

September 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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September 2026

September saw mixed returns across markets, with higher oil prices, rising interest rates and a weaker pound all influencing performance.

- Equity markets were mixed, although sterling weakness supported overseas returns for UK investors. Returns were concentrated in AI-related stocks globally
- Central banks in the US, Europe and Japan raised interest rates, putting further pressure on global bond markets; whereas the Bank of England held rates at 3.75%
- Oil prices rose sharply amid unresolved disruption in the Strait of Hormuz, while gold fell as higher interest rates and a stronger dollar reduced its appeal



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Overview

September 2026

	(%)	2021	2022	2023	2024	2025	YTD	September 2026
US Equity		29.81	-8.38	19.71	27.46	9.70	14.34	1.80
UK Equity		18.32	0.34	7.92	9.47	24.02	9.83	-1.88
Europe ex UK Equity		16.90	-7.99	15.12	1.88	26.10	6.80	-2.87
Asia Pacific ex Japan Equity		5.58	5.23	0.89	6.63	12.26	13.21	-2.29
Japan Equity		2.58	-6.74	14.05	10.42	15.96	24.41	3.66
Emerging Equity		-1.71	-10.60	4.11	9.60	24.30	25.13	1.57
World Government Bonds		-1.99	-11.65	5.85	2.65	3.43	-1.56	-1.41
UK Government Bonds		-5.16	-23.83	3.69	-3.32	5.03	-2.43	-1.19
UK Investment Grade Corporate Bonds		-0.98	-15.26	8.02	3.29	7.00	-1.92	-2.15
High Yield Bonds		3.49	-11.98	12.04	8.71	8.14	0.52	-2.31
Commodities		28.14	28.47	-12.36	6.51	8.38	34.57	3.77
Gold		-2.34	10.58	8.45	28.20	53.66	-2.27	-6.80
Oil		63.11	40.68	-7.5	15.78	-14.27	110.54	21.08

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

Returns were mixed across equity markets, with a weaker GBP helping UK-based investors

US MARKETS

US equities delivered negative returns in US dollars, although UK investors benefited from a weakening pound. Performance was concentrated in a relatively narrow group of technology companies, with continued enthusiasm around artificial intelligence helping the Nasdaq rise by 4.2% in sterling terms. Meta was a particularly strong performer following the launch of its consumer AI agent, Muse. More traditional companies, particularly those sensitive to higher interest rates, lagged behind.

UK MARKETS

UK equities fell over the month as rising gilt yields weighed on banks and dividend-paying stocks, eroding the FTSE 100's earlier resilience. With borrowing costs near their highest level in two decades and further Bank of England rate hikes increasingly expected before year-end, investors rotated away from some of the index's most rate-sensitive names.

EMERGING MARKETS

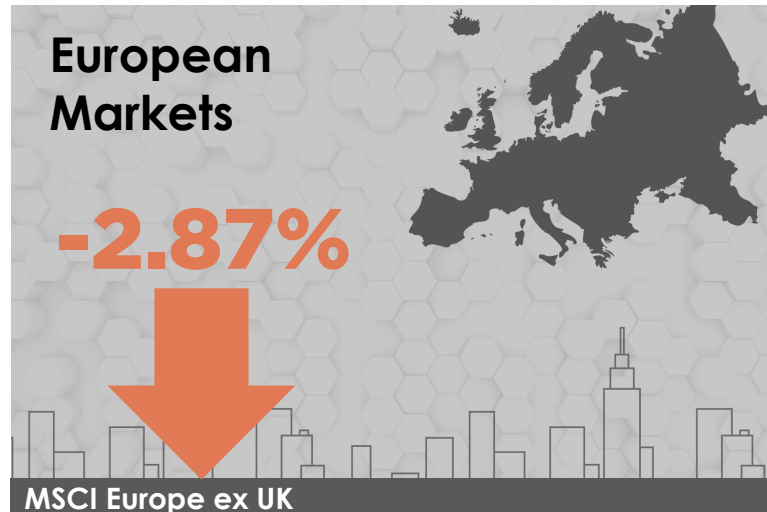
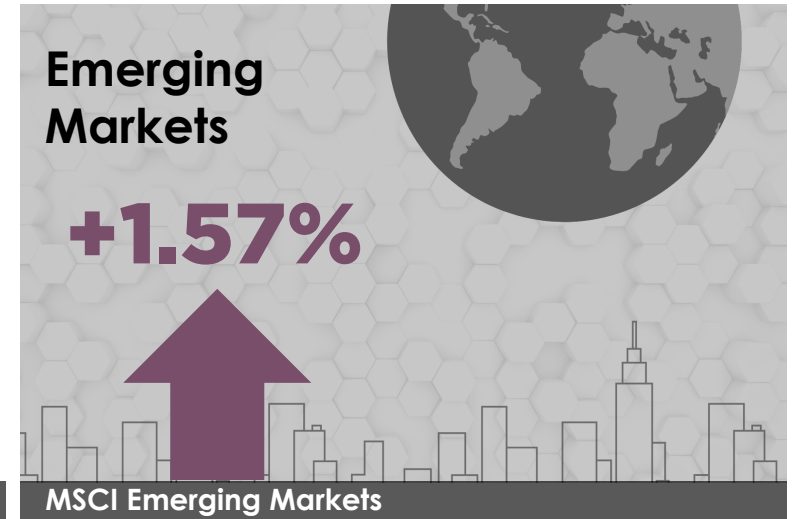
Emerging markets were mainly driven by returns in Taiwan and South Korea. Taiwan's stock market reached a record high, while a sharp rise in South Korean memory-chip exports supported major technology companies including Samsung Electronics and SK Hynix. More traditional, rate-sensitive stocks were a detractor to performance.

JAPAN MARKETS

The Nikkei edged higher despite the Bank of Japan raising interest rates to their highest level since 1995. Performance was supported by exposure to AI-related stocks and continued investor enthusiasm for corporate governance reforms.

Equities

September 2026 returns in GBP



Source: Bloomberg (September 2026)

Key Indicators

Key Points

- No deal between the US and Iran meant that oil prices surged over the month
- Geopolitical tensions are starting to show in domestic inflation numbers, with UK inflation printing 3.1% mainly due to energy costs
- Gold retreated over the month as interest rate hikes in the US strengthened the dollar, making the latter a more attractive option for investors

GOLD	OIL	COMMODITIES	INFLATION
 -6.79%	 +21.08%	 +3.76%	 +3.1%

Pound vs other currencies

Key Points

- The pound significantly weakened over the month against the US dollar as the Fed decided to raise rates whilst the BOE kept them on hold
- UK-based investors in equity markets benefitted from this currency move, transforming a negative month for global equities into a positive one

-2.04%	-3.61%	+0.20%	-2.26%
\$	¥	€	元
GBP vs USD	GBP vs JPY	GBP vs EUR	GBP vs CNY

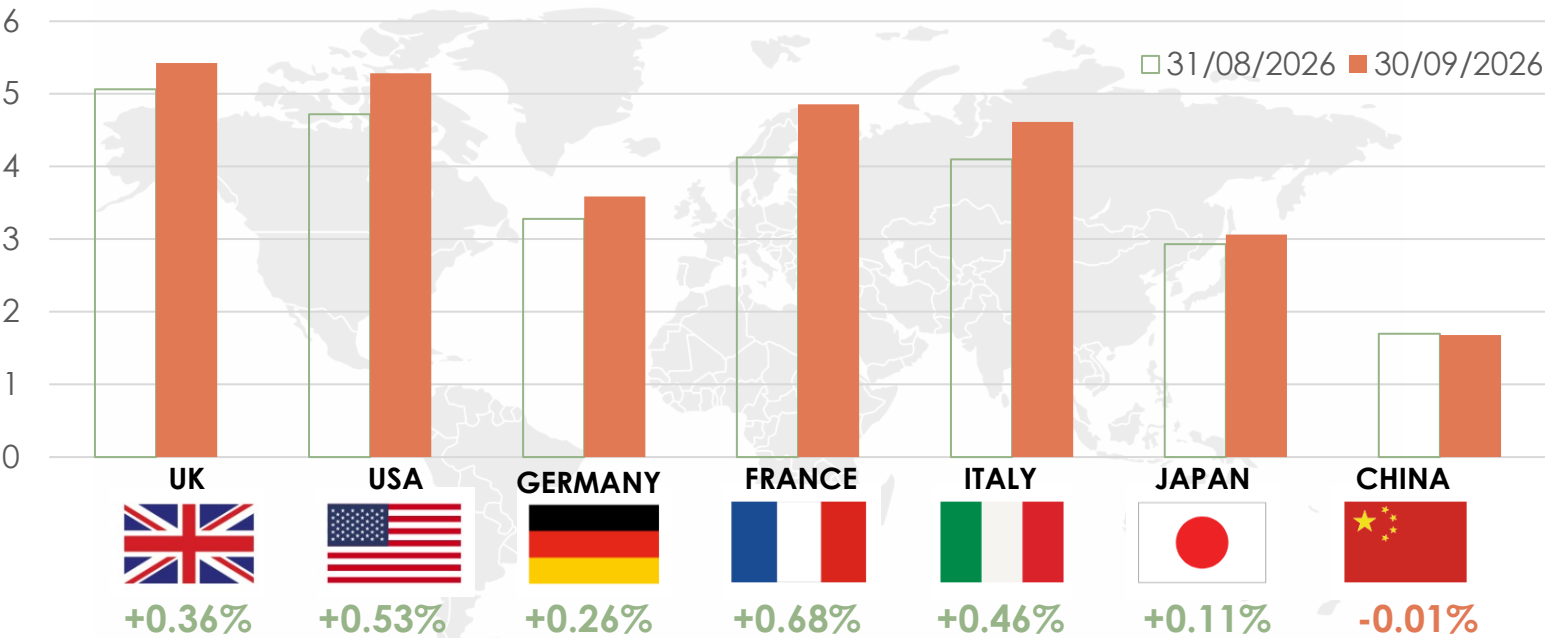
Key Points

- Government bond yields increased significantly over the month across major developed economies
- Common causes include concerns with fiscal responsibility, stronger than expected economic growth and more interest rate rises from central banks
- 10- and 30-year US Treasury yields are at their highest level since 2007; UK 30-year gilts are at their highest since 1998
- Higher long-term yields will impact mortgage rates and the ability of the Chancellor to meet the “fiscal rules” - however this does make the likely future returns from bonds more attractive

Bond Markets

UK Government Bonds	-1.19%
UK Investment Grade Bonds	-2.15%
World Government Bonds	-1.41%
High Yield Bonds	-2.31%

10 Year Bond Yields



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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