

EXECUTIVE KEY TAKEAWAY

Global equity markets remained volatile as investors reassessed AI valuations, rising infrastructure financing costs and mixed technology earnings. A rebound in semiconductor stocks proved uneven, while concerns over the sustainability of AI-related spending continued to weigh on sentiment. Meanwhile, escalating Middle East tensions pushed oil prices higher, reinforcing global inflation risks and complicating the outlook for monetary policy. Accelerating UK inflation added to these concerns, while corporate bond risk premiums reached their highest level since May 2025, signaling broader risk aversion.

1. NEED TO KNOW

Geopolitics & Corporate

Mixed Tech Earnings Renew Concerns Over AI Investment Returns

Global technology stocks faced renewed pressure as mixed earnings from Meta and Tesla raised doubts about the sustainability of AI-related spending. Rising borrowing costs also weighed on AI-focused companies, with SoftBank's market value falling sharply from its June peak. Investors increasingly questioned whether substantial infrastructure investments could deliver sustainable returns.

Middle East Tensions Raise Risks of a Global Inflation Shock

Renewed attacks in Saudi Arabia heightened concerns over energy security and potential oil supply disruptions. Brent crude climbed above \$115 per barrel on Friday, while Bloomberg Economics warned that a broader conflict involving Iran could push oil toward \$130 per barrel and global inflation to 5% by year-end. Prolonged instability could intensify price pressures and complicate monetary policy decisions.

Chinese Equities Slide Toward Bear Market Territory

China's CSI 300 Index approached bear market territory after declining approximately 20% from its June peak, reflecting weakening investor confidence. The selloff coincided with pressure on Asian technology stocks, as Wall Street's semiconductor rebound failed to extend across regional markets. Renewed selling in South Korean equities highlighted persistent valuation concerns and fragile investor sentiment.

2. THE OFFSHORE LENS

South African Market Context

Pair / Index	Ticker / Region	Price	1W %
JSE TOP 40	EM (South Africa)	99,990.91	-3.14%
USD/ZAR	South Africa	16.56	0.79%

South Africa's annual inflation rose to 4.5% in September from 4.4%, below the 4.7% forecast, bringing domestic price pressures into focus amid rising global energy costs. Meanwhile, authorities signaled plans to tighten fiscal rules to constrain government spending and strengthen budget discipline.

3. MACRO

Global Economy & Central Banks

China's Economic Growth Exceeds Expectations

China's economy expanded 4.5% year-on-year in the third quarter, exceeding forecasts and bringing Beijing's annual growth target within reach. The stronger performance reduced expectations of additional policy easing, while signs of stabilization in the property market offered further support to the economic outlook. Nevertheless, the sustainability of the recovery remains an important consideration for investors assessing China's growth prospects.

Bank of Japan Rate Hike Expectations Rise

More than 80% of Bank of Japan observers anticipate an interest rate increase in December, reflecting expectations of further monetary policy normalization. Japan's inflation reached 2.1% in September, exceeding the BOJ's 2% target for the first time this year. A potential rate increase would mark another step away from the country's historically accommodative monetary policy, with implications for Japanese bonds and the yen.

4. THEME | AI SECTOR

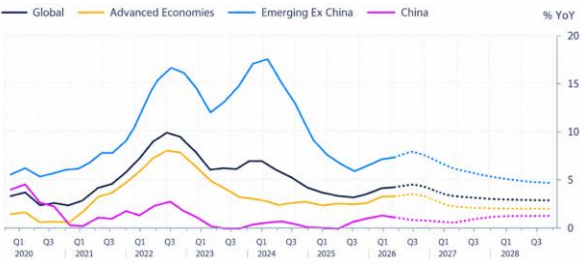
AI Earnings Divergence

The AI investment landscape is increasingly divided between companies with improving earnings prospects and more cyclical players. Earnings estimates have risen since June for Nvidia, AMD and ASML, while declining for Micron, SK Hynix and CoreWeave. Meanwhile, Goldman Sachs reported that hedge funds cut technology exposure at the fastest pace in at least a decade, highlighting growing investor selectivity and the need for fresh catalysts among weaker performers.

5. Chart of the Week

Global Inflation | Regional Divergence

Bloomberg Economics forecasts highlight regional differences in inflation trends



6. CROSS-ASSETS

Global Markets Overview

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

Index Name	Region	Last	1W %
S&P 500	Americas (USA)	7,623.68	-0.47%
Nasdaq 100	Americas (USA)	28,957.53	-0.79%
Dow Jones	Americas (USA)	52,215.16	0.41%
Russell 2000	Americas (USA)	2,775.90	2.00%
DAX 40	Europe (GER)	25,181.65	-1.72%
FTSE 100	Europe (UK)	10,690.36	-1.76%
Nikkei 225	Asia (JPN)	62,693.16	-4.03%
Hang Seng Index	Asia (HK)	23,093.37	-4.52%
Shanghai Comp.	Asia (CHN)	3,690.48	-0.69%

2. FOREIGN EXCHANGE

Pair / Index	Ticker / Region	Price	1W %
US Dollar Index	DXY / Global USD	101.75	-0.08%
EUR/USD	Eurozone	1.12	-0.33%
GBP/USD	United Kingdom	1.34	0.35%
USD/BRL	Brazil	4.98	-1.65%

3. METALS (PRECIOUS & INDUSTRIAL)

Metal	Asset Type / Unit	Price	1W %
Spot Gold	Precious (oz)	\$3,996.10	-4.07%
Spot Silver	Precious (oz)	\$53.89	-5.44%
Spot Platinum	Precious (oz)	\$1,553.31	-5.00%
LME Copper	Industrial (ton)	\$14,198.67	-2.06%
LME Aluminum	Industrial (ton)	\$3,032.48	0.91%

4. ENERGY COMMODITIES

Energy	Asset Type / Unit	Price	1W %
WTI Crude Oil	Crude (bbl)	\$103.27	1.83%
Brent Crude Oil	Crude (bbl)	\$116.82	6.34%
Natural Gas	Gas (MMBtu)	\$2.64	-15.28%

5. CRYPTOCURRENCIES

Crypto	Symbol	Price	1W %
Bitcoin	BTC	\$81,328.65	-0.37%
Ethereum	ETH	\$2,399.77	-0.53%
Solana	SOL	\$103.80	-0.14%
Binance Coin	BNB	\$741.18	2.84%

7. EVENTS CALENDAR (OCT 26–30 · SAST)

Daily Key Triggers & Earnings Schedule

KEY ECONOMIC EVENTS

Time	Event	Fcst. / Prev.
TUE, OCT 27		
14:30	US Durable Goods Orders (Sep, MoM)	— / -0.1%
16:00	US CB Consumer Confidence (Oct)	— / 81.9
16:00	US New Home Sales (Sep)	— / 684K
WED, OCT 28		
20:00	Fed Interest Rate Decision	— / 4.0%
20:30	FOMC Press Conference	— / —
THU, OCT 29		
14:30	US GDP (Q3, advance)	— / 2.2%
14:30	US Core PCE Price Index (Sep, MoM)	— / 0.2%
14:30	US Core PCE Price Index (Sep, YoY)	— / 3.0%
14:30	Initial Jobless Claims	— / —
FRI, OCT 30		
14:30	Employment Cost Index (Q3)	— / 0.9%
15:45	Chicago PMI (Oct)	— / 58.8

UPCOMING EARNINGS

Date	Ticker	Time	Company
Oct 26 (Mon)			
VZ	BMO		Verizon
Oct 27 (Tue)			
KO	BMO		Coca-Cola
BA	BMO		Boeing
V	AH		Visa
Oct 28 (Wed)			
GEV	BMO		GE Vernova
MSFT	AH		Microsoft
GOOGL	AH		Alphabet
UBS	BMO		UBS Group
Oct 29 (Thu)			
LLY	BMO		Eli Lilly
MA	BMO		Mastercard
CAT	BMO		Caterpillar
AMZN	AH		Amazon
INTC	AH		Intel
Oct 30 (Fri)			
XOM	BMO		Exxon Mobil
CVX	BMO		Chevron