16 October 2026 – 23 October 2026

WEEKLY MARKET INSIGHTS

THE WEEK'S BIG THEMES

ECONOMY

- **UNITED STATES – Economic activity remained resilient**, with the composite PMI at 57,6 supported by strength in both manufacturing and services. **Housing weakened against a backdrop of elevated mortgage rates:** homebuilder sentiment fell to its lowest level since 2012, while pending **home sales declined by 7,3% MoM in September. The labor market remained firm, with initial jobless claims at 194K. The University of Michigan's final survey showed one-year inflation expectations rising to 4.7%,** while long-term expectations increased to 3.5%.
- **EURO AREA – Activity continued to expand, but momentum softened** as the composite PMI eased from 53.1 to 51.9 in October. **France remained in contraction at 48.4**, with services activity weakening amid strikes and civil unrest. **Germany proved more resilient**, with a reading of 52.8, although a 13% YoY decline in September crude steel output highlighted persistent industrial weakness. The **ECB's consumer survey showed one-year inflation expectations rising to 3.1%** in September, from 3.0% in August
- **UNITED KINGDOM – Activity strengthened in October**, with the composite PMI rising to 53.1, its highest level since February, as both manufacturing and services gained momentum. **Inflation pressures nevertheless increased**: headline inflation rose to 3.5% YoY in September from 3.1%, despite slower monthly price growth, while core inflation climbed from 2.6% to 2.8%. The **labor market remained resilient**, with unemployment falling from 4.9% to 4.7% in August. However, the **GfK survey showed a sharp deterioration in consumer confidence** amid elevated energy and borrowing costs.
- **JAPAN – Nationwide core inflation rose to 2,1% YoY** in September from 1,7% in August, moving above the BoJ's 2% target for the first time since December 2025. Yen weakness and higher energy prices contributed to this increase..
- **CHINA – GDP expanded 4.5% YoY in Q3**, bringing growth over the first nine months to 4.6%, although investment and consumption remained subdued. The **one-year and five-year loan prime rates were left unchanged by the PBoC** at 3.0% and 3.5%, respectively.

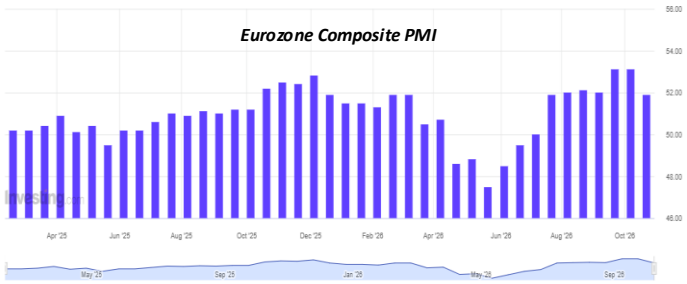
GEOPOLITICAL TENSION

- **Middle-East –** Renewed Houthi attacks on Saudi infrastructure heightened regional tensions, adding to concerns over the security of Gulf shipping routes.
- **Ukraine-Russia –** Meetings between U.S. envoy Steve Witkoff and Presidents Zelensky and Putin offered a tentative diplomatic opening. These efforts have yet to translate into meaningful de-escalation, with fighting continuing to intensify.

EARNINGS SEASON

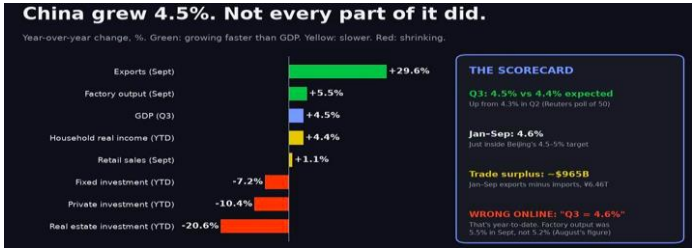
- U.S. earnings growth remained strong, but investor scrutiny increasingly centred on capital expenditure and the visibility of future returns.

CHARTS OF THE WEEK



Source Edwardjones





Source Lusignan, Linkedini

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
• Leading economic index (JP) • IFO (GE) • Chicago Fed National Activity index (US)	• M3 (EA) • Building permits, ADP, Durable goods, Richmond Fed indices (US)	• **Fed rate decision,** EIA stocks (US) • Inflation (AU)	• **ECB rate decision** (EA) • **BoE rate decision** (UK) • GDP, PCE (US)	• **BoJ rate decision** (JP) • GDP flash (EA)

WEEKLY
MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- **Global equities retreated as risk sentiment weakened**. The MSCI World fell 0,9%, while the MSCI Emerging Markets index declined 2,2%. Upcoming Israeli elections and U.S. midterms aadded to market uncertainty.
- **US equities diverged, as scrutiny of AI-related capital expenditures weighed on technology stocks. S**mall caps gained 2%, while the S&P 500 and Nasdap declined 0,5% and 0,8%, respectively. The equal-weighted S&P 500 rose 1,1%, pointing to a rotation away from mega-cap leaders to more defensive stocks. Meta reported better-than-expected revenue growth of 26% YoY, but unexpected legal expenses, negative free cash flow and a modest increase in planned capex sent its shares down 9.5%. Netflix disappointed on revenue guidance despite beating Q3 expectations, whereas investors welcomed Tesla's results. Apple bucked the technology sell-off to reach a record high, supported by stronger-than-expected iPhone Duo demand and less exposure to concerns over AI spending.
- **European equities lagged their U.S. counterparts** against a backdrop of rising energy prices. The STOXX Europe 600 fell 1.4%, with France's CAC 40 down 2.2%, Germany's DAX losing 1.7% and the UK's FTSE 100 declining 1.8%.
- **Asian equities declined.** Technology weakness contributed to a 4,0% fall in Japan's Nikkei. China's CSI 300 and Shanghai index lost 1,6% and 0,7%, respectively. Hong Kong equities fell 4,5%, while South Korea's KOSPI declined 2%.

FIXED INCOME

- **Government bonds rallied this week again.despite higher oil prices**. The U.S. 10-year Treasury yield fell 8 bps to 5.00%, bringing its decline since end-September to nearly 30 bps. Lower real yields drove the move, while inflation breakevens edged higher. Japanese bonds outperformed, with the 30-year yield falling 17 bps, while German yields also declined. France remained an outlier: its 10-year yield rose above 5.10%, and the spread over German Bunds widened to 167 bps, its highest level since 2012. Moody's affirmed France's Aa3 rating but highlighted downside risks.
- **Credit returns diverged across regions**. U.S. corporate bonds posted positive returns and outperformed European credit, where returns were negative and higher-beta segments lagged.

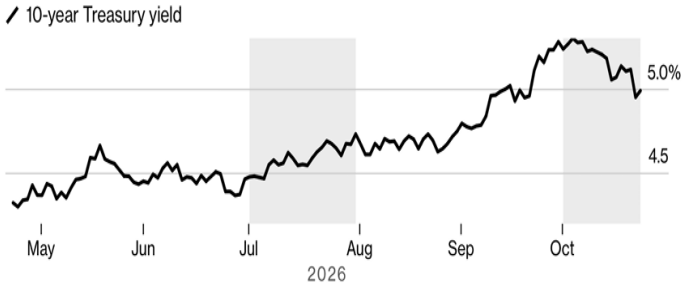
COMMODITIES

- **Oil advanced for a third consecutive week** amid renewed Houthi attacks. Brent gained 6.2% to $116.72 per barrel, its highest level since April, while WTI rose 1.8%. Natural gas prices reached a year-to-date high.
- **Precious metals declined again,** with gold down 4,1%,, its sharpest weekly decline since June, and dropped below $4'000 per ounce for the first time in three months. Silver underperformed, losing 5,8%.

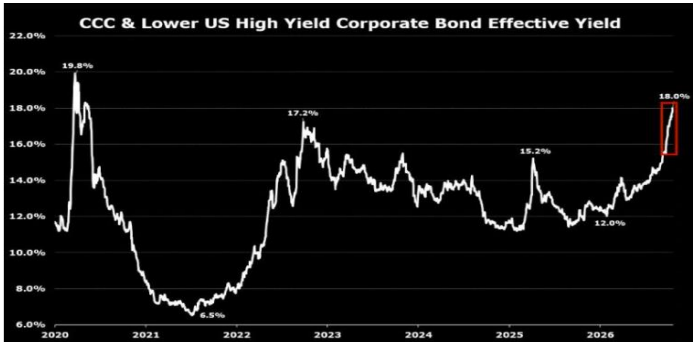
CURRENCIES & CRYTO

- **The US Dollar declined for a second consecutive week** amid concerns over AI-related investment. The yen reached a five-week high, supportedd by safe-haven demand and firmer inflation data. French fiscal uncertainty and softer euro-area PMIs weighed on the euro.
- **Cryptocurrencies extended their losses,** as technology-sector weakness and increased expectations of Fed rate hikes weighed on risk appetite. Bitcoin declined 0,5%, while Ethereum and Ripple fell 1,5% and 1,2%, respectively

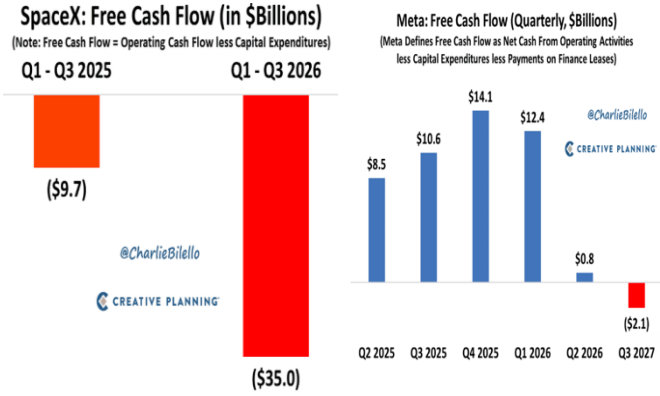
CHARTS OF THE WEEK



Source: Lusignan, Linkedin



Source: TKL, LinkedIn



Source C, Bilello

WEEKLY MARKET INSIGHTS

16 October 2026 –23 October 2026

WEEKLY MARKETS REVIEW (As of 23 October 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-0.9%	-0.9%	+10.9%
MSCI Emerging (USD)	-2.2%	-7.2%	+13.8%
S&P 500 (USD)	-0.5%	-0.4%	+11.4%
NASDAQ 100 (USD)	-0.8%	-4.8%	+14.7%
RUSSELL 2000 (USD)	+2.0%	-0.7%	+11.8%
STOXX 600 (EUR)	-1.4%	+0.1%	+7.3%
DAX (EUR)	-1.7%	-0.1%	+2.8%
CAC 40 (EUR)	-2.2%	-2.3%	-4.5%
FTSE 100 (GBP)	-1.8%	+0.8%	+7.6%
NIKKEI (JPY)	-4.0%	-6.1%	+24.5%
SSE (CNY)	-0.7%	-3.9%	-7.0%
BOVESPA (BRL)	-0.2%	+10.1%	+27.3%
HANG SENG (HKD)	-4.5%	-6.2%	-9.9%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	+0.2%	+1.3%	-0.3%
Global Aggregate EUR (Hedged)	+0.3%	+1.3%	-1.6%
US Investment Grade	+0.4%	+2.1%	-2.4%
US High Yield	+0.2%	+0.2%	-0.1%
EU Investment Grade	-0.8%	+0.2%	-1.0%
EU High Yield	-1.5%	-1.8%	-1.6%
EM Local Ccy. Gov (Unhedged)	-0.1%	+0.6%	+0.3%
EM Hard Ccy. Aggregate (Unhedged)	+0.1%	+1.2%	-1.1%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-0.5%	-3.0%	-7.4%
Ethereum	-1.5%	-11.2%	-19.6%
Ripple	-1.2%	-13.1%	-29.7%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-4.1%	-4.3%	-7.7%
WTI Crude	+1.8%	+14.2%	+79.9%
Brent Crude	+6.2%	+12.7%	+91.8%
Silver	-5.8%	-10.6%	-23.4%
Natural Gas	-15.3%	-12.8%	-28.4%
Copper	-0.8%	-1.3%	+15.0%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	-0.0%	+0.4%	+3.6%
EURUSD	+0.1%	-1.1%	-4.5%
GBPUSD	+1.0%	+1.3%	-0.5%
AUDUSD	+1.5%	+0.4%	+4.8%
USDCHF	-1.0%	-1.7%	+3.6%
USDJPY	-1.0%	-0.6%	+0.1%

Source: Yahoo Finance

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.