

# WEEKLY MARKET OUTLOOK



## 01

EXECUTIVE  
SUMMARY

A softer US labour market eased expectations of another Fed hike, but longer-dated bonds continued to sell off. Friday's payrolls miss and a 0.1% rise in hourly earnings pushed the probability of a hold in October to 77%, lifting equities after declines through Thursday. The 2-year Treasury yield fell 3 basis points over the week, while the 10-year rose 7 and the 30-year 12, steepening the curve for a second consecutive week. In equities Technology provided support to the index. Semiconductors gained 3.69% and Nvidia rose 3.95%, reaching a

record intraday high on Friday, while the Dow fell 1.26% and small caps slipped 0.16%. European equities fell across the board, with France and Italy among the weakest markets. The dollar gained 0.95% despite lower hike expectations, while gold lost 3.68% and silver 6.64%. Oil finished lower after an early spike, with Brent down 1.98% as the G7 and European nations agreed to release 100 million barrels from reserves. Softer employment data relieved pressure on short-term rates, but persistent selling at the long end remains a challenge for equity.

## 02

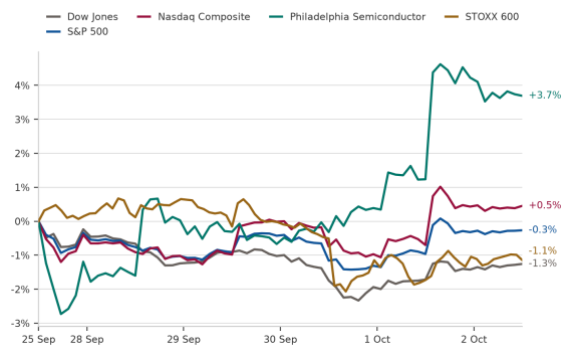
WEEK IN  
REVIEW

US equities slid through Thursday, with the Dow down as much as 2.3% and the S&P 500 as much as 1.4%, before Friday's payrolls miss lifted the whole tape and sent semiconductors up about 3% at the open. Nvidia gained 3.95% and reached a record intraday high on Friday, with the S&P 500 closing within 1% of its all-time high. Meta fell 3.14%, giving back part of last week's 12.99%, Apple lost 2.16%, and AMD paused at +0.52% after three weeks of gains above 8%. The VIX rose 2.96% to 15.31, still a calm reading.

Europe fell across the board after last week's modest rise: FTSE MIB -2.67%, CAC 40 -2.24%, FTSE 100 -2.18%, STOXX 600 -1.14% and DAX -0.70%. Asia split. KOSDAQ gained 5.78% and the Nikkei 2.93%, while Sensex fell 2.69%, Hang Seng 2.19% and KOSPI 1.09%.

The bond market spent the week between oil and the data. Monday's crude spike lifted hike pricing and sent

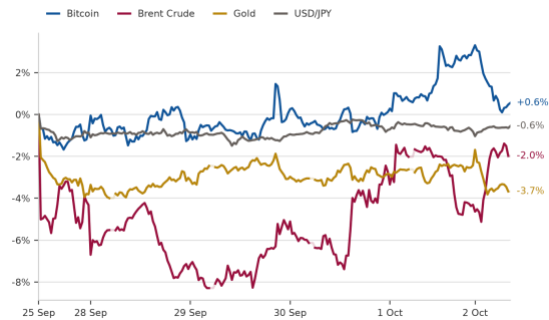
gold down 3% to its lowest since 5 August.



*Equities slid until Thursday and recovered on Friday after the payrolls miss. Semiconductors jumped at Friday's open to finish clear of the pack. The Dow was the weakest US line, and only the Nasdaq Composite and semiconductors ended above where they started.*

Treasury yields eased on Thursday from the multi-decade highs of recent sessions, and Friday's payrolls cut hike odds further. Hourly earnings rose just 0.1%. The front end rallied, but the 10-year finished up 7bp and the 30-year up 12bp. The 20+ year Treasury ETF fell 1.93% and regional banks 1.08%.

Gold's second straight weekly loss followed last week's 2.34%, with silver down 6.64% and copper 3.04% as EUR/USD fell 1.03%. Brent fell 1.98% and WTI 1.41%. US natural gas dropped 5.04% while European gas rose 3.73%. The yen recovered 0.56% against the dollar after last week's 1.72% fall. Bitcoin added 0.55% and Ethereum lost 0.83%.



*Gold fell early in the week, recovered by Wednesday and slid again on Friday. Bitcoin jumped on Friday morning and gave most of it back. Brent rallied hard on Thursday but still finished lower. The dollar-yen line stayed in a narrow range below its start.*

Payrolls gave the front end what it wanted and gave the long end nothing. A softer labor market weakens the case for hikes, but it does not touch the supply and term-premium story driving the 10-year and 30-year. With the VIX at 15.31, equities are priced as if that doesn't matter.

## 03

## MACRO OUTLOOK

| Macro Outlook |        | October 2026 – Calendar Week 41 |                                        |                                                |                          |  |
|---------------|--------|---------------------------------|----------------------------------------|------------------------------------------------|--------------------------|--|
|               | Monday | Tuesday                         | Wednesday                              | Thursday                                       | Friday                   |  |
| Eurozone/UK   | -      | Euro-area Retail Sales (Aug)    | -                                      | -                                              | -                        |  |
|               |        |                                 | NY Fed Survey of Consumer Expectations | Fed Governor Waller Speech (Outlook)           | -                        |  |
| US/Canada     | -      | U.S. International Trade (Aug)  | Japan Wages                            | Japan 30-Year JGB Auction; BoJ Regional Report | Japan Household Spending |  |
|               |        |                                 |                                        |                                                |                          |  |
| Asia          | -      | Japan 10-Year JGB Auction       |                                        |                                                |                          |  |

### What we're watching & why

Tuesday's euro-area retail sales for August are the first hard spending read after July's 0.6% monthly drop. Another weak print would strengthen the demand-slowdown case for European equities, the euro and rate expectations, while a broad rebound would point to resilience. US international trade for August lands the same day, and the split between exports and imports matters more than the deficit: a narrower gap driven by falling imports signals softer domestic demand, not strength.

Japan's 10-year and 30-year auctions on Tuesday and Thursday test demand for Japanese duration: the bid relative to the amount offered, the clearing level versus the market, and whether yields stay elevated afterwards. A weak 30-year followed by selling that spreads beyond JGBs is the main worry. Wednesday's wages, Thursday's BoJ regional report and Friday's household spending should be read together, as stronger pay with stronger spending supports a tighter policy case.

Wednesday's NY Fed Survey of Consumer Expectations matters most for whether longer-term inflation expectations rise alongside worsening household finances, which would be more uncomfortable than either alone. On Thursday, Fed Governor Waller speaks on the

economic outlook after the latest payrolls. Watch for a change in the evidence he requires for the next policy move, not isolated hawkish or dovish wording.

## 04

## SECTOR COMMENTARY

**Financials****-2.6%**

Weakest sector, down for a second week despite the steeper curve. Regional banks fell 1.08% as investment grade and high yield credit sold off.

**Industrials****+0.7%**

Modestly higher in a week the Dow fell 1.26%, and one of only four sectors to gain.

**Health Care****-2.6%**

Second weakest, more than reversing last week's 0.9% gain as defensives sold off with long yields (Consumer Defensive -2.2%, Real Estate -2.1%)

**Information  
Technology****+1.8%**

Strongest sector again, though narrower than last week's +3.1%. Semiconductors rose 3.69% and Nvidia 3.95%, while Apple fell 2.16% and AMD paused at 0.52%

**Energy****+0.7%**

Recovered from last week's 2.9% loss, WTI -1.41% and Brent -1.98%. European gas rose 3.73% while US natural gas fell 5.04%

**Materials****-2.2%**

Lower again as metals sold off against a firmer dollar: silver - 6.64%, gold -3.68% and copper - 3.04%, with no copper offset this time.

**Communication  
Services****-1.7%**

Gave back last week's 1.6% gain as Meta fell 3.14% after its 12.99% jump. Alphabet slipped 0.12%.

05

## MARKET SOLUTIONS

| Short-to-Medium Term Tactical Solutions |              |                                                                                                                                                                                                                  |                                                                                                                                                                                                          |
|-----------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         |              | Base Case                                                                                                                                                                                                        | Key Risks                                                                                                                                                                                                |
| Investment Backdrop                     | Macro        | <ul style="list-style-type: none"> <li>Payrolls missed by a wide margin and October hold odds rose to 77%. Last week's key risk played out. The Fed raised rates on 16 September to 3.75–4.00%.</li> </ul>       | <ul style="list-style-type: none"> <li>Hold pricing rests on one print and on oil. Monday's crude spike took hike odds back toward 70% before payrolls cut them.</li> </ul>                              |
|                                         | Fixed Income | <ul style="list-style-type: none"> <li>Keep duration light. The 30-year added 12bp and the 10-year 7bp while the 2-year fell 3bp, steepening 2s10s by about 10bp for a second week.</li> </ul>                   | <ul style="list-style-type: none"> <li>Soft data helps the front end only. JGB auctions on Tuesday and Thursday test the global long end, and supply pressure does not ease with weaker jobs.</li> </ul> |
|                                         | Equities     | <ul style="list-style-type: none"> <li>Stay selective. Semiconductors rose 3.69% while the Dow fell 1.26% and the Russell 2000 0.16%, so leadership is still narrow. All major European indices fell.</li> </ul> | <ul style="list-style-type: none"> <li>The VIX at 15.31 sits calmly beside multi-decade bond yields. Long-duration growth is the most exposed if the long end resumes its rise.</li> </ul>               |
|                                         | Alternatives | <ul style="list-style-type: none"> <li>Metals extended losses: silver -6.64% and gold -3.68%, its second weekly decline. Oil slipped as the G7 and European nations agreed to release 100m barrels</li> </ul>    | <ul style="list-style-type: none"> <li>Oil is the swing factor for rate pricing. Monday's spike cost gold 3% in a morning, and a stock release is a stopgap rather than new supply.</li> </ul>           |
|                                         | FX           | <ul style="list-style-type: none"> <li>Hold dollar exposure. The index rose 0.95% and EUR/USD fell 1.03% even as hike odds dropped, so rate support was not the only driver. The yen recovered 0.56%.</li> </ul> | <ul style="list-style-type: none"> <li>A second soft US print or a dovish Waller would test the dollar's resilience. Rising JGB yields could extend the yen's recovery</li> </ul>                        |

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## REFERENCES AND SOURCES

CNBC, Reuters and Bloomberg market wraps; the Bureau of Labor Statistics for the September employment report; CME FedWatch for Fed rate probabilities; Associated Press for US index closes; Trading Economics for yields, Brent, index and commodity data; Trading Economics economic calendar; Finviz sector and industry performance; TradingView S&P sector performance data; yfinance, the FRED API and Python for the graphs.

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