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20TH - 24TH OCTOBER 2025

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

Global markets ended the week broadly upbeat as softer U.S. inflation data reignited hopes of another Federal Reserve rate cut and breathed new life into risk appetite. Equities surged to fresh record highs, powered by upbeat earnings and renewed optimism that monetary easing will extend the bull run into year-end. Bond yields slipped as investors embraced the dovish shift, while gold steadied after wild swings fuelled by profit-taking and geopolitical jitters. In Europe, stronger-than-expected business activity hinted at a resilient recovery, adding to the global feel-good mood. Meanwhile, currencies danced to the rhythm of shifting rate expectations and improving trade sentiment, with the dollar cooling as traders positioned ahead of the highly anticipated Trump-Xi meeting. Overall, markets wrapped up the week balancing relief over cooling inflation with anticipation for what could be a pivotal few weeks in global policy and geopolitics.

Data highlights: In Canada, inflation was reported at 2.4% in September, higher than the 2.3% forecast. Retail sales in Canada rose 4.9% year-on-year in August, outperforming market expectations of 3.8%. U.S. consumer price index rose 3.0% year-on-year, slightly below the 3.1% forecast but above the previous 2.9%. The U.K. inflation rate held steady at 3.8%, matching the prior reading and coming in below the 4.0% forecast. U.K. retail sales grew by 1.5% year-on-year in September, coming in higher than the 0.6% forecast by analysts. Japan's inflation was reported at 2.9%, matching market expectations. In China, GDP expanded by 4.8% year-on-year in Q3, matching market expectations but lower than the previous 5.2% reading.

Week ahead: Australia Consumer Price Index, Canada Interest Rate Decision, U.S Interest Rate Decision – Wednesday | Japan Interest Rate Decision, Eurozone GDP Growth Rate Q3, Eurozone Interest Rate Decision, U.S GDP Growth Rate Q3 - Thursday| Eurozone Inflation Rate YoY - Friday

Global Markets Overview

Treasury yields: The US 10-year Treasury yield closed the week at 4%, as a softer-than-expected inflation report strengthened expectations for another Fed rate cut this year. The long-delayed CPI release, the first since the government shutdown began, showed both headline and core inflation rising less than forecast, cementing bets on a 25bps cut at next week's meeting. Yields had broadly fallen through late October amid renewed US-China trade tensions, the ongoing government shutdown, and fresh worries over regional bank loan quality. In Europe, Germany's 10-year Bund yield rose to 2.63% after PMI data signalled the strongest private-sector growth since May 2023, led by services, while the Eurozone PMI also exceeded forecasts. Markets found some relief as President Trump confirmed plans to meet China's Xi Jinping next week, easing trade uncertainty ahead of the impending 100% tariff deadline.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.00	-0.20	-12.44
Bund 10Y	2.63	1.78	10.94
Gilt 10Y	4.43	-2.18	-2.98
Japan 10Y	1.66	1.72	50.68

Equities: US equities surged to fresh record highs on Friday, wrapping up a strong week as investors celebrated a softer-than-expected inflation report that reinforced expectations for Federal Reserve rate cuts and signalled that tariff-driven price pressures remain in check. Technology stocks led the advance amid upbeat earnings, with Intuitive Surgical (ISRG) stealing the spotlight after soaring 23.01% for the week, fuelled by a Q3 earnings beat, upgraded full-year guidance, and improved margins that underscored the company's dominance in robotic-assisted surgeries. The S&P 500 Healthcare Index climbed 0.86%, while materials was the only sector to end lower. For the week, the S&P 500 gained 1.92%, and both the Nasdaq and Dow Jones advanced more than 2% apiece. Across the Atlantic, European markets followed suit, buoyed by mixed corporate earnings and improving economic sentiment. Softer US inflation pushed European bond yields lower, boosting automakers and consumer discretionary stocks, while a stronger-than-expected Eurozone PMI signalled renewed business momentum. The STOXX 50 rose 1.2%, and the STOXX 600 added 1.49% for the week.

Indices	Close	% W/W	% YTD
EU Stoxx 50	5675	1.20	15.90
S&P 500	6792	1.92	15.47
EU Stoxx 600	599	1.49	18.47
FTSE 100	9646	3.11	18.02

Currencies: The US dollar index inched up to 98.95 on Friday after soft inflation data reinforced expectations for Fed rate cuts next week and in December, with markets pricing a 99% chance of a 25bps reduction. The weaker CPI, delayed by the government shutdown, eased tariff-related inflation fears, while attention shifted to geopolitical developments ahead of Trump's meeting with China's Xi Jinping and the conclusion of US–Canada trade talks. The dollar weakened slightly against the euro, pound, and Aussie, but gained on the Canadian dollar, ending the week up 0.53%. The Australian dollar hovered near $0.6513, pressured by a softer economy and rising expectations of an RBA rate cut, though optimism around global trade ties and a new US–Australia minerals pact helped it close 0.22% higher on the week.

Currencies	Close	% W/W	% YTD
EURUSD	1.1627	-0.24	12.29
GBPUSD	1.3311	-0.86	6.35
USDJPY	152.86	1.49	-2.76
USD Index	98.95	0.53	-8.79

Commodities: Gold settled at $4,113 per ounce to end the week, paring earlier losses after softer-than-expected US CPI data strengthened expectations for lower interest rates. The long-delayed report, released amid the government shutdown, showed headline inflation rising to 3% in September—its highest since January but slightly below forecasts of 3.1%—while core inflation eased to 3% from 3.1%, signalling moderating price pressures despite renewed trade tensions under Trump's tariff stance. Still, gold ended the week having snapped a nine-week winning streak, after plunging over 5% earlier in the week—its sharpest intraday drop in five years—after a string of record highs triggered heavy profit-taking. For the week, bullion slipped 3.26%, though it remains up 56.72% year-to-date and 6.58% month-to-date, supported by lingering geopolitical risks, US sanctions on Russia, and anticipation ahead of next week's Trump–Xi trade talks.

Commodities	Close	% W/W	% YTD
Gold	4113	-3.26	56.72
Copper	512.25	3.08	27.22
WTI Crude	61.50	6.88	-14.25
Wheat	512.50	1.74	-14.37

Performance of Major Global Financial Assets

% Change.

	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				
	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOX X 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EUR USD	GBP USD	USDJPY	USD CNY	USD ZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	-0.2	1.8	-2.2	1.7	1.0	1.1	1.9	2.2	1.2	1.7	3.1	3.6	3.6	0.5	-0.2	-0.9	1.5	-0.1	-0.6	6.9	-3.3	3.1	1.4	1.7
MTD	-3.6	-3.1	-5.7	0.7	-3.6	-3.3	1.5	2.7	2.6	1.5	3.2	9.7	-2.6	1.2	-0.9	-1.0	3.4	0.0	0.0	-1.4	6.6	5.5	7.5	0.9
YTD	-12.4	10.9	-3.0	50.7	-5.0	-3.0	15.5	20.7	15.9	21.8	18.0	23.6	30.4	-8.8	12.3	6.4	-2.8	-2.4	-8.4	-14.2	56.7	27.2	39.3	-14.4

KEY: *-100%* *+100%*

Data Sources: Bloomberg, Investing.com, TradingEconomics, T. RowePrice, Standard Investment Bank

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SIB Standard Investment Bank
Regulated by the Capital Markets Authority

Headquarters

JKUAT Towers (Formerly ICEA Building),
16th Floor , Kenyatta Avenue, Nairobi, Kenya.

Telephone: +254 20 227 7000, +254 20 227 7100

Email: clientservices@sib.co.ke