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From peace optimism to AI panic

Global markets, unsurprisingly, were heavily influenced by US politics last week - US equities initially rallied sharply, while oil prices plunged almost 8%. As Republicans increasingly attributed Congressional losses to the US-Iran war, investor optimism re-emerged on the prospect of a quicker path to a peace agreement. Despite major equity indices delivering strong gains, risk appetite deteriorated on Thursday as concerns over AI earnings and the regulatory backdrop triggered a sharp sell-off in technology stocks, which subsequently broadened across numerous sectors as investors sought to reduce overall risk exposure. Defensive sectors such as consumer staples and healthcare proved more resilient, while a partial recovery on Friday reflected investors taking advantage of discounted prices.

Bond yields declined across the curve this week. US Treasuries benefitted both from the Democratic sweep and from equity-market volatility. Investors interpreted Democratic control of Congress as an indication of a reduction in the probability of significant fiscal expansion, while the technology-led sell-off increased demand for safe-haven assets.

On the economic front, US data continued to point towards a resilient economy. US non-farm payrolls increased by 165,000 in October, above consensus expectations. September job openings also increased, while layoffs remained historically low, pointing to a labour market that may be regaining momentum. US manufacturing activity also rose to 55.5, from 54.5 in September, marking its tenth consecutive month of expansion. Stronger-than-expected economic data has raised expectations of a Federal Reserve rate hike next month.



Fact of the week

On Wednesday, the Dow Jones Industrial Average surged 3%, marking its largest single-day percentage gain after a midterm election since 1982, only to erase those gains the following day by plunging 3.4% in its sharpest decline in 19 months.

Our regular market information continues on the next page.

Snapshot



- Corporate Bonds
- Sovereign Bonds



- World Equities
- Oil
- Gold
- Copper

The week ahead	
10 Nov	US CPI data for October is released.
12 Nov	UK GDP for Q3 is reported.
13 Nov	US PPI data for October is released.



	1 Week Return 30.10.26 to 06.11.26		Year to Date Return 31.12.25 to 06.11.26	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-2.5%	-2.4%	8.1%	13.9%
U.S.	-2.8%	-2.6%	8.1%	13.9%
Europe	0.5%	0.5%	11.3%	11.3%
Ireland	2.9%	2.9%	16.3%	16.3%
U.K.	-0.6%	-0.7%	10.6%	15.8%
Japan	-7.0%	-7.3%	9.8%	14.6%
Hong Kong	4.0%	4.2%	11.1%	16.3%
Corporate Bonds	0.5%	0.5%	-2.4%	-2.4%
Sovereign Bonds	1.2%	1.2%	-2.4%	-2.4%

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 -2.4% in euro terms and down -2.5% in local terms last week.
- Year-to-date global markets are up by 13.9% in euro terms and up by 8.1% in local terms.
- The U.S. market, the largest in the world, finished down -2.6% in euro terms and down -2.8% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.9% last week. The German equivalent finished at 3.3%. The Irish 10-year bond yield finished at 3.4%.
- The Euro/U.S. Dollar exchange rate finished at 1.11, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $91 per barrel and is up 66.7% year-to-date in euro terms.
- Gold finished the week at $4,071 per troy ounce and down -0.7% year-to-date in euro terms.
- Copper finished the week at $13,963 per tonne and is up 18.2% year-to-date in euro terms.

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