



THE WEEK’S BIG THEMES

ECONOMY

- **UNITED STATES** – Inflation remained elevated at both the consumer and producer levels, with price pressures extending beyond energy. Headline CPI accelerated to 3.7% YoY in September from 3,4% in August, while core inflation picked up to 2.6%. PPI increased 6,3% YoY. **Retail sales rose 0,8% MoM in September**, although the strength was argely driven by a 6,4% increase in gasoline station receipts. **Labor market data continued to point to limited layoffs**. Speaking at the IMF meeting in Bangkok, K. Warsh refrained from signalling the outcome of the October or December policy meetings.
- **EURO AREA** – **Industrial production fell 0.5% MoM in August**, its third consecutive decline. **September headline inflation was confirmed at 3,8% YoY**, up from 3,2% in August, with core inflation at 2,5%. In Spain, headline inflation was confirmed at 4.9% YoY, while core inflation climbed to 3.1%. France’s headline reading was revised slightly higher to 3.1%, primarily reflecting higher energy prices. Several ECB Governing Council members used the IMF meetings in Bangkok to signal that further policy tightening could still be warranted.
- **UNITED KINGDOM** – **GDP grew 0.1% MoM in August**, defying expectations for a 0.1% contraction. While the trade deficit narrowed, **manufacturing and industrial output rose 1,2% and 0.8%, respectively**.
- **JAPAN** – **Core machinery orders, a leading indicator of capital expenditure, rebounded 5.2% MoM in August**, exceeding expectations after July’s 3.7% decline. **Corporate good price inflation eased to 6,8% YoY in September** from 7,6% in August, suggesting some moderation in upstream cost pressures, albeit from elevated levels.
- **CHINA** – **Producer price inflation accelerated to 5.0% YoY in September** from 3.8% in August, its fastest pace since June 2022. **Consumer inflation edged up to 0.9% from 0.8%**, while core inflation held steady at 1.0%. **Exports remained a source of support**, with annual growth accelerating to 36.3% YoY from 25.0% in August.

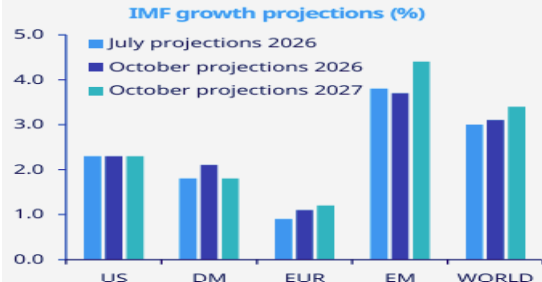
GEOPOLITICAL TENSION

- **Middle-East** – **Tensions intensified** as attacks on Saudi infrastructure and shipping near the Strait of Hormuz escalated.
- **Ukraine-Russia** – **Relation between Kyiv and Washington deteriorated** after the US permitted Russia to supply millions of tonnes of diesel to U.S. and international markets despite existing sanctions. **Russian aerial attacks also intensified**, while Ukraine temporarily lost access to U.S. satellite-linked intelligence.

EARNINGS SEASON

- **Quaterly results in Europe were mixed**, with dissappointing earnings from some luxury comapnies contrasting with solid semiconductors results.
- **US major banks opened the earnings season** with stable underlying business activity and signs od continued resilience in consumer and business spending. According to FactSet, analysts now forecast S&P 500 earnings growth of 29% YoY for Q3.

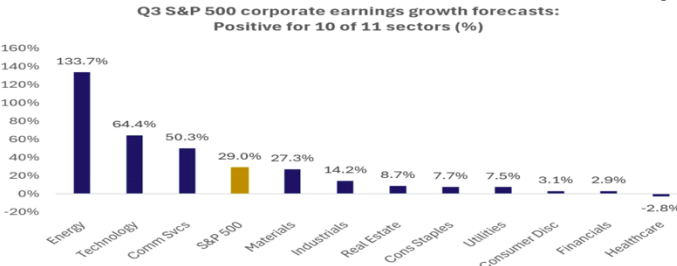
CHARTS OF THE WEEK



Source Amundi



Source JPMorgan



Source EdwardJones

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 declined as AI-related stocks corrected.** The MSCI World index fell 0,8%, while the MSCI Emerging Markets index lost 5%. Among emerging markets, South Korea's equity benchmark dropped more than 14%. Indonesian stocks also came under pressure after MSCI proposed removing the country from its EM classification, citing concerns over market transparency, suspected coordinated trading, and shortcomings in reform implementation.
- **US equities retreated** as concerns over the sustainability of AI-related investments drove a rotation out of large-cap growth and into value and defensive stocks. Semiconductor and memory shares faced heavy selling, with the Philadelphia Semiconductor falling more than 11%, its worst weekly performance since April 2025. The technology-heavy Nasdaq largely underperformed, losing 5,5%, while the S&P 500 fell 1,9%, its largest weekly decline since June. Small caps dropped 3%. Anthropic's slowdown in sequential revenue growth (to 46% QoQ in Q3 versus 143% in Q2) challenged elevated AI sector valuations. CoreWeave shares also fell sharply as concerns over AI-related leverage intensified.
- **European equities outperformed their US counterparts.** The Stoxx 600 ended the week with a gain of 2,1%. Among major stock indices, the French CAC 40 gained 2,0%, the German Dax rose 2,1%, and the UK's Footsie climbed 3,1%.
- **Asian equities declined.** Japan's Nikkei fell 5,4%, weighed down by major AI- and semiconductor-related stocks. In China, the CSI 300 declined 3,4% and the Shanghai index lost 2,6%, amid reported selling pressure from mutual fund redemptions.

FIXED INCOME

- **Government bonds rallied.** Real yields retreated following the US CPI release. The US-10 year posted its largest weekly decline in more than eight months, ending the week 17bps lower at 5,07%. Shorter duration yields fell modestly, with the 2-year benchmark 7bps lower at 4,72%. Other major sovereign bond markets also advanced, although less strongly. Germany's 10-year Bund yield fell 7bps to 3,42%, the UK 10-year Gilt declined 10bps to 5,35%, and Japan's 10-year government bond yield dropped 8bps to 2,94%. Ahead of Moody's review of France's sovereign rating, the spread between French and German 10-year bonds stabilised at around 140 bps.
- **Corporate bond delivered positive returns,** with investment grade outperforming high yield as issuance slowed and sovereign yield declined. European high yield proved relatively resilient, although the lowest-rated issuers remained under significant pressure. Highly leveraged AI infrastructure names faced particular scrutiny: CoreWeave's CDS spread rose above 1,000 bps, signalling distressed conditions, while Oracle's CDS spread reached 300 bps, double its level at the start of the year.

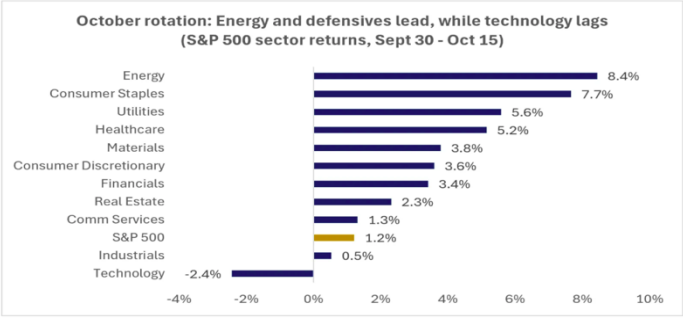
COMMODITIES

- **Oil rose for a second consecutive week on Middle East supply concerns.** Brent crude gained 4,9% and WTI rose 10,4%.
- **Precious metals declined,** with gold down 0,8% and silver falling 6,1%.

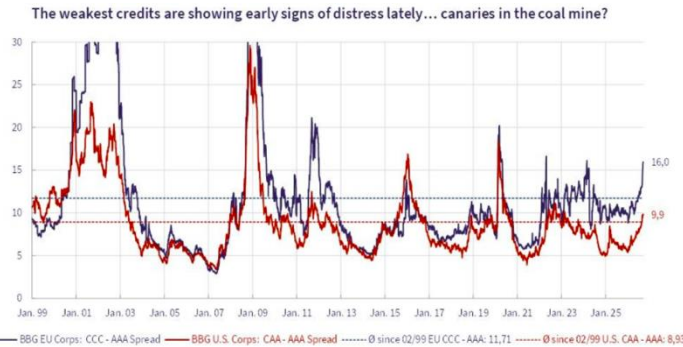
CURRENCIES & CRYPTO

- **The US Dollar declined by 0,4%,** weakening late in the week as expectations of further rate hikes eased.
- **Cryptocurrencies extended their losses.** Bitcoin fell 1,3%, while Ethereum and the Ripple lost 2,6% and 6,1%, respectively

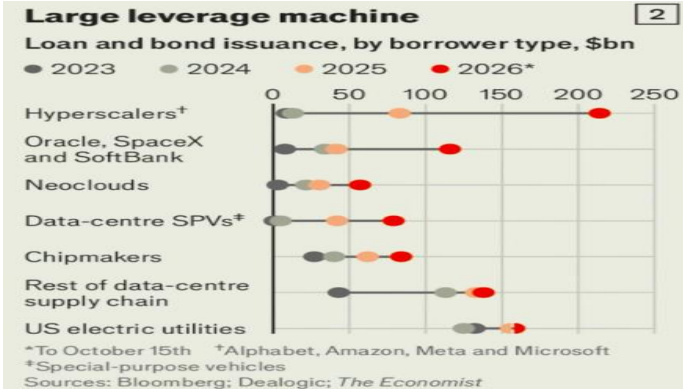
CHARTS OF THE WEEK



Source: Edward Jones



Source: Taunus Trust AG, LinkedIn



Source Mohamed El-Erian, LinkedIn



WEEKLY MARKET INSIGHTS

09 October 2026 –16 October 2026

WEEKLY MARKETS REVIEW (As of 16 October 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-0.4%	+0.1%	+12.0%
MSCI Emerging (USD)	-5.0%	-5.2%	+16.4%
S&P 500 (USD)	-1.9%	+0.1%	+11.9%
NASDAQ 100 (USD)	-5.5%	-4.0%	+15.6%
RUSSELL 2000 (USD)	-3.0%	-2.7%	+9.6%
STOXX 600 (EUR)	+2.1%	+1.6%	+8.8%
DAX (EUR)	+2.1%	+1.7%	+4.6%
CAC 40 (EUR)	+2.0%	-0.1%	-2.4%
FTSE 100 (GBP)	+3.1%	+2.6%	+9.6%
NIKKEI (JPY)	-5.4%	-2.1%	+29.8%
SSE (CNY)	-2.6%	-3.3%	-6.4%
BOVESPA (BRL)	-1.7%	+10.2%	+27.5%
HANG SENG (HKD)	-0.1%	-1.7%	-5.6%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	+0.8%	+1.1%	-0.5%
Global Aggregate EUR (Hedged)	+0.8%	+1.1%	-1.9%
US Investment Grade	+1.0%	+1.6%	-2.8%
US High Yield	-0.5%	-0.0%	-0.4%
EU Investment Grade	+0.7%	+1.0%	-0.3%
EU High Yield	+0.0%	-0.4%	-0.1%
EM Local Ccy. Gov (Unhedged)	+0.0%	+0.7%	+0.4%
EM Hard Ccy. Aggregate (Unhedged)	+1.0%	+1.1%	-1.2%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-1.3%	-2.5%	-6.9%
Ethereum	-2.6%	-9.8%	-18.4%
Ripple	-6.1%	-12.0%	-28.8%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-0.8%	-0.1%	-3.7%
WTI Crude	+10.4%	+12.2%	+76.6%
Brent Crude	+4.9%	+6.1%	+80.5%
Silver	-6.1%	-5.2%	-18.7%
Natural Gas	-3.2%	+3.0%	-15.5%
Copper	-1.7%	-0.4%	+16.0%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	-0.4%	+0.4%	+3.6%
EURUSD	+0.0%	-1.1%	-4.5%
GBPUSD	+0.3%	+0.3%	-1.4%
AUDUSD	-0.6%	-1.0%	+3.3%
USDCHF	-0.4%	-0.8%	+4.6%
USDJPY	+0.1%	+0.5%	+1.1%

Source: Yahoo Finance

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