

Weekly Market Update

Global markets rode a wave of cautious optimism as the Fed's rate cut and easing US-China tensions buoyed sentiment, while Europe and the UK paused amid disinflation and weak growth; geopolitical risks from Gaza and oil markets kept volatility high.

US

The Federal Reserve cut its policy rate by 25 bps (to a 3.75–4.00% range) on 29 October, its second cut of 2025, citing a weakening labour market and the complication of missing government data during the US shutdown.

Equity markets hit fresh record highs early in the week as investors cheered a US-China trade framework and softer US inflation prints that raised odds of further Fed easing.

Policy uncertainty and recession chatter persisted: commentary and consumer surveys flagged recession fears despite the rally – markets balancing optimism on trade vs. worries about growth and jobs.

Political/geo-economic headlines (Trump administration trade moves and tariff decisions) continued to shape market sentiment and corporate guidance going into earnings season.

UK

Bank of England (BoE) policy discussion centred on whether to pause or begin easing – markets and analysts were split but many expected the BoE to hold at its November meeting while pricing a cut later, amid easing inflation but weaker growth signals.

UK inflation remained well above target (sticky services and food components), keeping the BoE cautious even as voters and markets watch the upcoming autumn budget.

Corporate/market headlines: a mix of corporate news (listings, M&A scrutiny such as Greencore-Bakkavor) and sectoral weakness in retail and SMEs fed volatility in domestic markets.

Energy/industrial stress: UK oil-service insolvency (Petrofac administration) and ongoing questions around energy/renewables policy added to regional risk.

Europe

The ECB held rates on 30 October and signalled a data-dependent approach as euro-area inflation eased toward ~2.1% (October preliminary), supporting the decision to pause.

EU leaders continued to focus on defence/Ukraine support and on politically sensitive financing solutions (debate over frozen Russian assets and an asset-backed loan for Ukraine), exposing internal divisions even as commitments continue.

Markets took the ECB pause as confirmation that disinflation is proceeding – bond yields and equity moves were modest as investors pushed any bigger easing bets into later months.

Additional EU sanctions and export controls continued to shape trade-sensitive sectors (energy, defence, dual-use tech) and complicate corporate supply chains.

Global

US-China talks produced a modest trade framework (tariff rollbacks/market access steps reported) that helped trigger a global risk-on move and lifted Chinese equities initially.

The Bank of Japan held policy steady (end-Oct decision), but Governor Ueda used unusually hawkish language – markets took that as a clear signal a rate hike (to 0.75%) could be imminent (Dec/Jan window).

Even though a ceasefire that began on 10 October is nominally in place, Israeli air-strikes and artillery continue in Gaza. A meeting in Istanbul (with Turkey, Qatar, Saudi Arabia, UAE, Jordan, Pakistan, Indonesia) is expected to push for a Palestinian-led security/administration role in Gaza and renew pressure on Israel over the ceasefire terms.

Middle East / commodity geopolitics remained a background risk (sanctions, supply-side moves and OPEC dynamics), so the oil market reaction to political events stayed a key watch item for inflation and EM finances.

Performance

Asset Class/Region	Currency				
		Week ending 31 Oct 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	0.7%	2.3%	17.2%	21.0%
United Kingdom	GBP	0.8%	4.2%	22.4%	23.9%
Continental Europe	EUR	-0.9%	2.3%	15.3%	15.0%
Japan	JPY	1.9%	6.2%	22.4%	26.7%
Asia Pacific (ex Japan)	USD	0.8%	3.7%	29.8%	25.4%
Australia	AUD	-1.5%	0.4%	11.9%	12.5%
Global	USD	0.5%	2.0%	19.8%	22.0%
Emerging Markets Equities					
Emerging Europe	USD	-0.6%	1.1%	44.9%	47.8%
Emerging Asia	USD	1.0%	4.9%	32.6%	28.0%
Emerging Latin America	USD	2.2%	0.9%	44.4%	28.1%
BRICs	USD	-1.1%	-1.0%	23.6%	19.2%
China	USD	-1.5%	-3.8%	36.2%	33.7%
MENA countries	USD	0.1%	1.3%	6.7%	8.6%
South Africa	USD	-2.0%	0.5%	56.5%	41.2%
India	USD	-1.3%	4.7%	6.1%	1.9%
Global emerging markets	USD	0.9%	4.2%	32.9%	27.9%
Bonds					
US Treasuries	USD	-0.5%	0.6%	6.1%	5.1%
US Treasuries (inflation protected)	USD	-0.5%	0.4%	7.2%	6.0%
US Corporate (investment grade)	USD	-0.8%	0.4%	7.4%	6.8%
US High Yield	USD	-0.1%	0.2%	7.3%	8.0%
UK Gilts	GBP	0.2%	2.7%	4.7%	4.0%
UK Corporate (investment grade)	GBP	0.3%	2.2%	6.4%	7.6%
Euro Government Bonds	EUR	0.2%	0.9%	1.2%	2.1%
Euro Corporate (investment grade)	EUR	0.1%	0.7%	3.5%	4.7%
Euro High Yield	EUR	0.2%	0.1%	4.7%	5.9%
Global Government Bonds	USD	-0.4%	-0.4%	6.8%	4.5%
Global Bonds	USD	-0.5%	-0.1%	8.2%	6.2%
Global Convertible Bonds	USD	0.2%	2.6%	24.3%	25.8%
Emerging Market Bonds	USD	0.6%	2.3%	11.9%	11.6%

Performance

Asset Class/Region	Currency				
		Week ending 31 Oct 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	-2.8%	-1.6%	2.1%	-1.6%
Australian Property Securities	AUD	-3.6%	0.6%	9.1%	4.0%
Global Property Securities	USD	-2.5%	-1.4%	10.1%	5.6%
Currencies					
Euro	USD	-0.9%	-2.0%	11.4%	6.1%
UK Pound Sterling	USD	-1.2%	-2.4%	4.9%	2.1%
Japanese Yen	USD	-0.8%	-4.1%	2.1%	-1.2%
Australian Dollar	USD	0.4%	-1.2%	5.7%	-0.4%
South African Rand	USD	-0.4%	-0.4%	9.0%	1.8%
Swiss Franc	USD	-1.0%	-1.2%	12.9%	7.6%
Chinese Yuan	USD	0.0%	0.0%	2.5%	0.0%
Commodities & Alternatives					
Commodities	USD	0.1%	1.6%	5.9%	8.0%
Agricultural Commodities	USD	0.8%	0.7%	-4.3%	-3.5%
Oil	USD	-1.3%	-2.9%	-12.8%	-11.1%
Gold	USD	-2.7%	4.1%	52.5%	46.1%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.



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