

THE MONTH'S BIG THEMES

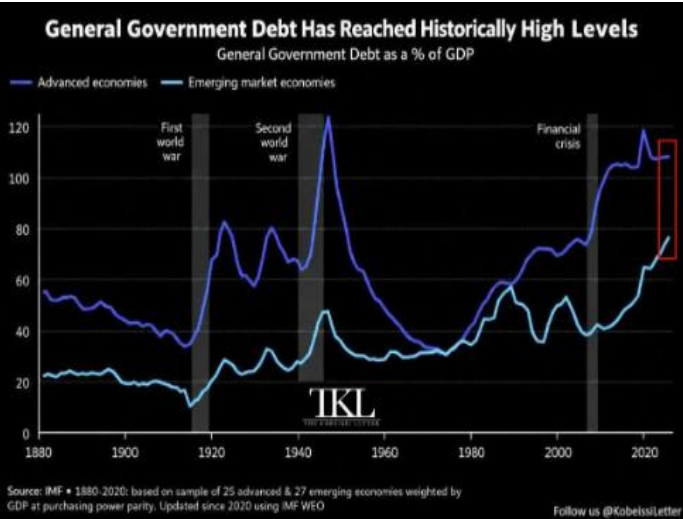
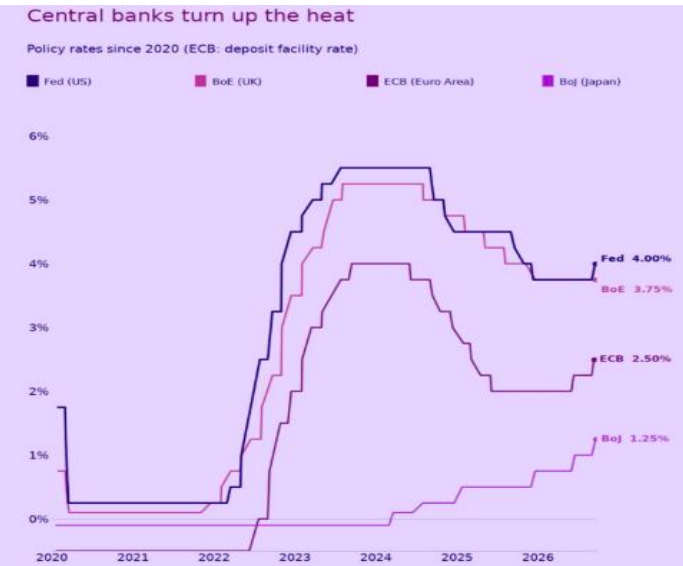
ECONOMY:

- Global context – Resilient growth, limited pass-through:** Activity data surprised to the upside, with services continuing to improve. Preliminary composite PMIs strengthened in both regions, reaching their highest levels since mid-2021 in the US and early 2023 in the eurozone. Inflation increased as a result of higher energy prices, but spillover to non-energy components remained limited. Major central banks nevertheless remained vigilant: the Fed, ECB, and BoJ tightened policy in September, with several signalling that further increase could follow.
- US – Growth accelerated:** The US economy remained resilient with business activity gaining momentum. By month-end, the Atlanta Fed's GDPNow forecast pointed to annualised Q3 GDP growth of close to 4%. The labor market remained relatively solid, with unemployment at 4.1%, but inflation stayed elevated, with headline CPI at 3.4% YoY and the Fed's preferred gauge, core PCE, at 3.3%. The Fed raised its target range by 25 bps to 3.75%-4.00%, its first rate increase since 2023, and signalled that further tightening could be required.
- Eurozone – Economic data remained resilient:** Despite the energy shock, the economy proved relatively resilient, with GDP expanding by 0.6% in Q2, supported by investment in defense, infrastructure and AI-related activity. The ECB raised its deposit rate by 25bps to 2.50%, as widely expected, amid persistent inflation risk. Its 2026 inflation projection was revised to 3%, while the growth forecast was set at 0.9%. Pst Lagarde highlighted upside risks to inflation and downside risks to economic growth.
- UK – The economy lost momentum:** Inflation remained elevated at 3.1%, while the labor market weakened. Q2 GDP growth was revised up to 0.5% from 0.4%. The Bank of England therefore kept rates unchanged but adopted a more hawkish tone.
- China –No clear sign of a rebound in activity:** Growth continued to rely primarily on exports, while domestic demand remained weak. The People's Bank of China kept policy rates unchanged, but the authorities unveiled a new stimulus package, involving capital injections into state-owned banks and insurer. As the measures failed to materially improve investor sentiment, additional support was announced, including interest-rate cuts, liquidity support, and targeted financing for consumption and technological innovation.
- Japan – Solid economic momentum:** Q2 GDP growth remained strong, supported by robust public spending. Tokyo-area inflation accelerated to 2.7% YoY in September from 1.8% in August, marking its highest rate since November 2025. Core inflation reached 3%. Earlier in the month, the Bank of Japan raised its policy rate to 1.25%, its highest level since 1995.
- Emerging Markets – Technology-related manufacturing continued to support exports across Asia.** Despite the Fed's rate hike, most regional central banks kept policy rates unchanged, even as some emerging market currencies came under pressure. In Latin America, polls pointed to a closely contested first round of Brazil's presidential election. Mexico's central bank kept rates unchanged despite the Fed's tightening, supported by softer August inflation data.

GEOPOLITICAL TENSION:

- Sharp escalation in the Middle East:** The United States and Iran exchanged strikes involving oil tankers, warships, and regional energy infrastructure, while Iran-aligned Houthi forces expanded their control over Yemen's Red Sea coast and the Bab el-Mandeb Strait.
- Partial de-escalation in US-China trade war** lowered near-term tariff risks for some industrial and consumer goods. However, the strategic technology rivalry, and China's influence over critical-mineral supply, remained a structural risk for global supply chains and AI investment.
- No breakthrough in the Russia-Ukraine conflict.** Despite an early-September attempt by the United States to revive discussions and pave the way for trilateral talks, fighting continued against energy infrastructure, while major disagreements over territory and security guarantees remained unresolved.

CHARTS OF THE MONTH





MARKET'S REACTION

EQUITY

- Global equities – Broad-based decline:** Global equity markets fell as sovereign bond yields rose and monetary policy expectations turned more hawkish. The MSCI World index declined by 1,4%, while emerging-market equities fell by 1,0%.
- US equities – AI leadership persisted:** US equity performance was mixed, with large-cap technology showing resilience. The Nasdaq gained 3,3%, while the S&P 500 declined by 0,8%. Rate sensitive small- and mid-caps were hit particularly hard, with the Russel 2000 falling 5,9% over the month. Meta's launch of Muse, its new artificial-intelligence agent, supported a sharp rally in the stock, which gained approximately 25% in September.
- European equities – A more challenging environment.** Rising energy costs, higher sovereign bond yields and the recent deterioration in investor confidence towards French government debt weighed on sentiment. The Stoxx 600 declined by 3,1%, while the export-oriented German Dax and the French CAC 40 each fell by 5,2%. The UK Footsie 100 declined by 2,0%.
- Asian equities – Mixed regional performance:** Japanese equities extended their gains, with the technology-heavy Nikkei rising 0,5%. Chinese markets proved less resilient: the Shanghai Composite declined by 2,8% while Hong Kong equities fell by 3,8%.
- Brazil – Political surprise:** Brazilian equities gained 6,1% after J. Bolsonaro unexpectedly defeated incumbent Pst Lula in the first round of the presidential election.

FIXED INCOME

- Sovereign bond – Sharp rise in yields.** Resilient growth, persistent inflation and substantial financing needs pushed long-term government bonds to multi-decade highs. The US 10-year Treasury yield moved decisively above its longstanding trading range and ended the month at 5,28%. The German 10-year Bund yield closed at 3.64%, while the French 10-year OAT yield rose above 4.90%. Although expectations of further monetary tightening explained part of the move, higher yields also reflected stronger-than-expected growth, expansionary fiscal policy in the US, Germany and Japan, and sustained debt issuance to funding demand linked to US hyperscalers' investment programmes.
- Credit – Spreads widened broadly:** Credit markets delivered negative returns in September, as the global rise in interest rates weighed on both high-quality investment grade bonds and issuers with weaker balance sheets. US credit underperformed its euro-denominated counterparts, while emerging-market debt lagged amid higher US Treasury yields and a stronger US Dollar.

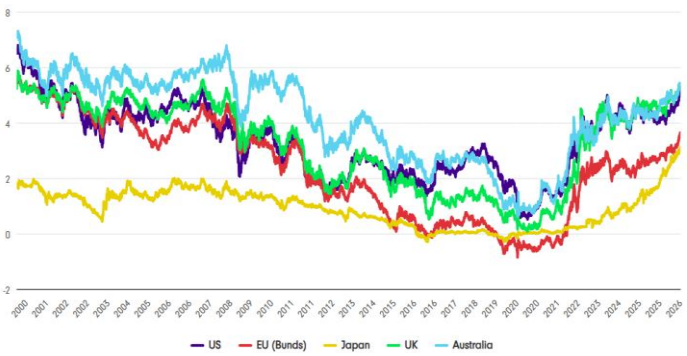
COMMODITIES

- Oil – Higher prices:** The escalation in the Middle East pushed oil prices higher, with WTI and Brent gaining 8,4% and 15,9%, respectively. Prices eased toward month-end as recovery in Gulf shipments alleviated some immediate supply concerns.
- Precious metals – Negative returns:** Unlike oil, the asset class did not benefit from heightened geopolitical tensions. Gold and silver declined by 7,6% and 10,3%, respectively, as higher energy prices revived inflation concerns and real yields moved higher.

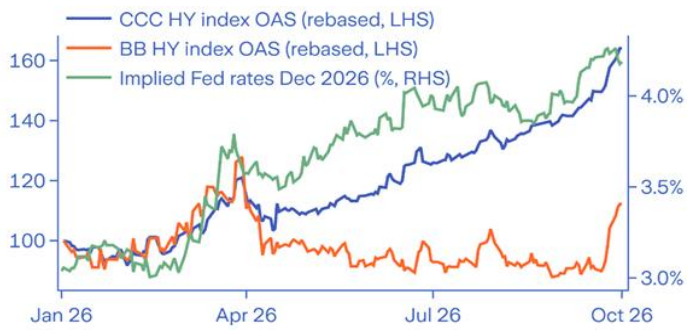
CURRENCIES & CRYPTO

- Currencies – Dollar strength:** The US dollar gained 1,8% over the month. The euro fell by 2,7%, weighed down by concerns over European sovereign risk, while sterling declined by 2,7% amid renewed fiscal concerns. The Australian dollar lost 2,9% and the Swiss franc weakened by 3,8%. The Japanese yen strengthened 1,2% against the dollar. Over the month, Japan voiced concern over further yen weakness, reinforcing expectations of closer US–Japan coordination on foreign-exchange policy.
- Cryptocurrency – Rebound continued:** Bitcoin gained 7,4%, Ethereum rose 9,9%, and the Ripple advanced 7,6%, despite the Clarity Act once again failing to pass the US Senate.

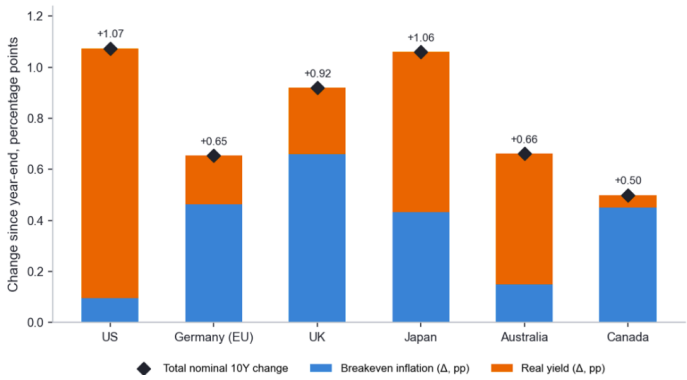
CHARTS OF THE MONTH



Source: Fidelity



Source: Zurich



Source: Fidelity



MONTHLY MARKET INSIGHTS

September 2026

MONTHLY MARKETS REVIEW (As of September 2026, 30st)

EQUITY MARKETS

	MTD	YTD
MSCI World (USD)	-1.4%	+11.9%
MSCI Emerging (USD)	-1.0%	+22.7%
S&P 500 (USD)	-0.8%	+11.8%
NASDAQ 100 (USD)	+3.3%	+20.4%
RUSSELL 2000 (USD)	-5.9%	+12.7%
STOXX 600 (EUR)	-3.1%	+7.1%
DAX (EUR)	-5.2%	+2.9%
CAC 40 (EUR)	-5.2%	-2.3%
FTSE 100 (GBP)	-2.0%	+6.8%
NIKKEI (JPY)	+0.5%	+32.6%
SSE (CNY)	-2.8%	-3.2%
BOVESPA (BRL)	+6.1%	+15.6%
HANG SENG (HKD)	-3.8%	-4.0%

FIXED INCOME MARKETS

	MTD	YTD
Global Aggregate USD (Hedged)	-1.8%	-1.6%
Global Aggregate EUR (Hedged)	-2.0%	-2.9%
US Investment Grade	-3.5%	-4.4%
US High Yield	-2.6%	-0.3%
EU Investment Grade	-1.5%	-1.3%
EU High Yield	-1.4%	+0.3%
EM Local Ccy. Gov (Unhedged)	-2.6%	-0.3%
EM Hard Ccy. Aggregate (Unhedged)	-3.7%	-2.2%

CRYPTO CURRENCY MARKETS

	MTD	YTD
Bitcoin	+7.4%	-4.5%
Ethereum	+9.9%	-9.6%
Ripple	+7.6%	-19.1%

COMMODITY MARKETS

	MTD	YTD
Gold	-7.6%	-3.6%
WTI Crude	+8.4%	+57.5%
Brent Crude	+15.9%	+70.1%
Silver	-10.3%	-14.3%
Natural Gas	+4.8%	-17.9%
Copper	-0.0%	+16.5%

CURRENCY MARKETS

	MTD	YTD
US Dollar Index (DXY)	+1.8%	+3.2%
EURUSD	-2.7%	-3.5%
GBPUSD	-2.7%	-1.7%
AUDUSD	-2.9%	+4.3%
USDCHF	+3.8%	+5.4%
USDJPY	-1.2%	+0.6%

Source: Yahoofinance.com

GET IN TOUCH



E53, Avenue De La Cannelle, Ebene, Mauritius



heritagewealth.mu



+(230) 408 4130



info@heritagewealth.mu

DISCLAIMER

This publication is intended for information purposes only and does not constitute investment advice or a solicitation to purchase or sell any securities, funds, or strategies. The information provided is general in nature and does not account for the specific investment objectives or circumstances of any particular investor. You should consult a licensed investment professional before acting upon any information contained herein. Statements of opinion are those of Heritage Wealth Partners Ltd and are current at the time of issue, given in good faith, and are subject to change at any time. Neither Heritage Wealth Partners Ltd nor its staff accepts liability for the information or opinions expressed. All investments carry a level of risk. Past performance is not a guide to future returns. Any scenarios presented are estimates based on historical evidence and are not exact indicators of future performance.

Heritage Wealth Partners Ltd is licensed and regulated by the Financial Services Commission (FSC) of Mauritius.