

Last Week at a Glance

Equities declined last week, driven by a selloff in AI-related stocks. Fixed income offered some ballast amid increased volatility, as yields moved lower despite firmer US inflation.

- AI stocks stumbled as investors questioned whether revenues would grow quickly enough to justify substantial spending on AI infrastructure. Concerns about debt-financed expansion added to the pressure on data-center operators. The global information technology sector fell 7% over the week.
- Energy prices rose sharply. Brent crude gained nearly 5%, touching \$110 per barrel for the first time since May. Attacks on shipping in the Strait of Hormuz and renewed Ukrainian strikes on Russian refineries heightened concerns about supply disruptions. US WTI crude rose more than 10%, supported in part by a sharp drawdown in US crude inventories.
- US inflation exceeded expectations. Headline consumer prices rose 3.7% year-over-year in September, above the 3.6% consensus forecast and August's 3.4% reading. Core inflation, which excludes energy and food prices, increased to 2.6% y-o-y from 2.4%, suggesting that price pressures were not confined to energy.
- Treasury yields ended the week lower after initially rising following the inflation release. Demand for Treasuries amid the equity selloff potentially reflected both safe-haven demand and the appeal of elevated yields.

Market Performance

As of October 18, 2026 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	-1.7	-0.4	13.1
Developed Markets	-1.2	0.2	12.6
United States	-2.1	0.0	12.4
Euro Area	0.6	-1.0	9.7
United Kingdom	3.3	2.9	12.8
Japan	-1.7	-1.7	20.9
Emerging Markets	-5.0	-4.8	17.2
Fixed Income			
US Aggregate	0.9	1.3	-1.6
US Treasuries	0.9	1.3	-1.5
US Corporate IG	0.9	1.3	-1.8
US Corporate HY	-0.3	-0.1	0.0
Real Assets			
Global Equity REITs	1.0	2.5	7.5
Global Natural Resources	2.0	5.3	31.4
Gold Bullion	-1.0	-0.2	-4.1
Currencies			
EUR/USD	0.5	-0.9	-4.2
GBP/USD	1.0	0.5	-0.7
USD/JPY	-0.3	0.5	0.8

Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: This edition was prepared on October 18, 2026, and it reviews developments of the prior week. The equity data are total returns net of dividend taxes of MSCI indexes in local currency. Global natural resources equities are represented by the MSCI All Country World Commodity Producers Index. The fixed income data are total returns for Bloomberg indexes. Gold Bullion uses near-month gold futures contracts, as traded on the COMEX, to determine performance. Currency performance is based on Reuters data.