

October 2026

World markets at a Glance

Market summary

World markets at a glance is designed to help you understand the key developments shaping portfolio performance. It gives you a high-level view of what has changed and why it matters.

The information is provided by our investment partners at Pacific Asset Management (PAM), who apply market expertise and rigorous analysis to interpret fast-moving conditions. Together with PAM, we maintain real-time daily monitoring of all client portfolios to ensure they continue to align with your objectives.

If you have any questions about this summary or the impact of recent market movements on your investments, please contact your TPO Adviser.



Nigel Yeo
Chief Client Officer
The Private Office

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www.theprivateoffice.com/marketcommentary

October 2026

October highlighted the value of diversification as AI concerns and geopolitical tensions weighed on equities, while government bonds and defensive sectors provided support.

- Investors questioned AI infrastructure costs and the timing of returns, affecting technology companies, suppliers and companies borrowing to finance expansion.
- Large technology companies dragged equity indices lower, masking strength elsewhere. The UK benefited from its exposure to more traditional businesses.
- Government bonds helped offset equity losses as investors sought safety, while more heavily indebted corporate issuers faced greater pressure.
- Higher oil prices added inflationary pressure, while interest-rate expectations weighed on gold.



Will Thompson
Portfolio Manager
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Overview

October 2026

(%)	2021	2022	2023	2024	2025	YTD	October 2026
US Equity	29.81	-8.38	19.71	27.46	9.70	12.32	-1.77
UK Equity	18.32	0.34	7.92	9.47	24.02	11.06	1.12
Europe ex UK Equity	16.90	-7.99	15.12	1.88	26.10	5.70	-1.02
Asia Pacific ex Japan Equity	5.58	5.23	0.89	6.63	12.26	13.20	-0.01
Japan Equity	2.58	-6.74	14.05	10.42	15.96	18.14	-5.04
Emerging Equity	-1.71	-10.60	4.11	9.60	24.30	14.01	-8.89
World Government Bonds	-1.99	-11.65	5.85	2.65	3.43	0.09	1.68
UK Government Bonds	-5.16	-23.83	3.69	-3.32	5.03	-0.93	1.54
UK Investment Grade Corporate Bonds	-0.98	-15.26	8.02	3.29	7.00	-0.33	1.62
High Yield Bonds	3.49	-11.98	12.04	8.71	8.14	0.40	-0.12
Commodities	28.14	28.47	-12.36	6.51	8.38	32.53	-1.52
Gold	-2.34	10.58	8.45	28.20	53.66	-9.20	-7.09
Oil	63.11	40.68	-7.5	15.78	-14.27	147.56	17.58

Returns are in GBP. Source: Bloomberg (October 2026)

Global Markets

October 2026

US MARKETS
US equities weakened by 1.8% as investors scrutinised the scale of AI spending and the returns needed to justify it. However, gains across the wider market contrasted with losses among large technology names, with the equal-weighted version of the S&P 500 up 5% over the month.

UK MARKETS
UK equities proved comparatively resilient, supported by their exposure to energy and defensive sectors and limited dependence on technology stocks. Domestic conditions were less reassuring: higher inflation and borrowing costs weighed on consumers, highlighting the distinction between the stock market's sector strengths and the pressures facing the wider economy.

JAPANESE MARKETS
Japanese equities fell as the reversal in AI-related shares weighed on the market, although year-to-date gains remain substantial. Beyond the monthly weakness, corporate governance reforms and improving capital efficiency continued to support the investment case, while higher energy costs and the prospect of tighter monetary policy remained risks.

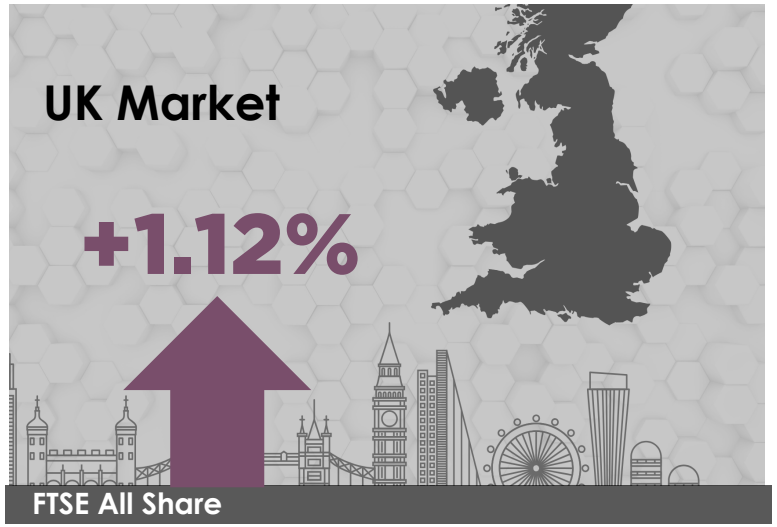
EMERGING MARKETS
In EM, equities faced pressure from both technology weakness and country-specific developments. Korea and Taiwan were affected by the reassessment of AI investment, while political uncertainty unsettled Brazil and subdued domestic demand constrained China. Similarly to the case of Japan, October's weakness occurred in the context of double-digit year-to-date gains.

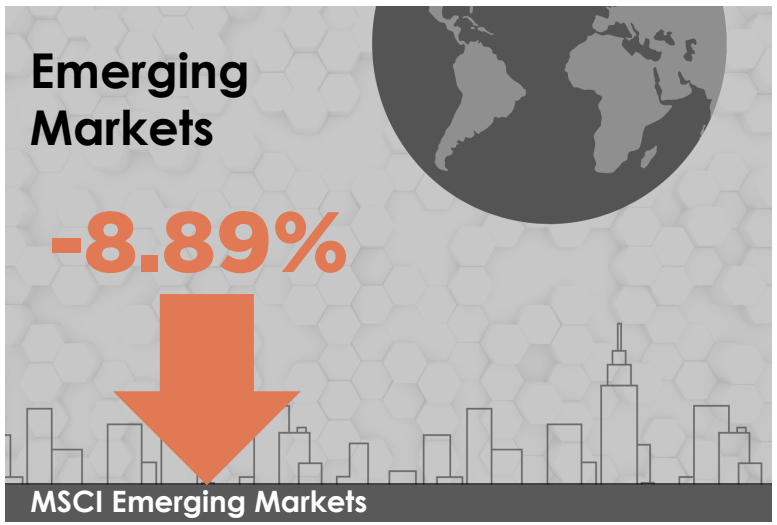
Source: Bloomberg (October 2026)

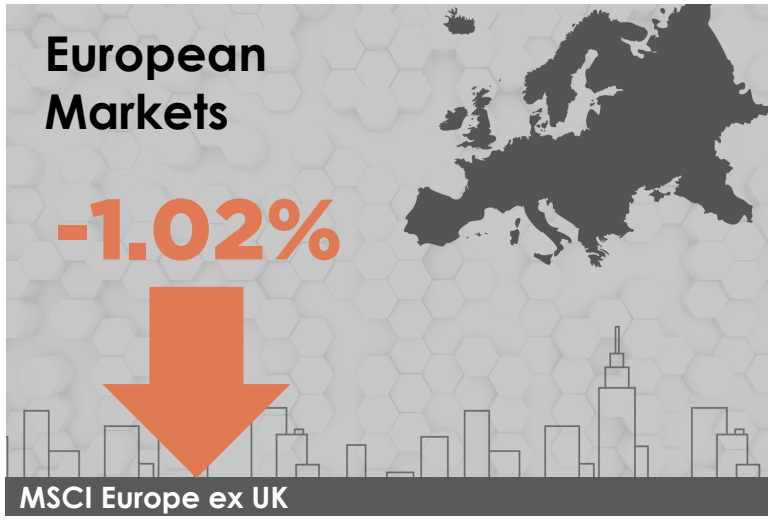
Equities

October 2026 returns in GBP













Source: Bloomberg (October 2026)

Key Indicators & Currencies

October 2026 returns in GBP

Key Indicators

Key Points

- Oil prices continued to hike as the conflict in the Strait of Hormuz remains unsolved.
- Higher fuel costs (an input for transport and many production processes, such as food cultivation) continued to feed into inflation numbers.
- Gold was lower over the month as high government bond yields provide investors with alternative, income-paying safe havens.

GOLD	OIL	COMMODITIES	INFLATION
			
-7.09%	+17.58%	-1.52%	+3.50%

Pound vs other currencies

Key Points

- The pound had a strong month against most major currencies, smoothing the negative returns of global equity markets for UK-based investors.
- Political uncertainty and high fiscal expenditure in France weakened the euro over the month, with sterling strengthening 2.6% in October.

+0.85%	+1.06%	+2.60%	+0.09%
$	¥	€	元
GBP vs USD	GBP vs JPY	GBP vs EUR	GBP vs CNY

Source: Bloomberg (October 2026)

Bonds

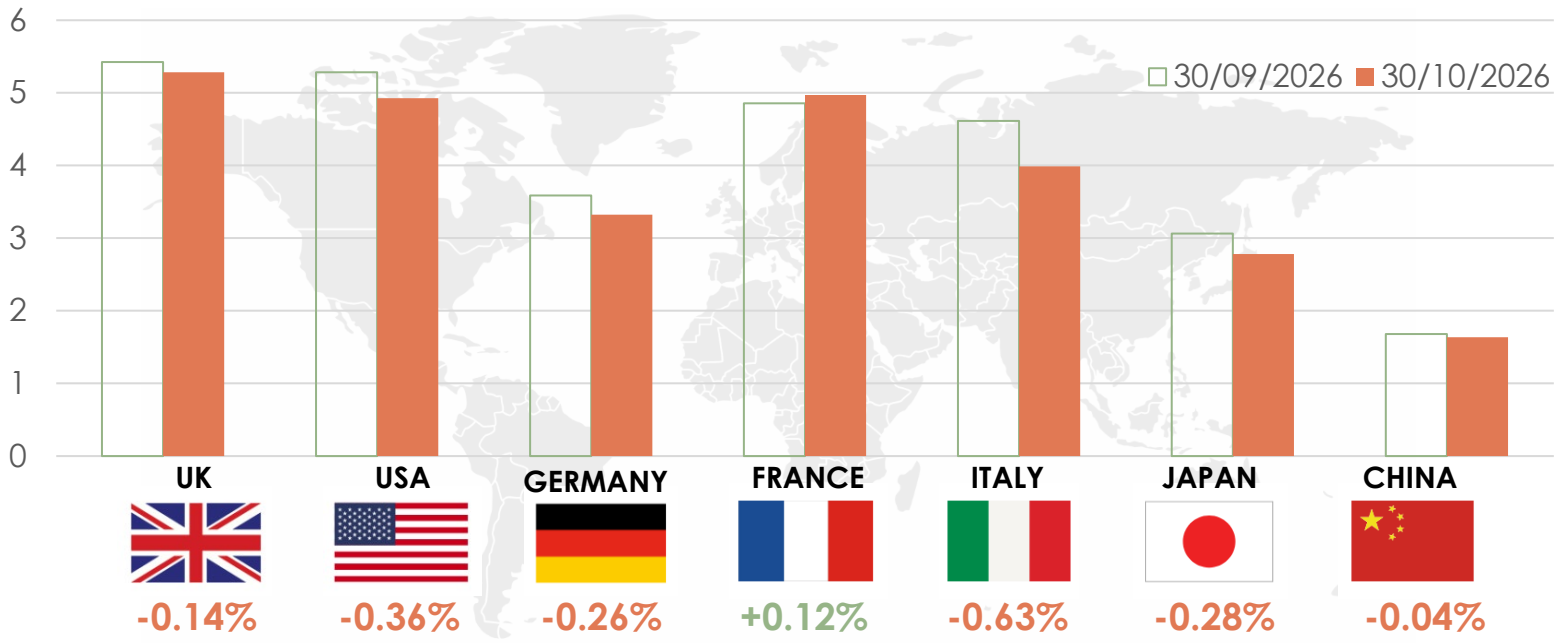
October 2026 returns in GBP

Key Points

- Government bonds recovered as investors sought safety amid equity market volatility, helping offset losses elsewhere in markets.
- UK gilts joined the recovery despite inflation and interest-rate concerns, while the Budget prompted a calm market response.
- French government bonds bucked the broader trend, with fiscal pressures and political uncertainty weighing on investor confidence.

Bond Markets	
UK Government Bonds	+1.54%
Investment Grade Bonds	+1.62%
World Government Bonds	+1.68%
High Yield Bonds	-0.12%

10 Year Bond Yields



Source: Bloomberg (October 2026)

Glossary

BoE	Bank of England - central bank of the United Kingdom
BoJ	Bank of Japan - central bank of Japan
Correlation	The degree to which the returns of financial assets or instruments move in relation to each other
CNY	Chinese renminbi (yuan) - currency of the People's Republic of China
CPI	Consumer Price Index - a measure of inflation in which a basket of goods and services is calculated over different time periods
Dovish	The approach in which central banks are likely to keep monetary policy "loose" or accommodative
ECB	European Central Bank - the central bank of the European Union countries which have adopted the euro
EUR	Euro, the official currency of the European Union for the 20 of 27 member states that have adopted this currency
The 'Fed'	or the US Federal Reserve System - the central banking system of the United States of America, which includes the Federal Reserve Board and the twelve regional Federal Reserve Banks
GBP	British Pound - sometimes referred to as 'sterling'
GDP	Gross Domestic Product - a monetary measure of the market value of all goods and services produced in a specific time period by a country or countries
Growth Stocks	Stocks which display specific characteristics –high price-to-earnings (P/E), high price-to-book (P/B), low to no dividend yield –which typically demonstrate revenue growth and tend to reinvest earnings rather than distribute them as dividends
Hawkish	The approach in which central banks are likely to keep monetary policy "tight" or restrictive
JPY	Japanese Yen - currency of Japan
Macro	or Macroeconomics - a branch of economics that deals with the performance, structure, behavior, and decision-making of an economy as a whole
PMI	Purchasing Managers' Index - an economic indicator used to measure the activity of the manufacturing/service sectors of the economy
USD	US Dollar - currency of the United States of America
Value Stocks	Stocks which may trade at lower prices relative to their intrinsic value, as defined by traditional fundamental analysis, and typically include evaluation metrics such as lower price-to-earnings (P/E) and price-to-book (P/B) ratios, and higher dividend yields, compared to Growth stocks
Yield Curve	a graph (line) which depicts how the yields on debt instruments –such as bonds –vary as a function of their years remaining to maturity
YoY	Year over year

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