

Weekly Market Wrap

Key Market Developments

US equities ended the week higher. The S&P 500 rose 1.2% and the Dow Jones gained 0.9%, while the NASDAQ lagged at 0.2%. Chip stocks sold off on Thursday after a report put OpenAI's annualised revenue at about \$50 billion, well below the widely cited \$68 billion. Nvidia and AMD, both OpenAI partners, fell 2.9% and 3.9%, and the Philadelphia Semiconductor Index dropped 3.4%. Technology shares partly recovered on Friday. Telecom stocks came under pressure on Friday after SpaceX agreed to buy nationwide low-band spectrum. T-Mobile, AT&T and Verizon each fell more than 7%, as investors saw SpaceX as a direct competitor for mobile subscribers. Minutes from the Fed's September meeting showed most officials expect one more hike by year end. Governor Waller said the Fed has flexibility on timing. Markets now expect a pause in October and a hike in December. CME FedWatch put the odds of an October hike at about 22% midweek, against about 85% for a hike by December. The 10-year Treasury yield reached 5.37% on Wednesday, its highest since 2002. It then eased on strong auction demand and President Trump's pledge of no strikes on Iran before the 3 November midterms, closing the week at 5.24%. Inflation signals stayed firm. The ISM services prices index rose to 74.0, the highest since July 2022. University of Michigan sentiment fell to a five-month low of 46.3 as households cited the cost of living. Equities rose despite the weak data, helped by the pullback in yields.

The Reserve Bank of India raised its repo rate by 25 basis points to 5.50%, its first hike in nearly four years. The vote was unanimous, and the RBI changed its stance to "calibrated tightening". The rupee still weakened 0.4% against the dollar, pressured by high oil prices and foreign outflows. The SENSEX fell after the decision but closed the week up 0.8%, as banks and consumer staples recovered. In Europe, the account of the ECB's September meeting confirmed a unanimous hike to 2.5% and flagged upside risks to inflation. The Stoxx 600 ended flat, while the UK 10-year Gilt yield rose 7.7 basis points to 5.44%. The Nikkei rose 1.1% after closing above 70,000 midweek. The Hang Seng gained 1.0% on a Friday technology rebound. Mainland Chinese shares fell, and the STAR 50 technology index dropped 4.8% on Thursday on reports of possible US curbs on Chinese optical components. Oil stayed volatile. Prices dipped midweek after the IEA agreed to bring forward about 100 million barrels of stock releases. Brent then settled above \$104 on Thursday after two tanker attacks in the Gulf, Houthi strikes on Riyadh's airport and a storm that shut in Gulf of Mexico output. WTI ended the week up 0.8% at \$91.9. Gold rose 1.3% to \$4,194, even though US yields hit a 24-year high midweek. It recovered as yields eased and Gulf tensions rose.

What We Are Watching – Week Starting 12th October

- **US CPI (Wednesday):** Consumer prices rose 0.4% in August and 3.4% on the year, with energy up 16.3% and core at 2.4%. September is the first full month with crude above \$100. Consensus expects headline inflation of 3.6% and core of 2.5%.
- **US PPI and Retail Sales (Thursday):** Producer prices were up 5.4% on the year in August, two points above consumer prices. Retail sales are expected to slow to 0.3% after a 1.1% gain in August.
- **Fed Beige Book (Wednesday):** The last edition was released on 2 September. Since then, the Fed has hiked, crude has held above \$100, and the minutes showed many officials worried about energy costs spreading.
- **Middle East Geopolitics:** President Trump's no-strikes pledge runs until 3 November. This week's tanker attacks were outside the Strait of Hormuz, off Qatar and Fujairah. Tehran's answer on Washington's response to its plan to reopen Hormuz is due within days.
- **Europe:** The final euro area inflation reading is due on Friday. The first estimate was 3.8%, up from 3.2% in August and above the ECB's 3.0% projection for 2026. Germany's final CPI, euro area industrial production and UK GDP also come out this week, ahead of the ECB meeting on 28-29 October.

GIA View

Equities:

- The S&P 500 is up 1.2% on the week and the 10-year Treasury yield has come down from its high of 5.37% on Wednesday to 5.24% on Friday. Earnings season will start and commentary from AI and Tech names will be closely watched to assess the sustainability of the current rally.

Rates:

- The 30-year is at 5.60%, 7 basis points off Wednesday's high, and nothing in the minutes or in Waller's speech says the Fed is finished. We're anticipating one more hike this year. US real yields are positive and we recommend allocating to the short end.

Commodities:

- We remain comfortable holding gold. The 10-year hit a 24-year high on Wednesday and gold fell \$46 on the day, to \$4,140.7, then recovered by Friday to \$4,194.2; \$53.0 above the previous Friday.

Chart of the week: Market concentration above the 2000 peak



Source: The Compound Media, Bloomberg

Market concentration is now higher than at the peak of the 2000 technology cycle. The five largest companies are worth as much as the 434 smallest combined. Unlike 2000, today's leaders are backed by earnings. Edward Jones estimates that about 70% of the S&P 500's 117% gain since October 2022 came from earnings growth rather than higher valuations. Technology and semiconductor companies are again expected to drive much of third-quarter earnings growth. The risk is the dependence itself. About 40 cents of every dollar in the S&P 500 now sits in its ten largest companies. This means a few AI-linked names largely set the index's direction, and an index holding is less diversified than its number of stocks suggests. Thursday's chip selloff showed how quickly a single piece of news about AI revenue can move the wider market.

Asset Class Performance – Week Ending 9th October 2026

	Week ending >>>				
	02-Oct-26	09-Oct-26	YTD Δ	MTD Δ	Weekly Δ
Equity Indices					
S&P 500 (USD)	7,722.7	7,811.5	13.9%	0.9%	1.2%
NASDAQ (USD)	30,807.9	30,883.2	22.5%	0.9%	0.2%
Dow Jones (USD)	51,177.0	51,655.0	6.8%	(0.3%)	0.9%
MSCI EM Index (USD)	1,708.9	1,708.8	19.5%	(1.4%)	(0.0%)
SENSEX (INR)	71,909.7	72,472.3	(15.5%)	(1.9%)	0.8%
Stoxx 600 (EUR)	631.4	631.6	5.9%	(1.1%)	0.0%
Nikkei (JPY)	68,309.5	69,030.9	37.1%	4.0%	1.1%
Hang Seng (HKD)	23,972.3	24,211.4	(8.1%)	(1.2%)	1.0%
Commodities					
Gold (USD per troy ounce)	4,141.2	4,194.2	(3.2%)	(2.1%)	1.3%
Silver (USD per troy ounce)	60.4	60.8	(16.5%)	(5.4%)	0.8%
Oil (USD per barrel)	91.1	91.9	60.2%	(0.6%)	0.8%
Natural Gas (Henry Hub)	3.0	3.2	(11.0%)	0.8%	6.1%

Global Institutional Advisors

1202-B, Tower Plaza Hotel, Near Emirates Tower Metro Station, Sheikh Zayed Road, Dubai



	02-Oct-26	09-Oct-26	YTD Δ	MTD Δ	Weekly Δ
Currencies					
EUR/USD	1.1255	1.1200	(4.4%)	(1.7%)	(0.5%)
GBP/USD	1.3241	1.3234	(1.6%)	(0.1%)	(0.1%)
USD/INR	96.3212	96.7350	7.2%	1.0%	0.4%
CHF/USD	1.2066	1.2047	(4.5%)	(0.2%)	(0.2%)
USD/JPY	157.8500	158.3100	0.9%	0.7%	0.3%
Credit Markets					
US Treasury 10Y Yield (%)	5.27	5.24	104.71	7.74	(3.28)
German Bund 10Y	3.46	3.48	58.10	(12.00)	1.90
UK Gilt 10Y	5.366	5.443	90.65	7.70	7.70
Japan JGB 10Y	3.092	3.089	102.30	1.60	(0.30)
India G-Sec 10Y	7.213	7.299	69.28	18.00	8.60
China CGB 10Y	1.678	1.679	(17.60)	0.70	0.10
S&P BDC Index	46.553	45.660	(17.3%)	(4.4%)	(1.9%)
Policy Rates					
Fed Funds Rate (US)	4.000	4.000	25.00	-	-
BoE Bank Rate	3.750	3.750	-	-	-
BoJ Policy Rate	1.250	1.250	50.00	-	-
RBI Repo Rate	5.250	5.500	25.00	25.00	25.00

Key Economic Events – Week of 12–16 October

Date	Country/Region	Event	Period	Survey (Median)	Prior
Mon, 12 Oct	India	CPI YoY	Sep	5.57%	4.82%
Tue, 13 Oct	Germany	CPI YoY (Final)	Sep	3.30%	3.30%
Wed, 14 Oct	US	CPI / Core CPI (YoY)	Sep	3.60% / 2.50%	3.40% / 2.40%
Thu, 15 Oct	UK	Monthly GDP MoM	Aug	(0.10%)	0.40%
Thu, 15 Oct	US	Retail Sales Advance MoM	Sep	0.30%	1.10%
Thu, 15 Oct	US	PPI Final Demand YoY	Sep	5.40%	5.40%
Fri, 16 Oct	Euro Area	HICP YoY (Final)	Sep	3.80%	3.20%

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