

EXECUTIVE KEY TAKEAWAY

Global markets faced renewed selling pressure as concerns over AI valuations, persistent inflation and escalating Middle East tensions dominated sentiment. A sharp selloff in semiconductor stocks weighed on global equities, while investors sought safety in Treasuries and gold. US inflation data revealed broad-based price pressures, reinforcing uncertainty over the Federal Reserve's policy outlook amid elevated sovereign bond yields. Meanwhile, attacks on Saudi energy infrastructure kept oil prices elevated, adding to inflation risks. Despite market weakness, strong AI-related demand continued to support the sector's long-term fundamentals, although rising financing costs and credit concerns highlighted growing risks to AI infrastructure investment.

1. NEED TO KNOW

Geopolitics & Corporate

Global Chip Selloff Deepens Amid AI Valuation Concerns

A sharp selloff in semiconductor stocks weighed on global equities as investors reassessed elevated AI valuations and infrastructure spending risks. South Korea's chip-heavy market suffered steep losses, while Nasdaq futures declined. Even strong earnings from technology companies struggled to reassure investors amid growing concerns over the AI trade.

Middle East Escalation Keeps Oil Markets on Edge

Houthi attacks on Saudi Arabia, including strikes on airports and Aramco's headquarters, heightened concerns over regional energy security. Brent crude climbed above \$106 per barrel as tensions intensified, while an attack on a vessel in the Strait of Hormuz reinforced supply disruption risks.

Sovereign Bond Yields Raise Financial Stability Concerns

The IMF warned that surging government bond yields represent a major emerging risk to global financial stability. Mounting fiscal pressures, particularly in Europe, added to concerns over sovereign debt sustainability. Although Treasuries rallied amid the equity selloff, elevated borrowing costs remained a key challenge for global markets.

2. THE OFFSHORE LENS

South African Market Context

Pair / Index	Ticker / Region	Price	1W %
JSE TOP 40	EM (South Africa)	103,230.22	2.45%
USD/ZAR	South Africa	16.43	-0.64%

South African investors faced a volatile global backdrop as persistent US inflation, rising geopolitical risks and weakness in technology stocks shaped market sentiment. Movements in USD/ZAR remained a key factor influencing rand-denominated returns on offshore investments, while the JSE Top 40 reflected the interaction between domestic market conditions and broader global risk appetite.

3. MACRO

Global Economy & Central Banks

US Inflation Reinforces Fed Policy Uncertainty

September US inflation data revealed broad-based price pressures, complicating the Federal Reserve's policy outlook. Fed official Austan Goolsbee described the report as discouraging, while John Williams suggested aggressive rate hikes may not be necessary in 2027. Persistent inflation and elevated borrowing costs continued to shape expectations for monetary policy.

Global Central Banks Face Energy-Driven Inflation Risks

European policymakers remained cautious as elevated energy prices complicated the inflation outlook. ECB President Christine Lagarde noted that energy-driven inflation had yet to spread broadly across the euro-area economy, while other officials signaled the possibility of further tightening. In the UK, Bank of England officials warned that resilient economic activity and rising energy costs could sustain inflationary pressures.

4. THEME | AI SECTOR

Growth vs. Valuation Risks

Strong AI infrastructure demand persisted despite the broader technology selloff and mounting valuation pressures. ASML warned that supply would fall short of customer demand in 2027–2028, while TSMC reported better-than-expected quarterly profits. However, elevated borrowing costs and credit concerns surrounding CoreWeave highlighted growing financing risks, underscoring the divergence between robust AI demand and increasingly cautious investor sentiment.

5. Chart of the Week

Oil Market | Strait of Hormuz Supply Risks

Brent call skew has room to bounce as persistent supply risk yet to be priced.



6. CROSS-ASSETS

Global Markets Overview

1. GLOBAL EQUITY INDICES (US, EMEA, APAC, EM)

Index Name	Region	Last	1W %
S&P 500	Americas (USA)	7,659.44	-1.95%
Nasdaq 100	Americas (USA)	29,187.55	-5.49%
Dow Jones	Americas (USA)	52,002.41	0.67%
Russell 2000	Americas (USA)	2,721.37	-3.05%
DAX 40	Europe (GER)	25,622.61	2.13%
FTSE 100	Europe (UK)	10,881.90	3.13%
Nikkei 225	Asia (JPN)	65,324.29	-5.37%
Hang Seng Index	Asia (HK)	24,186.83	-0.10%
Shanghai Comp.	Asia (CHN)	3,716.28	-2.56%

2. FOREIGN EXCHANGE

Pair / Index	Ticker / Region	Price	1W %
US Dollar Index	DXY / Global USD	101.84	-0.37%
EUR/USD	Eurozone	1.12	0.35%
GBP/USD	United Kingdom	1.33	0.70%
USD/BRL	Brazil	5.06	1.52%

3. METALS (PRECIOUS & INDUSTRIAL)

Metal	Asset Type / Unit	Price	1W %
Spot Gold	Precious (oz)	\$4,165.58	-0.68%
Spot Silver	Precious (oz)	\$56.99	-6.30%
Spot Platinum	Precious (oz)	\$1,635.12	-3.39%
LME Copper	Industrial (ton)	\$14,496.93	-1.22%
LME Aluminum	Industrial (ton)	\$3,005.16	-0.94%

4. ENERGY COMMODITIES

Energy	Asset Type / Unit	Price	1W %
WTI Crude Oil	Crude (bbl)	\$101.41	10.41%
Brent Crude Oil	Crude (bbl)	\$109.86	4.91%
Natural Gas	Gas (MMBtu)	\$3.12	-3.23%

5. CRYPTOCURRENCIES

Crypto	Symbol	Price	1W %
Bitcoin	BTC	\$81,632.18	-0.98%
Ethereum	ETH	\$2,424.94	-2.27%
Solana	SOL	\$103.95	-4.58%
Binance Coin	BNB	\$720.71	-2.60%

7. EVENTS CALENDAR (OCT 19–23 · SAST)

Daily Key Triggers & Earnings Schedule

KEY ECONOMIC EVENTS

Time	Event	Fcst. / Prev.
TUE, OCT 20		
14:30	Housing Starts (Sep)	— / 1.275M
14:30	Building Permits (Sep)	— / 1.403M
16:00	Pending Home Sales (Sep)	— / 0.3%
THU, OCT 22		
14:30	Initial Jobless Claims	— / —
14:30	Continuing Jobless Claims	— / —
FRI, OCT 23		
15:45	S&P Global Services PMI (Oct, P)	— / 58.8
15:45	S&P Global Manufacturing PMI (Oct, P)	— / 55.9
16:00	Michigan Consumer Sentiment	46.3 / 48.1
16:00	Michigan 1Y Inflation Exp.	4.7% / 4.7%

UPCOMING EARNINGS

Date	Ticker	Time	Company
Oct 19 (Mon)			
	FITB	BMO	Fifth Third Bancorp
Oct 20 (Tue)			
	GE	BMO	GE Aerospace
	RTX	BMO	RTX Corporation
	NFLX	AH	Netflix
	GM	BMO	General Motors
	MMM	BMO	3M
Oct 21 (Wed)			
	PM	BMO	Philip Morris International
	META	AH	Meta Platforms
	TSLA	AH	Tesla
	IBM	AH	IBM
Oct 22 (Thu)			
	PG	BMO	Procter & Gamble
	LMT	BMO	Lockheed Martin
	WDC	AH	Western Digital
	SPOT	BMO	Spotify
Oct 23 (Fri)			
	AXP	BMO	American Express
	SLB	BMO	SLB