



THE WEEK’S BIG THEMES

ECONOMY

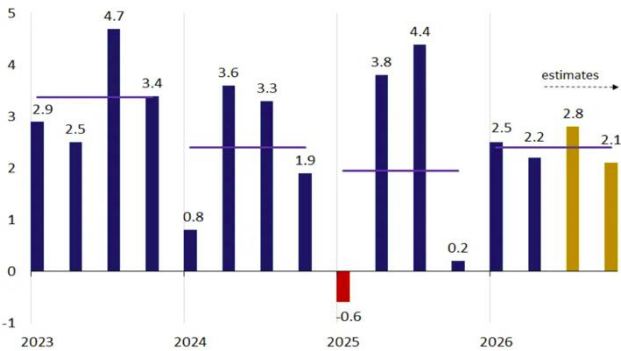
- UNITED STATES** –The **September Services ISM** remained in expansionary territory across all major components, signalling broad-based resilience in activity, demand and employment. **Inflation pressures persisted**, with the prices index reaching its highest level since July 2022. **Initial jobless claims fell to 197K**, remaining close to 57-year lows for a fourth consecutive week. **The September Fed minutes reaffirmed a hawkish tone**: officials unanimously raised rates by 25bps, and most participants still anticipate one further increase before year-end given elevated inflation. Governor C. Waller echoed this view, stressing that further tightening is likely but that the timing remains flexible. **University of Michigan inflation expectations increased**, with 1-year expectations at 4,7% and 5-year expectations at 3,5%
- EURO AREA** – The **ECB’s September minutes confirmed a cautious and inflation-focused stance**. Policymakers judged inflation risks to be skewed to the upside when they delivered their first rate increase since 2023. **German exports and factory orders weakened**, although the government raised its 2026 GDP growth forecast to 1,3%. **Eurozone Investor confidence declined in October** according to the Sentix survey, reflecting elevated financing costs and continuing inflation pressures. The ECB’s Chief Economist called for a measured policy response to the energy shock.
- UNITED KINGDOM** – **The composite PMI pointed to slower expansion in the UK private sector**, reinforcing signs that higher borrowing costs are weighing on domestic activity.
- JAPAN** – **Household purchasing power continued to improve** with real wages increasing 1,5% YoY and nominal wages by 3,8% YoY. Prime Minister S. Takaici reiterated that **fiscal sustainability remains a prerequisite** for the government policy.
- CHINA** – **Golden Week confirmed resilient domestic travel**, with tourist trips rising 6.3% YoY. However, **tourism revenue increased by only 4.3%**, implying lower spending per traveller and an uneven recovery in household consumption.
- Emerging Markets** – **Bolsonaro narrowly led Brazil’s first-round presidential election**, receiving around 47% of the vote against 45% for Pst Lula. The result sends the contest to a runoff on 25 October. The **India’s central bank raised its policy rate by 25bps to 5,50%**, its first increase in almost four years

GEOPOLITICAL TENSION

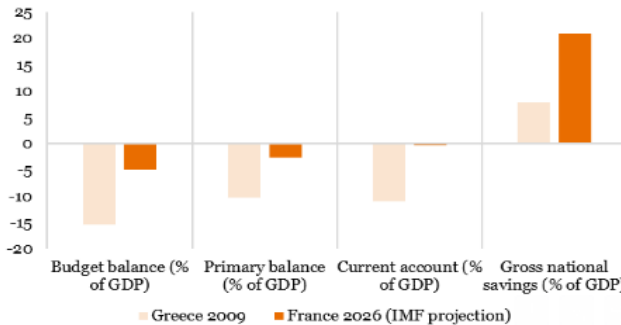
- Middle-East** – **Tensions intensified around the Strait of Hormuz**, as attacks on commercial shipping heightened risks to regional energy flows.. Indications that the US would not attack Iran before the midterms on 3 November offered some temporary relief, but new US sanctions targeting Iranian crude and petrochemical networks underscored the fragility of diplomatic progress.
- Ukraine-Russia** - **The conflict escalated further again**. Russia intensified attacks on Ukrainian infrastructure, while Ukraine expanded retaliatory strikes against Russian refining and other strategic infrastructure.

CHARTS OF THE WEEK

US economic growth has exceed 2% each year since 2022
U.S. real GDP growth actual and consensus estimates (%)



Source EdwardJones



Source Lombard Odier Asset Management

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
- Inflation (IN) - Industrial production (MX)	- PPI, bank lending (JP) - Small business optimism, Existing home sales, ADP (US)	- CPI, PPI, Export, Import (CN) - CPI, Real earnings (US)	- Industrial production, Machine orders (JP) - Industrial production (EA) - Retail sales, PPI (US)	- Inflation (EA) - Import, Export, Industrial production, TIC flows (US)

MARKET'S REACTION

EQUITY

- **Global equities ended the week modestly higher despite elevated volatility.** The MSCI World index gained 0,6%, while the MSCI Emerging Markets index fell 1,2%.
- **US equities delivered mixed performance.** Renewed concerns over AI valuations and higher oil prices weighed on risk appetite. The S&P 500 gained 1.2% and reached a fresh record on Tuesday, while the Nasdaq Composite rose only 0.2%, as US semiconductors weakened sharply (SOX index: -4,3%). Conversely, the Russell 2000 Index declined 0,9%. Consumer staples, utilities, and energy led the market, while industrials and information technology lagged. Reports that OpenAI's annualised revenue may be closer to USD 50bn than the USD 70bn previously indicated added to concerns about AI-related valuations.
- **European equities underperformed the US.** The Stoxx 600 ended the week broadly unchanged. Continued concerns about France's fiscal position and political outlook weighed again on the CAC 40, which fell 1,2%. The German Dax declined 0,6%, while the UK's Footsie gained 0,9%.
- **Asian markets were mixed.** Japanese equities advanced, with the Nikkei gaining 1,1%, supported by AI and semiconductor-related names. Chinese stocks were mixed in a holiday-shortened week: the CSI 300 fell 0,9% and the Shanghai index lost 0,7%, as technology shares retreated, while Hong Kong equities rose 1,0%. Despite Samsung forecasting record Q3 operating profits and TSMC reporting Q3 revenue growth of 50% YoY, the news dampened the mood in semiconductors, as doubts persisted over AI valuations.
- **Brazilian equities rallied sharply.** The Bovespa gained 8,8%, boosted by Bolsonaro's first-round election victory.

FIXED INCOME

- **Sovereign yields retreated from multi-decade highs.** Strong US Treasury auction demand helped stabilised sentiment and pushed government bond yields modestly lower. The US 10-year ended the week at 5,24%, below its near-5,40% peak on Wednesday. UK long-dated yields also retreating after reaching multi-decade highs, while Japan's 10-year declined to 3,01%. French risk stabilised, but remained elevated. Student demonstrations added to domestic political pressure, including calls for approx. EUR10bn of additional funding for schools. The ECB nevertheless indicated that intervention in the French government-bond market was not justified, judging the widening in French spreads fundamentals rather than a disorderly market dislocation.
- **Corporate bonds posted positive returns.** With government bond volatility easing, credit spreads tightened modestly. Investment-grade credit outperformed higher beta segments amid reduced issuance in both US and European primary markets, while lower-quality borrowers remained under pressure. Emerging-market local currency debt outperformed.

COMMODITIES

- **Oil ended the week higher.** Brent crude gained 2,4% and WTI rose 0,8%, supported by ongoing geopolitical risk around supply and shipping routes.
- **Precious metals also advanced.** Gold rose 1,3%, while silver gained 1,2%.

CURRENCIES & CRYPTO

- **The US Dollar strengthened for a fourth consecutive week,** gaining 0,3%, as higher yields and geopolitical uncertainty supported demand.
- **Cryptocurrencies came under pressure.** Bitcoin fell 2,3%, while Ethereum and the Ripple lost 6,8% and 6,0%, respectively, in a context of institutional outflows and unwind of leveraged long positions.

CHARTS OF THE WEEK

Stocks continue to climb the wall of worry



SPREAD FRANCE- GERMANY 10-YEAR

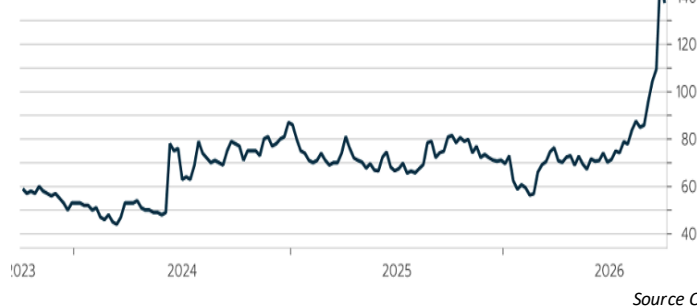
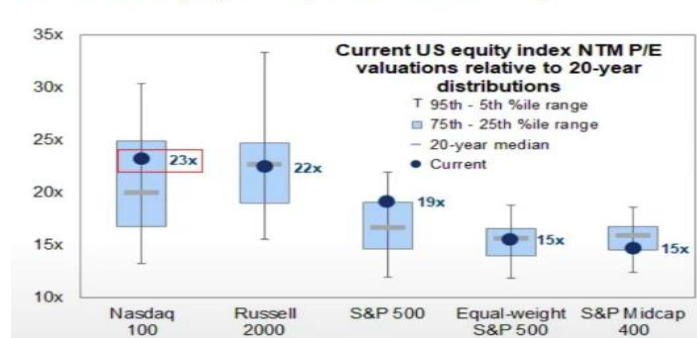


Exhibit 37: US equity index P/E valuations vs. history





WEEKLY MARKET INSIGHTS

02 October 2026 –09 October 2026

WEEKLY MARKETS REVIEW (As of 09 October 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	+0.6%	+0.5%	+12.4%
MSCI Emerging (USD)	-1.2%	-0.2%	+22.4%
S&P 500 (USD)	+1.2%	+2.1%	+14.1%
NASDAQ 100 (USD)	+0.2%	+1.6%	+22.3%
RUSSELL 2000 (USD)	-0.9%	+0.4%	+13.1%
STOXX 600 (EUR)	+0.0%	-0.5%	+6.5%
DAX (EUR)	-0.6%	-0.4%	+2.4%
CAC 40 (EUR)	-1.2%	-2.0%	-4.2%
FTSE 100 (GBP)	+0.9%	-0.5%	+6.2%
NIKKEI (JPY)	+1.1%	+3.4%	+37.1%
SSE (CNY)	-0.7%	-0.7%	-3.9%
BOVESPA (BRL)	+8.8%	+12.2%	+29.8%
HANG SENG (HKD)	+1.0%	-1.6%	-5.5%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	+0.1%	+0.3%	-1.4%
Global Aggregate EUR (Hedged)	+0.0%	+0.3%	-2.6%
US Investment Grade	+0.6%	+0.7%	-3.7%
US High Yield	+0.4%	+0.5%	+0.1%
EU Investment Grade	+0.3%	+0.3%	-0.9%
EU High Yield	+0.1%	-0.4%	-0.2%
EM Local Ccy. Gov (Unhedged)	+1.2%	+0.7%	+0.4%
EM Hard Ccy. Aggregate (Unhedged)	+0.9%	+0.1%	-2.2%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-2.3%	-1.2%	-5.7%
Ethereum	-6.8%	-7.4%	-16.2%
Ripple	-6.0%	-6.3%	-24.2%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	+1.3%	+0.7%	-2.9%
WTI Crude	+0.8%	+1.6%	+60.0%
Brent Crude	+2.4%	+1.1%	+72.1%
Silver	+1.2%	+1.0%	-13.5%
Natural Gas	+6.1%	+6.4%	-12.6%
Copper	+2.3%	+1.3%	+18.0%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+0.3%	+0.7%	+4.0%
EURUSD	-0.3%	-1.1%	-4.5%
GBPUSD	+0.2%	-0.0%	-1.8%
AUDUSD	+0.4%	-0.4%	+3.9%
USDCHF	+0.1%	-0.3%	+5.0%
USDJPY	+0.1%	+0.4%	+1.1%

Source: Yahoo Finance

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