

Rotation, not retreat

US equities ended a choppy week mixed, as investors moved out of technology and communication services and into energy, healthcare and smaller companies. Concerns over the cost of AI investment weighed on sentiment, although third-quarter earnings have so far been strong. Purchasing Managers surveys showed the US economy still expanding strongly, flash composite PMI slipped from 58.4 in September to 57.6 in October but remained firmly in strong growth territory, and manufacturing came in at 55.9, ahead of expectations. The concern is inflation, with firms raising selling prices at the sharpest pace in more than four years, pointing to consumer inflation rising further above the Fed's target.

European shares posted their steepest weekly loss since early September, as political uncertainty in France and the Middle East war outweighed largely strong earnings. Eurozone private-sector growth slowed in October, with the composite PMI falling 1.2 points to 51.9, a four-month low, and hiring nearly stalled. In the UK, inflation rose to 3.5% in September, above forecasts of 3.4% and up from 3.1% in August, its highest reading since October 2025. Oil remained a pressure point, with Brent trading around \$116 a barrel.

Japanese equities fell as the global AI sell-off spread to Tokyo, sending investors into government bonds. Core inflation rose to 2.1% in September, while the measure excluding food and energy reached 2.4%, putting core inflation back above the BoJ's target for the first time in 9 months. The Fed, ECB and Bank of Japan all announce rate decisions this week.



Fact of the week

France's 10-year borrowing cost rose above 5% last Wednesday, the highest since 2002, and for the first time since 2013 it now exceeds the yield on US 10-year Treasuries.

Our regular market information continues on the next page.

Snapshot



- Oil
- Copper



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Gold

The week ahead

28 Oct	Federal Reserve interest rate decision.
29 Oct	ECB interest rate decision.
30 Oct	Eurozone GDP and unemployment data is released.



	1 Week Return 16.10.26 to 23.10.26		Year to Date Return 31.12.25 to 23.10.26	
	Local Currency	Euro	Local Currency	Euro
World	-0.7%	-0.2%	11.2%	16.5%
U.S.	-0.4%	0.0%	11.9%	17.3%
Europe	-1.3%	-1.3%	8.5%	8.5%
Ireland	-2.0%	-2.0%	11.0%	11.0%
U.K.	-1.7%	-1.0%	10.9%	15.7%
Japan	-2.5%	-1.3%	18.0%	23.7%
Hong Kong	-1.7%	-1.2%	3.8%	8.1%
Corporate Bonds	-0.5%	-0.5%	-3.4%	-3.4%
Sovereign Bonds	-0.4%	-0.4%	-4.2%	-4.2%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product, you may lose some or all of the money you invest.

Equities

- Global stocks finished down -0.2% in euro terms and down -0.7% in local terms last week.
- Year-to-date global markets are up by 16.5% in euro terms and up by 11.2% in local terms.
- The U.S. market, the largest in the world, finished at 0.0% in euro terms and down -0.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 5.0% last week. The German equivalent finished at 3.3%. The Irish 10-year bond yield finished at 3.5%.
- The Euro/U.S. Dollar exchange rate finished at 1.12, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at \$103 per barrel and is up 88.6% year-to-date in euro terms.
- Gold finished the week at \$3,996 per troy ounce and down -3.0% year-to-date in euro terms.
- Copper finished the week at \$14,472 per tonne and is up 21.9% year-to-date in euro terms.

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