



THE WEEK'S BIG THEMES

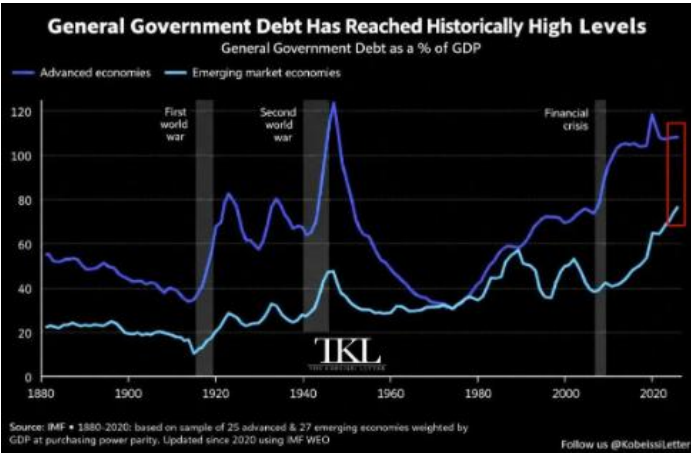
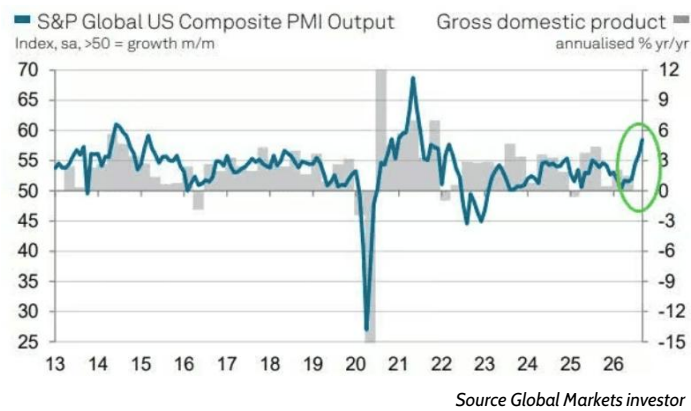
ECONOMY

- UNITED STATES** – Expansion gained momentum, with PMIs showing that economic activity expanded for a fourth consecutive month in September, driven by strong growth in services, while manufacturing also contributing. According to S&P Global, such strong Q3 readings would point to annualised economic growth of around 4%. Although new orders accelerated, input cost pressures surged to their highest level since October 2022. **The labor market remained resilient**, with both initial and continuing jobless claims coming below expectations. Meanwhile, the **University of Michigan's expectations component fell to its lowest level since 2022**, while one-year inflation expectations rose to 4.6% from 4% in August. Five- to 10-year inflation expectations remained elevated at 3.4%. **Several Fed officials signaled the possibility of additional rate hikes** in the coming months.
- EURO AREA** – The economy proved resilient, with PMIs surprising on the upside and the composite index reaching its highest level since April 2023. New orders increased at their fastest pace in more than four years. German and French readings also improved, with German services returning to expansion, although input-cost pressures accelerated. **Germany's IFO business climate index rose**, while German PMIs recorded their fifth consecutive increase and reached their highest level since May 2023. **Household sentiment nevertheless weakened**: the European Commission's flash consumer-confidence indicator declined, reversing part of the improvement recorded over the previous four months and moving further below its long-term average. German GfK consumer confidence also fell to its lowest level since March.
- UNITED KINGDOM** – Although remaining in expansionary area, **PMIs pointed to a slowdown in business activity**, particularly in services, while input cost inflation accelerated.
- JAPAN** - According to the PMIs, **manufacturing remained the main driver of growth**, supported by the yen's weakness and a increase in goods exports.
- CHINA** – **Monetary policy remained unchanged**, with the one-year loan prime rate at 3% and the five-year rate at 3.50%. While negotiations continue over agricultural purchases and critical minerals, including rare earths, **Pst Xi and Pst Trump extended their trade truce to January** during their Summit in Washington.

GEOPOLITICAL TENSION

- Middle-East** - Pst Trump publicly rejected an Iranian ptposal to reopen the Strait of Hormuz and end the fighting. The Houthies also threatened energy supplies in the Red Sea.
- Ukraine-Russia** - **The conflict escalated further last week**, with Ukrainian forces targeting Russian oil refineries and military industrial sites, while Russia used ballistic missiles against major Ukrainian steel producers.

CHARTS OF THE WEEK



Source the Kobeissi Letter

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
- BoJ Monetary Policy meeting Minutes (JP) - Dallas Fed Manufacturing index (US)	- RBA Interest Rate decision (AU) - Mortgage approvals//lending (UK) - Economic Sentiment (EA) - Jolts (US)	- Industrial prod., Retail sales (JP) - RatingDog Indices (CN) - GDP QoQ final (UK) - ADP, PCE, GDP QoQ final, Chicago PMI, (US)	- Tankan (JP) - Unemployment rate, ECB Pst Lagarde speech (EA) - Claims, ISM (US)	- Tokyo CPI (JP) - Inflation (EA) - Nonfarm payrolls, Unemployment rate, Hourly earnings (US)



MARKET'S REACTION

EQUITY

- **Global equities edged higher.** The MSCI World index gained 0,8%, while the MSCI Emerging Markets index rose 1,8%.
- **Major U.S. equity indices ended higher,** defying the sell-off in government bond yields, with gains concentrated in communication services and information technology. The S&P 500 ended 1,2% higher and the Nasdaq gained 3,3%, reaching a record high, before pulling back. Small caps lost 0,8%. Oracle reportedly sent a “force majeure” notice concerning its New Mexico-based «Project Jupiter» data center, citing higher costs.
- **European equities posted positive returns amid resilient economic data.** The Stoxx 600 rose 0,5%, while Germany's Dax and France's CAC 40 gained 0,4% and 0,2%, respectively. The UK's Footsie edged up 0,3%.
- **Asian equity markets were mixed.** Japanese stocks rose during a holiday-shortened week, with the Nikkei gaining 2,1%, led by artificial-intelligence and semiconductor stocks. In China, technology stocks weighed on mainland markets: the CSI 300 declined 1,5% and the Shanghai index fell 0,6%. Hong Kong equities declined 1,0%.

FIXED INCOME

- **Sovereign bond yields rose to multi-decade highs.** Strong economic data and a weak Treasury auction pushed US government bonds higher. The 10-year yield surged to 5,20%, its highest level since July 2007, before closing at 5,16%, up 15bps over the week. The 30-year yield reached a post-2002 high above 5.50%, while the 2-year yield rose to 4,85%. The volatility extended beyond US borders, with government debt in major developed markets drifting up. The UK 10-year Gilt ended the week 10bps higher at 5,42%. In Japan, the 10-year government bond yield rose to around 3,09% from approximately 2,99% last Friday, as yen weakness added to domestic inflation concerns. In the euro area, political tensions surrounding France's fiscal position pushed the German-France 10-year spreads to 110bps, with the French debt now trading at wider spreads than Italy. The German 10-year Bund ended the week 9bps higher at 3,62%. Hawkish comments from Fed officials pushed the implied probability of an October rate hike to around 70%.
- **Corporate bonds delivered negative returns.** Credit spreads widened, largely reflecting the sharp increase in government bond yields. US investment grade credit underperformed its euro counterpart. Within high yield, the euro denominated credit index lagged its US counterpart. Hard-currency emerging debt also underperformed. More leveraged and cyclical segments remain particularly sensitive to higher government bond yields.

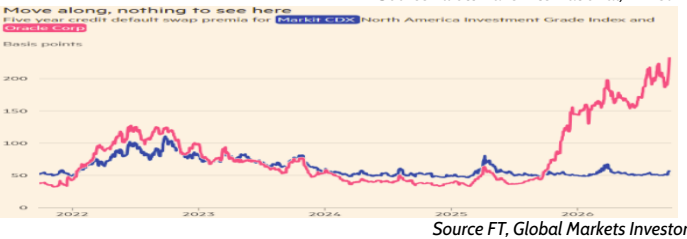
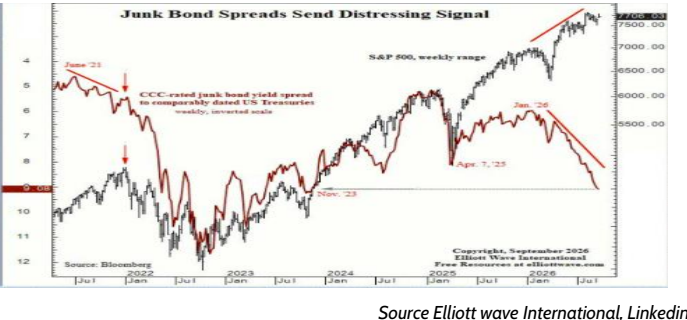
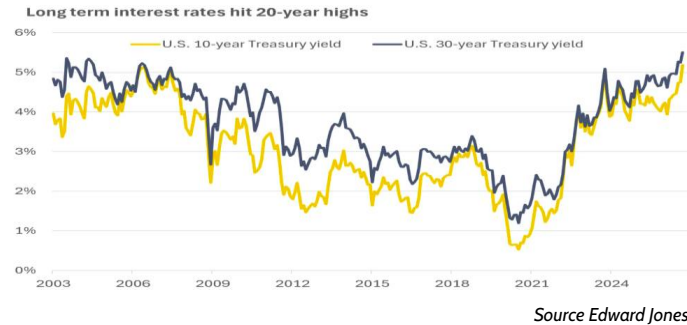
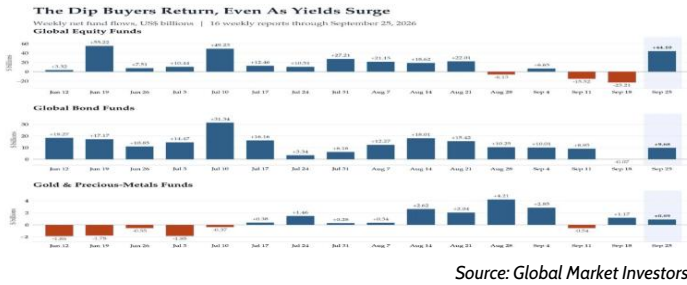
COMMODITIES

- **Oil prices were mixed.** Brent ended the week slightly higher, gaining 0,4%, while WTI fell 7,9%, amid hopes of a phased reopening of the Strait of Hormuz following Iran's proposal for a seven-day plan to end the war.
- **Precious metals finished lower.** As real yields rose to their highest level since 2008, gold declined 2,3% and silver fell 3,5%.

CURRENCIES & CRYPTO

- **The US Dollar rose for a second consecutive week,** gaining 0,7% against its currencies basket. The euro lost 0,9%, the British pound 1,1%, and the Japanese yen 1,7%. Japan signaled concern over further yen weakness after the issue was raised during Prime Minister Takaichi's talks with Pst Trump, reinforcing expectations of close US-Japan coordination on foreign-exchange developments.
- **Cryptocurrency markets ended the week higher.** Bitcoin gained 3,9%, Ethereum rose 3%, and the Ripple increased 12,3%.

CHARTS OF THE WEEK





WEEKLY MARKET INSIGHTS

18 September 2026 –25
September 2026

WEEKLY MARKETS REVIEW (As of 25 September 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	+0.8%	-1.3%	+12.1%
MSCI Emerging (USD)	+1.8%	+0.5%	+24.6%
S&P 500 (USD)	+1.2%	+0.4%	+13.1%
NASDAQ 100 (USD)	+3.3%	+4.0%	+21.2%
RUSSELL 2000 (USD)	-0.8%	-4.5%	+14.3%
STOXX 600 (EUR)	+0.5%	-2.5%	+7.7%
DAX (EUR)	+0.4%	-4.4%	+3.7%
CAC 40 (EUR)	+0.2%	-3.8%	-0.9%
FTSE 100 (GBP)	+0.3%	-1.2%	+7.7%
NIKKEI (JPY)	+2.1%	-0.1%	+31.8%
SSE (CNY)	-0.6%	-1.6%	-2.0%
BOVESPA (BRL)	-0.9%	+4.4%	+13.9%
HANG SENG (HKD)	-1.0%	-4.2%	-4.4%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.5%	-1.5%	-1.3%
Global Aggregate EUR (Hedged)	-0.7%	-1.8%	-2.7%
US Investment Grade	-1.4%	-2.5%	-3.4%
US High Yield	-0.9%	-1.8%	+0.5%
EU Investment Grade	-0.4%	-1.7%	-1.5%
EU High Yield	-0.7%	-1.5%	+0.1%
EM Local Ccy. Gov (Unhedged)	-0.6%	-2.0%	+0.3%
EM Hard Ccy. Aggregate (Unhedged)	-1.7%	-3.0%	-1.5%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	+3.9%	+8.0%	-4.0%
Ethereum	+3.0%	+10.2%	-9.3%
Ripple	+12.3%	+13.4%	-14.8%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-2.3%	-4.6%	-0.5%
WTI Crude	-7.9%	+10.8%	+60.9%
Brent Crude	+0.4%	+16.8%	+71.4%
Silver	-3.5%	-4.1%	-8.4%
Natural Gas	+9.8%	+10.7%	-13.3%
Copper	+1.2%	+2.0%	+18.9%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+0.7%	+1.3%	-2.7%
EURUSD	-0.9%	-2.4%	-3.2%
GBPUSD	-1.1%	-2.8%	-1.9%
AUDUSD	-1.5%	-2.6%	+4.6%
USDCHF	+0.4%	+3.0%	+4.6%
USDJPY	+1.7%	-0.3%	+1.5%

Source: Yahoo Finance

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