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GLOBAL INSTITUTIONAL ADVISORS

Weekly Market Wrap

Key Market Developments

US equities fell as the post-election relief rally reversed, with the S&P 500 down 2.7% to 7,376.9, the Nasdaq down 4.9% and the Dow down 0.9%. Stocks rose on Wednesday after Democrats won both chambers, but on Thursday the S&P 500 fell 4.4%, its worst session since April 2025, and the Philadelphia Semiconductor Index fell 12.3%, as investors weighed tighter scrutiny of data centre permitting, weak semiconductor outlooks and doubts over AI productivity gains. A partial rebound on Friday did not recover the losses. Semiconductors ended the week down 12.1%, while healthcare (-0.1%) and financials (+1.1%) held up. In credit, Oracle announced a $20 billion stock and bond raise with bond coupons of 7.0% to 8.65%, while Apple sold about $7.5 billion of bonds at 55bp over Treasuries. High yield spreads widened to about 340bp, yet US investment grade and high yield indices both gained 0.4% as lower yields offset them. October payrolls rose 165,000, well above consensus, with unemployment at 4.1%. The 10-year yield fell 7bp to 4.86%, and CME FedWatch put a December hike at about 77%, up from about 67% a week earlier.

Technology-heavy Asian markets fell most: Korea 15.4% and Taiwan 12.3% (MSCI, USD), the Nikkei 9.3% and MSCI EM 4.1%. Hong Kong diverged, with the Hang Seng up 5.1% as investors rotated away from AI-linked markets. India was the main beneficiary, with the Sensex up 8.8% in its strongest week in about six years on reported foreign inflows of ₹45,960 crore, lower oil and limited exposure to debt-funded AI infrastructure, and it is up 11.8% over four weeks. Europe held up better (Stoxx 600 +0.2%). The Bank of England raised Bank Rate 25bp to 4.00% and signalled more to come unless the Middle East conflict eases. Oil fell sharply on hopes of de-escalation with Iran after the midterms (WTI -12.8% to $90.8, Brent about -16% to $98.3), while gold rose 5.1% to $4,071, pointing to demand for portfolio protection during the technology sell-off.

What We Are Watching – Week Starting 9th November

- **US inflation:** October CPI on Tuesday and PPI on Friday follow strong payrolls. A firm print would validate a December hike at the 8-9 December FOMC, while softer core inflation would give bonds and quality growth some relief.
- **CDS and bond spreads:** We continue to track CDS and spreads on lower-rated issuers to test whether markets will keep funding large AI capex.
- **Treasury auctions:** The 3-year ($58bn, Monday), 10-year ($42bn, Tuesday) and 30-year ($25bn, Thursday) auctions will test demand for duration amid heavy fiscal issuance. US bond markets are closed on Wednesday.
- **Oil and geopolitics:** US-Iran diplomacy remains unconfirmed and a permanent feature of the market calculus since the conflict began.
- **Asian data:** China reports CPI, PPI and trade, Japan reports PPI, and India reports CPI. A hot Indian CPI combined with a hawkish RBI (repo 5.50%) could stall the equity momentum.

GIA View

GIA ACTION VIEW: Stay invested but reduce dependence on the most capital-intensive AI exposures. Broaden toward quality, India and defensives without chasing the week's vertical moves. Keep bond duration controlled into CPI and Treasury supply, and retain strategic gold as portfolio insurance.

Equities:

- We have maintained a cautious stance for a long time as there were doubts about the over-extended rally.
- Economic data currently doesn't suggest a broad deceleration in growth.
- The rotation trade is intact and the non-tech sectors and markets have benefited from the pullback in tech stocks. We expect that to continue.
- We advocate increasing allocation to India.
- We believe the market will start differentiating between lower rated tech names and quality names such as MSFT and AAPL and also between pure AI plays and the broader tech sector. This dichotomy bears watching for potential entry opportunities to deploy cash.

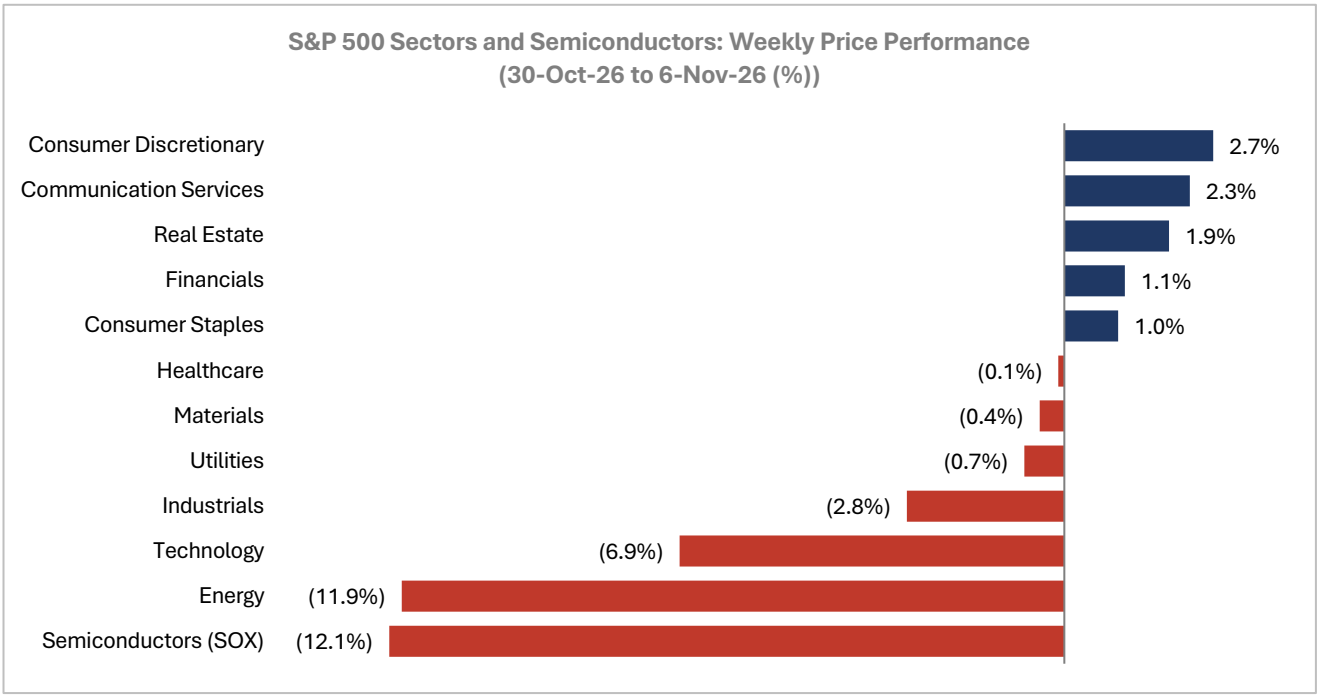
Rates:

- We continue to like short to mid-duration IG names.
- We are neutral on long-duration from an UW position previously.
- We would avoid chasing the rally and await further data on US CPI, jobs and growth to assess.

Commodities:

- Oil remains in a trading range and should only be traded with tight stops.
- Gold and precious metals is a strategic allocation which we recommend around 5%.
- Gold has rallied back above $4,000 and we will monitor to assess whether to add more or await a more favourable price below 200dma.

Chart of the week: Sector Divergence in the AI sell-off



Source: Bloomberg

Sector returns diverged by more than the index move suggests, with about 15 points between the best and worst. Semiconductors fell 12.1% on the reassessment of data centre timelines and costs after the election, while Energy fell 11.9% on lower crude, a macro effect rather than an AI one. Technology (-6.9%) and Industrials (-2.8%) also fell, while Consumer Discretionary (+2.7%) and Communication Services (+2.3%) led. The pattern indicates rotation within equities rather than a broad reduction in risk, with weakness concentrated in suppliers of AI hardware. This is our inference, and it matters for how long the rotation can run.

Asset Class Performance – Week Ending 6th November 2026

	Week ending >>>				
	30-Oct-26	**06-Nov-26**	**YTD Δ**	**MTD Δ**	**Weekly Δ**
Equity Indices					
S&P 500 (USD)	7,580.1	7,376.9	7.6%	(2.7%)	(2.7%)
NASDAQ (USD)	28,384.9	26,990.0	7.1%	(4.9%)	(4.9%)
Dow Jones (USD)	51,770.3	51,285.7	6.0%	(0.9%)	(0.9%)
MSCI EM Index (USD)	1,566.6	1,502.3	5.1%	(4.1%)	(4.1%)
SENSEX (INR)	74,459.5	81,028.0	(5.5%)	8.8%	8.8%
Stoxx 600 (EUR)	646.8	648.3	8.8%	0.2%	0.2%
Nikkei (JPY)	63,290.1	57,434.8	14.1%	(9.3%)	(9.3%)
Hang Seng (HKD)	23,294.4	24,481.9	(7.0%)	5.1%	5.1%
Commodities					
Gold (USD per troy ounce)	3,874.6	4,070.8	(6.0%)	5.1%	5.1%
Silver (USD per troy ounce)	49.1	51.9	(28.7%)	5.7%	5.7%
Oil (USD per barrel)	104.1	90.8	58.5%	(12.8%)	(12.8%)
Natural Gas (Henry Hub)	2.9	3.0	(17.1%)	3.5%	3.5%

	30-Oct-26	06-Nov-26	YTD Δ	MTD Δ	Weekly Δ
Currencies					
EUR/USD	1.1160	1.1143	(4.9%)	(0.2%)	(0.2%)
GBP/USD	1.3391	1.3352	(0.8%)	(0.3%)	(0.3%)
USD/INR	94.9550	93.9175	4.1%	(1.1%)	(1.1%)
CHF/USD	1.2121	1.2188	(3.4%)	0.6%	0.6%
USD/JPY	157.5600	158.4800	1.0%	0.6%	0.6%
Sovereign Benchmarks (10Y)					
US Treasury 10Y Yield (%)	4.93	4.86	69.21	(7.15)	(7.15)
German Bund 10Y	3.32	3.25	39.10	(6.80)	(6.80)
UK Gilt 10Y	5.28	5.15	77.98	(13.00)	(13.00)
Japan JGB 10Y	2.88	2.81	72.30	(7.00)	(7.00)
India G-Sec 10Y	7.41	7.19	54.99	(22.40)	(22.40)
China CGB 10Y	1.64	1.59	(28.30)	(4.80)	(4.80)
S&P BDC Index	46.41	47.07	(14.8%)	1.4%	1.4%
Policy Rates					
Fed Funds Rate (US)	4.000	4.000	25.00	-	-
BoE Bank Rate	3.750	4.000	25.00	25.00	25.00
BoJ Policy Rate	1.250	1.250	50.00	-	-
RBI Repo Rate	5.500	5.500	25.00	-	-
Short-End Yields (2Y)					
US Treasury 2Y	4.588	4.512	97.94	(7.61)	(7.61)
German Schatz 2Y	3.042	2.992	88.54	(5.00)	(5.00)
UK Gilt 2Y	4.867	4.765	112.14	(10.20)	(10.20)

Key Economic Events – Week of 9–13 November

Date	Country/Region	Event	Period	Survey (Median)	Prior
Mon, 9 Nov	China	CPI YoY / PPI YoY	Oct	0.80% / 5.30%	0.90% / 5.00%
Tue, 10 Nov	US	CPI MoM / Core CPI MoM	Oct	0.30% / 0.20%	0.60% / 0.30%
Thu, 12 Nov	India	CPI YoY	Oct	6.00%	5.54%
Thu, 12 Nov	Japan	PPI YoY	Oct	6.50%	6.80%
Thu, 12 Nov	UK	GDP QoQ (Preliminary)	3Q	0.70%	0.50%
Thu, 12 Nov	US	Initial Jobless Claims	7-Nov	195k	189k
Fri, 13 Nov	US	PPI Final Demand MoM / YoY	Oct	0.40% / 6.60%	1.30% / 6.30%

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