SIB Standard Investment Bank | Mansa X Special Fund

2ND - 6TH NOVEMBER 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF



Highlights.

Major U.S. equity benchmarks retreated in the week following a period of heightened volatility as investors assessed the implications of Tuesday's midterm elections, in which Democrats secured control of both chambers of Congress. At the same time, stronger-than-expected employment figures and other economic releases suggested that the U.S. economy continued to demonstrate resilience. U.S. stocks experienced considerable turbulence following Election Day. An initial rally on Wednesday was followed by a widespread sell-off on Thursday, before markets recovered some ground on Friday. For the week, the S&P 500 declined 2.68% and the Nasdaq shed 4.91%. The stronger-than-anticipated performance by Democrats initially encouraged investors, who saw the change in political control as potentially creating opportunities for reduced geopolitical tensions, particularly in relation to Iran. However, sentiment deteriorated sharply on Thursday as investors reconsidered what the election results could mean for corporate profitability and the regulatory environment. Concerns that a Democratic-controlled Congress could impose greater oversight on the artificial intelligence (AI) industry coincided with relatively disappointing outlooks from major semiconductor companies, triggering substantial selling across technology shares. However, on a positive note, traditionally defensive industries, particularly consumer staples and health care, held up comparatively well. Separately, Friday's employment report from the Bureau of Labor Statistics showed that the U.S. economy added 165,000 jobs in October, comfortably above market expectations. Meanwhile, the unemployment rate edged lower to 4.1% from 4.2%, while the labour force participation rate increased slightly to 61.9% from 61.8%. Across the Atlantic, markets proved far more resilient as the pan-European Euro STOXX 600 Index advanced 0.75% over the week. Market sentiment was influenced largely by volatility in AI and technology shares, alongside a shift in some investment flows away from U.S. equities and toward European markets. European shares generally avoided the more severe losses experienced in the U.S., partly because European equity markets have comparatively lower exposure to AI and semiconductor companies. Similarly, European banks were among the beneficiaries of this shift, while defence stocks experienced declines. Annual headline inflation across the eurozone increased to 4.0% in October from 3.8% in September. This represented the fastest rate of price growth since September 2023 and was twice the European Central Bank's 2% inflation target. The sharp increase in energy prices presented a challenge for policymakers, particularly as other indicators suggested that economic activity was beginning to lose momentum. In the U.K., the Bank of England raised its benchmark interest rate by 25 basis points to 4.0% on Thursday, marking its first increase since 2023. The central bank expects inflation to rise from its current level of 3.5% to approximately 5% in the second quarter of 2027, largely reflecting the impact of the energy price shock. Finally, in Asia, Japanese equity markets experienced substantial pullbacks during the week. The Nikkei 225 Index retreated 9.25%, while the broader TOPIX Index shed 6.48%. Conversely, Chinese equity markets recovered during the week, clawing back some of the decline recorded in October. The CSI 300 Index advanced 1.73%, while the Shanghai Composite Index rose 1.39%. Hong Kong equities performed more strongly, with the Hang Seng Index gaining 5.10%.

Data highlights: USD Unemployment Rate (Oct) fell -10bps, from 4.2% to 4.1%, consensus expected it to remain the same at 4.2%. USD Non-Farm Payrolls Private (Oct) rose 81K, from 78K to 159K, consensus expected the figure to decrease -14K, from 78K to 64K. CAD Unemployment Rate (Oct) rose +20bps, from 6.5% to 6.7%, against expectations for it to remain the same at 6.5%. GBP BoE Interest Rate rose +25bps, from 3.75% to 4%, in line with expectations. CHF Inflation Rate YoY (Oct) rose +50bps, from 1% to 1.5%, consensus only expected a +30bps increase, from 1% to 1.3%. CHF Unemployment Rate (Oct) stayed the same at 3%; consensus wrongly expected an increase from 3% to 3.1%. EUR Inflation Rate YoY (Oct) rose in line with expectations, +20bps from 3.8% to 4%. EUR Retail Sales YoY (Sep) fell -90bps from 1.3% to 0.4%, consensus only expected a decrease to 0.6%. NZD Unemployment Rate (Q3) rose +10bps, from 5.6% to 5.7%, consensus wrongly expected it to fall -10bps, from 5.65 to 5.5%.

Week ahead: CNY Inflation Rate YoY (Oct), EUR Balance of Trade (Sep) – Monday | GBP BRC Retail Sales Monitor YoY (Oct), USD Inflation Rate YoY (Oct), USD Core Inflation Rate YoY (Oct) – Tuesday | GBP GDP Growth Rate YoY (Q3), GBP Goods Trade Balance (Sep), USD Existing Home Sales (Oct) – Thursday | EUR Employment Change YoY (Q3) - Friday

Global Markets Overview

Treasury yields: The US 10-year Treasury yield closed at 4.86%, remaining near its lowest level in two months as mounting global equity market declines drove demand for safe-haven government bonds. The decline followed a sweeping Democratic victory in the US midterm elections, which heightened concerns over tighter regulatory oversight of the artificial intelligence industry and a potential slowdown in data centre expansion. At the same time, market expectations of a Federal Reserve rate hike in December eased to approximately 68%, down from nearly 83% a day earlier. Meanwhile, Japan's 10-year government bond yield fell to 2.65%, its lowest level in four months, as the global equity selloff strengthened demand for safe-haven assets. Domestically, Japanese nominal wages recorded their fastest growth in nearly 30 years, strengthening expectations of another Bank of Japan rate hike in December.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.86	-1.45	16.57
Bund 10Y	3.25	-2.05	13.98
Gilt 10Y	5.15	-2.46	15.07
Japan 10Y	2.65	-4.60	28.46

Equities: US equities witnessed a sharp retreat on Thursday, recording their steepest one-day pullback since April 2025 and pushing the Nasdaq into correction territory. Concerns that a Democratic sweep of Congress could result in tighter regulation of the AI industry and reduced sector investment triggered a broad rotation out of technology and AI-related stocks, intensifying risk-off sentiment. However, dip-buying emerged on Friday, bringing the sell-off to a pause, particularly among major semiconductor stocks. Technology was the best-performing sector, while consumer staples lagged. For the week, the S&P 500 declined 2.68%, the Dow fell 0.94%, and the Nasdaq shed 4.91%. European equities were comparatively resilient, with the Euro Stoxx 50 and the broader Euro Stoxx 600 gaining 0.64% and 0.75%, respectively, despite reduced investor appetite for risk. Meanwhile, Eurozone inflation accelerated to a three-year high of 4% in October, driven by rising energy costs, further reinforcing the case for monetary tightening.

Indices	Close	% W/W	% YTD
S&P 500	7377	-2.68	7.76
EU Stoxx 600	655	0.75	6.95
FTSE 100	10674	-0.52	7.48
Nikkei 225	57435	-9.25	14.09

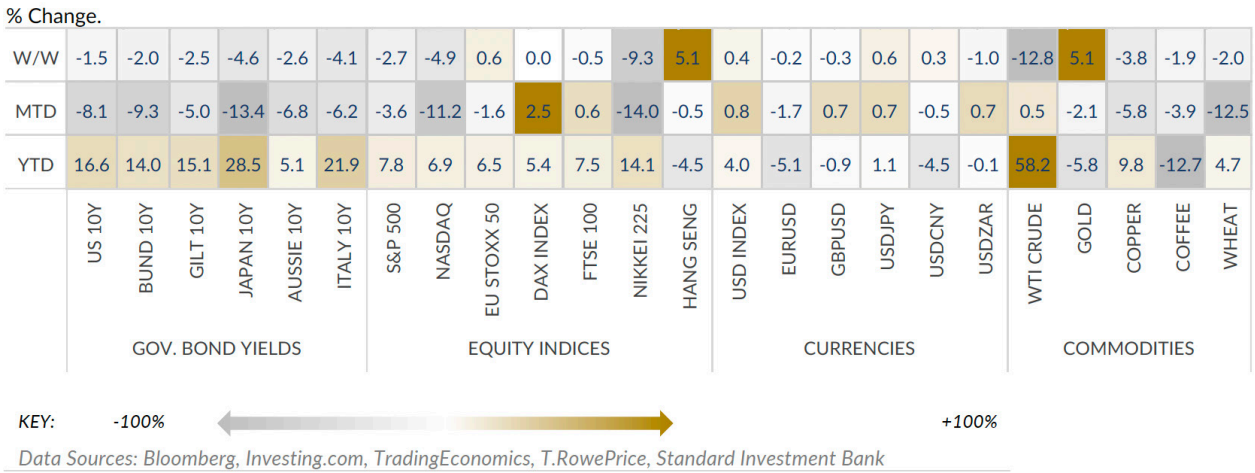
Currencies: The US Dollar Index advanced 0.41% to 102.30 on Friday, extending its gains following October employment data that substantially exceeded market expectations. Nonfarm payrolls increased by 165,000, more than double the 65,000 forecast, while the unemployment rate edged lower to 4.1%. The stronger-than-expected data reinforced expectations that the Federal Reserve will maintain a restrictive monetary stance, with investors anticipating a further interest rate increase in December to contain inflation. Sterling, meanwhile, weakened to $1.3352 after briefly trading above $1.35 earlier in the week, its highest level since mid-September, as the technology-led market selloff prompted renewed demand for the US dollar. Markets also continued to assess the implications of Thursday's Bank of England policy decision, which saw the central bank raise interest rates for the first time in more than three years. The BoE also warned that inflation could peak at 4.9% in Q2 2027, while its adverse scenario projects a sharper increase to 6.2% in Q3.

Currencies	Close	% W/W	% YTD
EURUSD	1.1143	-0.15	-5.13
GBPUSD	1.3352	-0.29	-0.91
USDJPY	158.48	0.58	1.13
USD Index	102.30	0.41	4.04

Commodities: Crude oil prices declined sharply to $90.83 per barrel, shedding 12.76% over the week in their steepest weekly drop since mid-April, as growing prospects of a diplomatic breakthrough in the Middle East eased concerns over potential supply disruptions. US President Donald Trump held discussions on de-escalation efforts with Qatar's Emir, Sheikh Tamim bin Hamad Al-Thani, while Tehran was reportedly reviewing proposals from mediators regarding its nuclear programme. A potential resolution to the conflict could facilitate the resumption of additional crude exports from the region. Meanwhile, attacks on oil-carrying vessels persist, with UKMTO data indicating that incidents remain near record levels. Gold, conversely, advanced to $4,071 per ounce, gaining 5.06% over the week following a decisive Democratic victory in the US midterm elections. Investors expect a divided government to constrain President Donald Trump's fiscal agenda, limiting additional government spending and borrowing and further moderating inflation concerns.

Commodities	Close	% W/W	% YTD
Gold	4071	5.06	-5.75
Copper	623.75	-3.77	9.78
WTI Crude	90.83	-12.76	58.19
Wheat	591.25	-2.03	4.69

Performance of Major Global Financial Assets



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

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