5%	-0.9%	13.9%
India	USD	9.7%	9.7%	-7.4%	-6.5%
Global emerging markets	USD	-4.1%	-4.1%	8.8%	10.9%
Bonds					
US Treasuries	USD	0.3%	0.3%	-0.1%	0.4%
US Treasuries (inflation protected)	USD	-0.3%	-0.3%	0.1%	0.2%
US Corporate (investment grade)	USD	0.4%	0.4%	-0.4%	0.3%
US High Yield	USD	0.4%	0.4%	0.8%	2.2%
UK Gilts	GBP	1.0%	1.0%	0.0%	0.8%
UK Corporate (investment grade)	GBP	0.9%	0.9%	0.2%	1.1%
Euro Government Bonds	EUR	0.9%	0.9%	-1.4%	-1.9%
Euro Corporate (investment grade)	EUR	0.4%	0.4%	-0.1%	-0.3%
Euro High Yield	EUR	0.6%	0.6%	-0.3%	0.3%
Global Government Bonds	USD	0.4%	0.4%	-0.9%	-0.4%
Global Bonds	USD	0.4%	0.4%	-1.4%	-0.4%
Global Convertible Bonds	USD	-2.3%	-2.3%	3.1%	2.3%
Emerging Market Bonds	USD	0.4%	0.4%	-0.5%	0.8%

Performance

Asset Class/Region	Currency	Week ending 06 Nov 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	2.0%	2.0%	15.3%	14.6%
Australian Property Securities	AUD	3.8%	3.8%	-10.4%	-10.5%
Global Property Securities	USD	2.1%	2.1%	6.2%	7.5%
Currencies					
Euro	USD	-0.1%	-0.1%	-5.0%	-2.9%
UK Pound Sterling	USD	-0.3%	-0.3%	-0.8%	2.4%
Japanese Yen	USD	-0.5%	-0.5%	-0.9%	-2.7%
Australian Dollar	USD	-2.4%	-2.4%	2.8%	5.5%
South African Rand	USD	1.1%	1.1%	0.1%	5.2%
Swiss Franc	USD	0.5%	0.5%	-3.3%	-1.1%
Chinese Yuan	USD	-0.3%	-0.3%	4.7%	6.8%
Commodities & Alternatives					
Commodities	USD	-4.5%	-4.5%	38.1%	39.9%
Agricultural Commodities	USD	-2.0%	-2.0%	7.3%	4.3%
Oil	USD	-16.4%	-16.4%	61.6%	54.8%
Gold	USD	4.5%	4.5%	-6.1%	2.0%

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

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