Weekly Market Report
Week 4

September 21 - 25, 2026

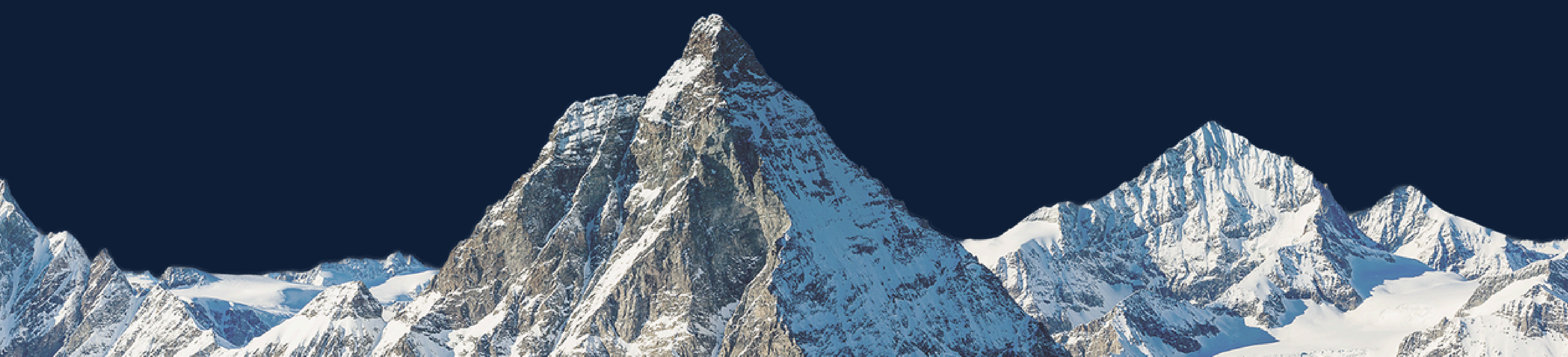
Global equities advanced despite Treasury yields above 5%, as resilient economic data, easing geopolitical and trade concerns, and renewed strength in technology supported risk assets.

1) Treasury yields above 5% kept financial conditions under pressure

The U.S. 10-year Treasury yield climbed above 5.15%, reaching its highest level since 2007, as markets continued to price a higher-for-longer interest-rate environment.

At the same time, the 2s10s spread narrowed to around 17 basis points, bringing the yield curve closer to inversion, while the average 30-year mortgage rate reached 7.03%, adding further pressure to housing and financing conditions.

For investors, the move reinforced the tension between restrictive financial conditions and the continued resilience of risk assets, keeping long-term interest rates at the center of the market outlook.

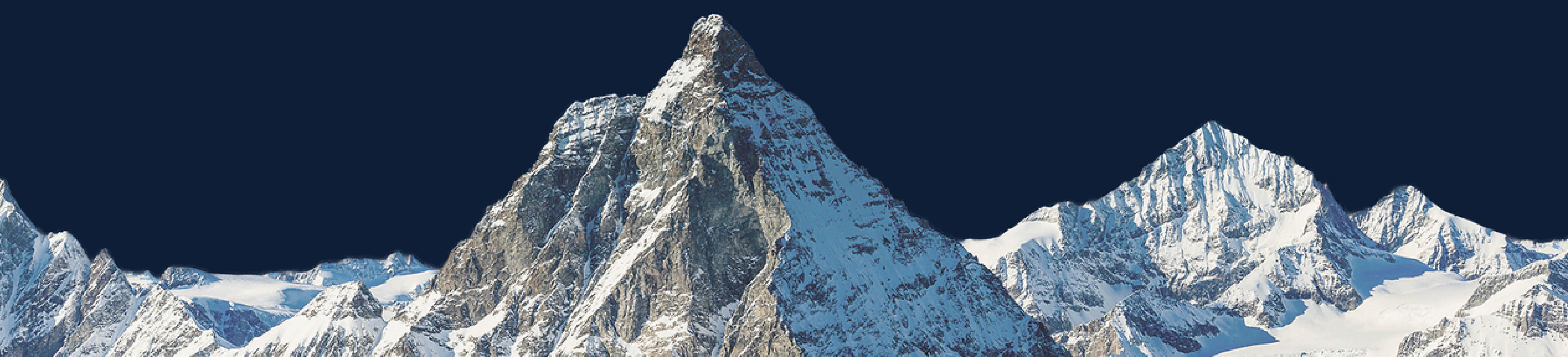


2) Labor-market resilience reduced the urgency for policy easing

The U.S. labor market remained firm, with initial jobless claims falling to 197,000, below expectations of 201,000 and down from 198,000 in the previous week.

Claims remain near multi-decade lows despite elevated interest rates and energy costs, suggesting that labor-market conditions continue to provide support to the broader economy.

This resilience gives the Federal Reserve less urgency to ease monetary policy, reinforcing the possibility that interest rates may remain elevated for longer as financial conditions remain restrictive.



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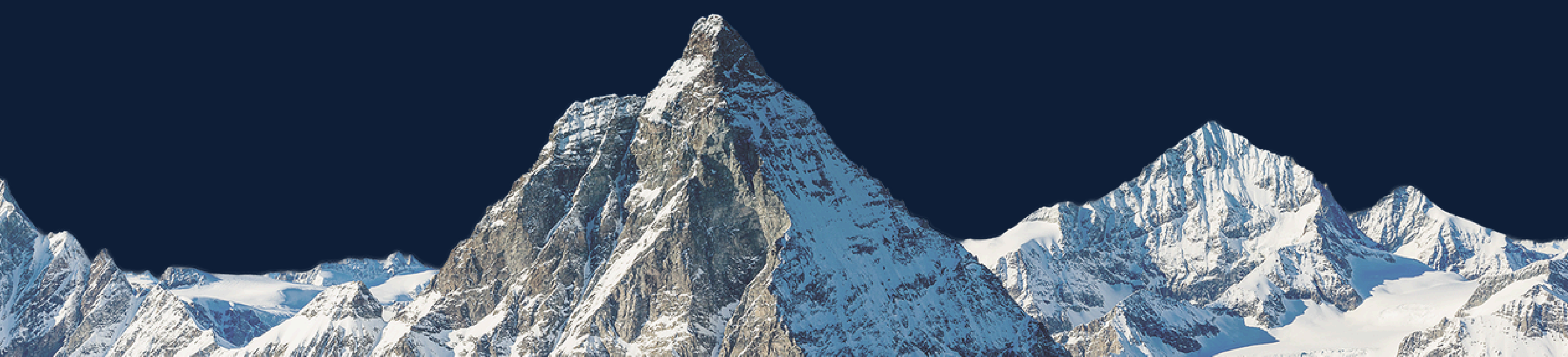
3) Oil prices eased as hopes of reopening the Strait of Hormuz increased

WTI crude ended the week around USD 92 per barrel, declining 3.8%, as reports that Washington and Tehran were discussing a phased restoration of commercial traffic through the Strait of Hormuz helped ease concerns about global energy supply.

Energy risks nevertheless remained elevated. U.S. diesel prices stayed near record levels, while the administration continued to evaluate possible measures to restrict diesel exports.

The decline in oil provided some relief to the inflation outlook during the week, but persistent geopolitical uncertainty means energy prices remain an important variable for both inflation and monetary policy.

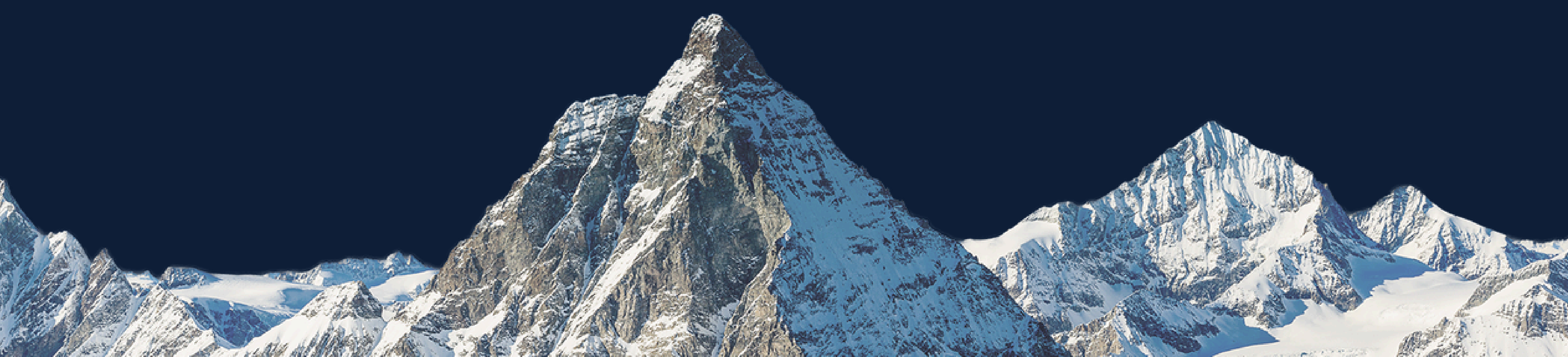


4) U.S.–China trade tensions eased, but uncertainty remained

The United States and China agreed to extend their trade truce by two months, until January 10, giving negotiators additional time to work toward a broader agreement.

The extension reduced the immediate risk of renewed trade escalation, although the Trump–Xi summit produced few significant breakthroughs beyond maintaining the existing truce.

For markets, the agreement removed a near-term source of uncertainty without fundamentally changing the longer-term trade relationship, leaving investors attentive to the next stage of negotiations.



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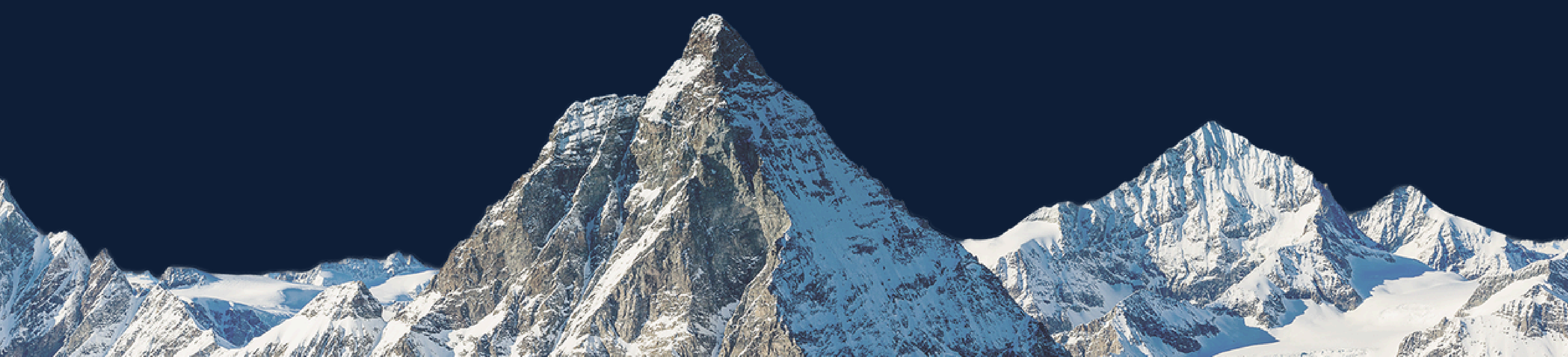
5) Technology and AI led equities higher despite elevated yields

Technology stocks outperformed the broader U.S. market during the week, with the Nasdaq 100 gaining 2.05% compared with a 1.21% advance for the S&P 500, despite Treasury yields remaining above 5%.

AI-related companies remained an important source of market strength, reinforcing the structural momentum behind investment in computing capacity and digital infrastructure.

At the same time, the scale of the investment cycle is attracting greater scrutiny. Estimates suggesting that U.S. AI infrastructure could require USD 10.3 trillion through 2032, alongside potential delays in Oracle's 2.45-GW Project Jupiter data center, reinforcing the growing importance of execution, capital discipline and returns on investment.



Weekly Performance | Major Indices

Sources: XP Research, Bloomberg, Reuters, WSJ, Julius Baer, Investing.com

Index	Weekly Change	Observation
S&P 500	+1.21%	U.S. equities advanced as resilient economic data and easing geopolitical and trade concerns supported risk assets despite Treasury yields remaining above 5%.
Nasdaq 100	+2.05%	Technology stocks outperformed the broader market, supported by continued strength in AI-related investment despite elevated yields and growing scrutiny around infrastructure spending.
Euro Stoxx 600	+0.81%	European equities moved higher as easing energy and trade concerns contributed to a more constructive environment for risk assets.
Nikkei 225	+2.07%	Japanese equities posted the strongest gain among the major indices, benefiting from the broader improvement in global risk sentiment during the week.

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