

Weekly Market Report

October 13 to October 16, 2026

For educational and informational purposes only. Not financial advice.

OVERVIEW

Risk tone has tilted defensive in places, with geopolitical and policy headlines competing with growth narratives for attention. Data dependent policy, sticky inflation, and geopolitics/energy remain the narrative; cross asset dispersion is high (see performance table).

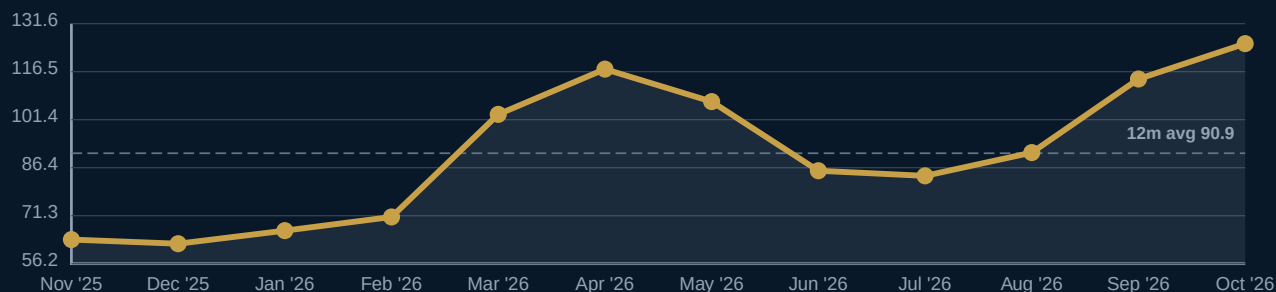
PERFORMANCE TABLE

Instrument	1M	6M	1Y	1Y %ile	5Y %ile
Nasdaq 100	+5.4%	+24.0%	+25.4%	99	100
Bitcoin (BTC-USD)	+4.9%	+12.6%	-33.3%	64	75
S&P 500	+0.9%	+14.4%	+16.2%	99	100
Nikkei 225 (Japan)	+0.0%	+11.6%	+20.0%	97	99
iShares IG Corp Bond (LQD)	-3.2%	-6.5%	-8.3%	1	4
CSI 300 (China)	-5.1%	-4.0%	-1.1%	7	72
STOXX Europe 50	-6.9%	-0.2%	+5.4%	39	82
Hang Seng Index (Hong Kong)	-7.0%	-9.6%	+0.8%	16	75
Gold (USD/oz)	-7.6%	-14.0%	+2.6%	17	76

Note: Rows ranked by one-month return (highest first); the 1M column is highlighted as the sort key. Same proxy ETFs, figures, and percentile methodology as the Research page performance table (1M/6M/1Y vs ~30/180/365 calendar days). Percentile ranking shows where current price level stands relative to historical price levels. ETF proxy closes in this batch: Oct 7, 2026 to Oct 8, 2026 (proxies may refresh on different sessions).

CHARTS OF THE WEEK

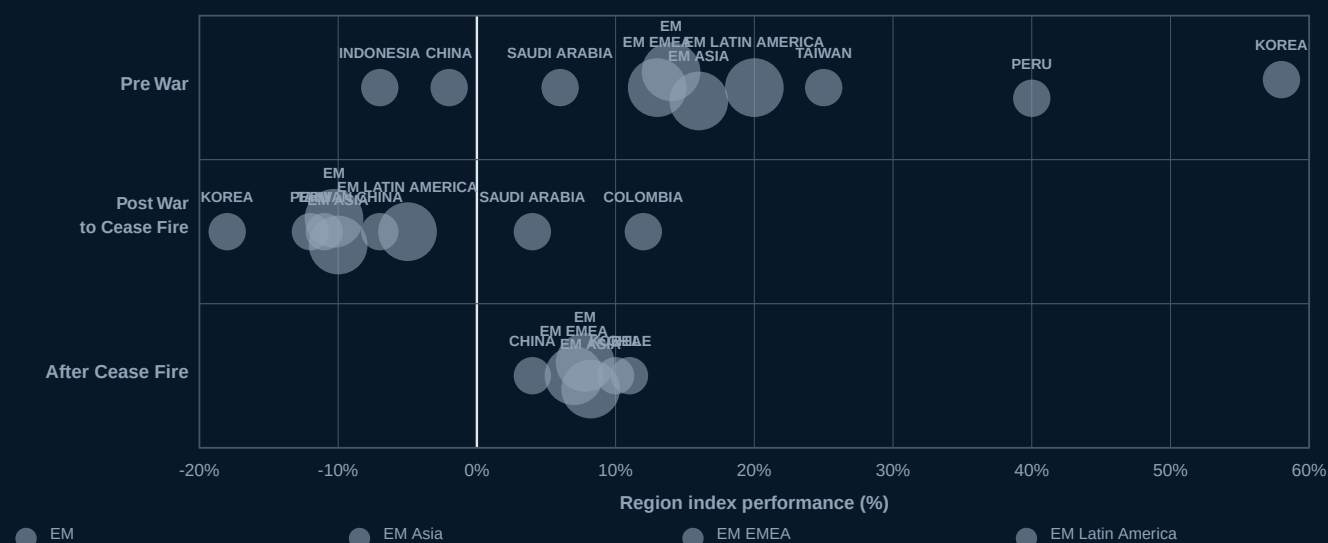
Brent crude (USD/bbl): trailing 12 months, monthly average spot (geopolitical risk channel)



Source: FRED API, series DCOILBRETEU (U.S. EIA via Federal Reserve Bank of St. Louis); daily spot, averaged by calendar month. Last daily spot observation: Oct 6, 2026.

Monthly average Brent from FRED (EIA spot, DCOILBRETEU) was range-bound in the mid-\$60s through early 2026, then jumped in March to April as Gulf supply risk returned; the dashed line is the trailing 12-month mean (\$90.9/bbl) and spot is near \$125 on the latest FRED daily print. Energy and shipping equities tend to reprice first; duration and growth sleeves stay sensitive if the move feeds headline CPI.

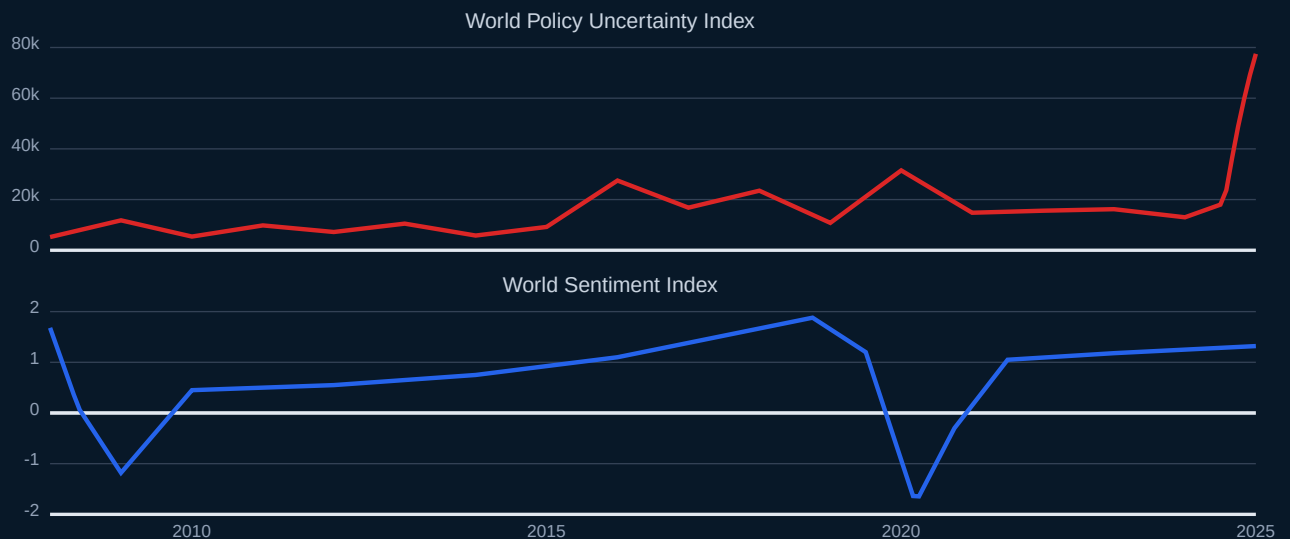
Emerging Markets Through the Middle East Conflict: Uneven Impact of the Energy Shock



Source: <https://www.msci.com/indexes/markets-in-motion/visualizations/emerging-markets-through-the-middle-east-conflict-uneven-impact-of-the-energy-shock>

MSCI EM indexes show wide pre-war dispersion, acute Asia-led weakness when crude and LNG routes were in focus, then a tighter positive band after the ceasefire. Country and terms-of-trade exposure dominated simple regional beta.

Despite record-high policy uncertainty, global sentiment remains relatively positive



Source: <https://www.imf.org/en/blogs/articles/2025/11/10/even-as-global-uncertainty-surges-economic-sentiment-remains-positive>

IMF text-based gauges show policy uncertainty spiking while sentiment stayed positive, matching staff messaging of a resilient but slowing global expansion. Elevated uncertainty argues for quality and careful cyclical timing rather than maximum risk.

Commentary: AVANTAS Research

TOP CATALYSTS

1. Editor's pick: Labor/services path gate and Sep CPI week

Into 27 to 28 Oct, claims, wages, and core services write the Fed path, not another cut call. This week's cluster (13 to 16 Oct GMT+8) is existing home sales, Sep CPI, retail sales/PPI/Philly Fed/claims, and euro-area CPI.

Market Impact:

Front-end duration tactical on cooperative core; keep quality/Nasdaq as core; long IG and 30Y cautious on term premium; gold as the hawkish/fiscal hedge.

Further Reading:

- [Avantas Research — Labor & services path gate](#)
- [Avantas Research — Credit vs equity split](#)

2. Nasdaq Leads; Credit and Gold Soft

Our 8 Oct table: Nasdaq +5.4% 1M tops the sleeve; Bitcoin +4.9% 1M; S&P +0.9% 1M; Nikkei flat; LQD " 3.2% 1M; CSI " 5.1% 1M; STOXX " 6.9% 1M; Hang Seng " 7.0% 1M; Gold " 7.6% 1M.

Market Impact:

Prefer Nasdaq selectivity over blanket Europe or China beta; do not express the cut as unlimited long IG; size bitcoin as liquidity beta versus gold.

Further Reading:

- [Avantas Research — performance table](#)
- [Reuters — Markets](#)

3. Credit vs Equity: Duration Split Live

LQD soft ranks versus Nasdaq leadership show Fed-path equity beta and fiscal-path credit can diverge for weeks. Intermediate IG over long IG until auctions and spreads clear.

Market Impact:

OW quality equities; UW long IG as Fed proxy; mild intermediate IG only on catch-up confirmation; keep 30Y cautious.

Further Reading:

- [Avantas Research — Credit vs equity split](#)
- [Avantas Research — Late-Oct FOMC path](#)

4. Data Week: Sep CPI / Retail / PPI into Late-Oct Path (13 to 16 Oct)

Calendar (GMT+8): Tue existing home sales; Wed Sep core CPI MoM, CPI MoM, CPI YoY; Thu retail sales, PPI, core retail, Philly Fed, claims; Fri euro-area CPI YoY.

Market Impact:

Soft core can extend front-end relief; hot CPI or sticky retail keep path risk and equity duration cautious into 27 to 28 Oct.

Further Reading:

- [Avantas Research — economic calendar](#)
- [BLS — October 2026 schedule](#)

MARKET THEMES

BY REGION

US economy & markets

United States: Large cap benchmarks still take their cue from AI capex narratives and the path of short rates; breadth remains a recurring concern when megacaps absorb most incremental flows.

Europe & Asia

Europe: Rates and energy jointly drive the earnings revision cycle; peripheral risk can flare when core inflation proves sticky. Japan: policy mix still favours nominal growth. Asia: China policy and trade remain the main EM swing factor.

Commodities & credit

Commodities: Oil and gold both respond to real rates and risk, but with different lags; positioning often overshoots before physical balances clear.

Cross asset read

Cross asset: treat this section as narrative context; numbers live in the performance table. Dispersion across factors and regions is the baseline assumption, not a single risk on bet.

MARKET OUTLOOK

Near term outlook (3 to 6 months):

CPI/PPI and retail week is the near-term hinge: Tue existing home sales (Sep); Wed Sep core CPI MoM, CPI MoM, and CPI YoY (20:30 GMT+8); Thu retail sales, PPI, core retail sales, Philly Fed, and claims; Fri euro-area CPI YoY (17:00). Our 8 Oct table shows Nasdaq (+5.4% 1M) and Bitcoin (+4.9% 1M) leading with S&P (+0.9% 1M) firm; Nikkei flat (+0.0% 1M); LQD (" 3.2% 1M), CSI (" 5.1% 1M), the 10Y proxy (" 6.2% 1M), STOXX (" 6.9% 1M), Hang Seng (" 7.0% 1M), and Gold (" 7.6% 1M) stay soft into the late-Oct path meeting.

Medium term outlook (6 to 12 months):

Labor and services remain the path gates into 27 to 28 Oct; Sep CPI/PPI and retail sales are the hard U.S. prints this week. Cooperative core supports front-end duration and quality equities; hot core or sticky retail reprice higher-for-longer via term premium. Keep fiscal-path caution on long IG and 30Y, Nasdaq leadership is not LQD duration beta; gold (" 7.6% 1M, +2.6% 1Y) remains the strategic hawkish/fiscal hedge after the washout.

Long term outlook (12+ months):

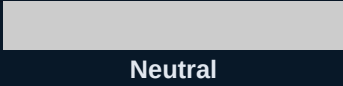
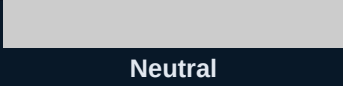
AI capex ROI and breadth, credit versus equity duration selection into easing, fiscal supply and term premium, and selective Asia/Europe allocation remain multi-year themes. Separate Fed-path duration from fiscal-path duration, and liquidity beta (bitcoin) from inflation hedges (gold), when correlations stay unstable into the autumn policy window.

Asset Class Views

■ Underweight

■ Neutral

■ Overweight

Asset	View	Commentary
US Equities	 Overweight	Overweight. Nasdaq +5.4% 1M leads with S&P +0.9% 1M, keep quality/Nasdaq as core into Sep CPI and the late-Oct path meeting; upgrade equal-weight only on breadth confirmation.
International Equities	 Underweight	Underweight. STOXX " 6.9% 1M, Hang Seng " 7.0% 1M, CSI " 5.1% 1M; Nikkei flat (+0.0% 1M), prefer stock-picking over blanket Europe or China beta.
Fixed Income	 Neutral	Neutral. Front end tactical on cooperative CPI/labor; LQD " 3.2% 1M and the 10Y proxy " 6.2% 1M warn against long IG as Fed-proxy duration into term premium.
Commodities	 Overweight	Overweight. Strategic hedge tilt. Gold " 7.6% 1M / +2.6% 1Y after the post-cut washout, keep as hawkish-path and fiscal hedge into CPI week and 27 to 28 Oct; oil remains the inflation spoiler.
Cryptocurrency	 Neutral	Neutral. Bitcoin +4.9% 1M but " 33.3% 1Y, size as liquidity beta, not a substitute for gold into Fed-path or fiscal risk.

Source: AVANTAS Research Analysis

LATEST AVANTAS RESEARCH ARTICLES

1. Into Late-Oct FOMC: Labor & Services as the Path Gate

Labor and services inflation are the live dials into late October, claims, payrolls, wages, and core services beside Sep CPI/PPI. We map three scenarios into 27 to 28 Oct and keep Fed-path duration separate from fiscal term premium.

Read article: <https://www.avantasresearch.com/research-article.html?article=labor-services-path-gate-oct-fomc-2026>

2. Credit vs Equity: LQD Stress, Nasdaq Leadership, and the Duration Split

Nasdaq leads while IG credit (LQD) sits near the bottom of our 1Y ranks. We map why easing-cycle equity beta is not long IG duration beta, three credit to equity regimes, and a playbook into the late-Oct path meeting.

Read article: <https://www.avantasresearch.com/research-article.html?article=credit-vs-equity-lqd-nasdaq-split-2026>

3. Into Late-Oct FOMC: Path, Not the Cut

After the September cut, late October is a path meeting, follow-through versus one-and-done, labor/services gates, and fiscal term premium. Keep as the policy frame beside the data-gate and credit to equity notes.

Read article: <https://www.avantasresearch.com/research-article.html?article=oct-fomc-path-not-cut-2026>

ECONOMIC CALENDAR

Key releases for 13 to 16 Oct 2026 (GMT+8): Tue existing home sales (Sep; 3.98M prior); Wed Sep core CPI MoM (0.3% prior), CPI MoM (0.4% prior), and CPI YoY (3.4% prior) at 20:30; Thu retail sales MoM (1.2% prior), PPI MoM (0.4% prior), core retail sales MoM (1.4% prior), Philadelphia Fed manufacturing (Oct; 37.8 prior), and initial claims at 20:30; Fri euro-area CPI YoY Sep (3.8% cons. / 3.2% prior) at 17:00. All times GMT+8; figures indicative.

Date	Time (GMT+8)	Event	Country	Forecast	Previous	Impact
Tue 13th	22:00	Existing Home Sales (Sep)	US	-	3.98M	Medium
Wed 14th	20:30	Core CPI (MoM) (Sep)	US	-	0.3%	High
Wed 14th	20:30	CPI (MoM) (Sep)	US	-	0.4%	High
Wed 14th	20:30	CPI (YoY) (Sep)	US	-	3.4%	High

Date	Time (GMT+8)	Event	Country	Forecast	Previous	Impact
Thu 15th	20:30	Retail Sales (MoM) (Sep)	US	-	1.2%	High
Thu 15th	20:30	PPI (MoM) (Sep)	US	-	0.4%	High
Thu 15th	20:30	Core Retail Sales (MoM) (Sep)	US	-	1.4%	High
Thu 15th	20:30	Philadelphia Fed Manufacturing Index (Oct)	US	-	37.8	High
Thu 15th	20:30	Initial Jobless Claims	US	-	-	High
Fri 16th	17:00	CPI (YoY) (Sep)	EU	3.8%	3.2%	High

NEXT WEEK EXPECTATIONS

Focus: 13 to 16 Oct 2026 (GMT+8). Tue: existing home sales (Sep); Wed: Sep core CPI MoM, CPI MoM, and CPI YoY (20:30); Thu: retail sales, PPI, core retail sales, Philly Fed, and claims (20:30); Fri: euro-area CPI YoY (17:00). Labor/services and Sep inflation/spending prints are the path gates into 27 to 28 Oct, soft core can extend front-end relief, while hot CPI or sticky services keep term premium and equity duration cautious. All times GMT+8; figures indicative.

RISK WATCHLIST

- Sep CPI suite (14 Oct 20:30 GMT+8): core MoM (0.3% prior), CPI MoM (0.4% prior), CPI YoY (3.4% prior), hot core can sell the late-Oct path; cooperative prints keep follow-through live into 27 to 28 Oct.
- Thu spending/labor cluster (15 Oct): retail sales (1.2% prior), PPI (0.4% prior), Philly Fed (37.8 prior), and claims, growth scare versus sticky inflation is the two-way risk.
- Credit vs equity split: Nasdaq (+5.4% 1M) versus LQD (" 3.2% 1M) warns against treating long IG as the Fed put into term premium.
- Fiscal / term premium: soft gold (" 7.6% 1M) and the 10Y proxy (" 6.2% 1M) keep long-bond beta tactical, not structural.
- Cross asset: Nasdaq and Bitcoin (+4.9% 1M) lead while Europe (STOXX " 6.9% 1M), Hang Seng (" 7.0% 1M), and gold stay soft, euro-area CPI (16 Oct) is the Friday cross-check.

SECTOR PERFORMANCE

United States (S&P 500 sector proxies, SPDR Sector ETFs)

Rows are ranked by one month total return (highest first). Energy leads on firm crude and geopolitical risk premium; utilities and staples draw defensive flows while policy rates stay volatile. Technology, communication services, and broad growth trade weak on duration and earnings expectations, and financials reflect tighter credit and spread noise.

Sector	Ticker	1-Month	6-Month	1-Year
Energy	XLE	+1.7%	+18.4%	+28.0%
Cons. Staples	XLP	+0.8%	+1.1%	+4.2%
Utilities	XLU	+0.6%	+8.9%	+5.2%
Real Estate	XLRE	-0.2%	-1.4%	+0.4%
Materials	XLB	-0.8%	+3.2%	+8.4%
Industrials	XLI	-1.3%	+4.2%	+12.3%
Health Care	XLV	-1.7%	-2.1%	+2.5%
Communication	XLC	-1.9%	+12.3%	+23.1%
Financials	XLF	-2.5%	+5.2%	+3.3%
Cons. Discretionary	XLY	-2.9%	-3.1%	+10.5%
Technology	XLK	-3.6%	-6.4%	+23.8%

Source: SPDR ETF fact sheets / last closes; returns are indicative. Not all sectors listed.

Europe (STOXX Europe 600 sectors)

Ranked by one month return (highest first). Energy and banks outperform on commodity income and yield support; materials lag on industrial and China linked demand worries. Defensives such as utilities and staples help anchor the tape while technology and cyclicals show wide cross country dispersion.

Sector	1-Month	6-Month*	1-Year
Energy	+2.4%	+4.1%	+1.1%
Utilities	+1.2%	+5.4%	+2.8%
Cons. Staples	-0.1%	+1.8%	+3.1%
Healthcare	-1.9%	+2.3%	+6.4%
Industrials	-2.1%	+3.5%	+8.9%
Banks	-6.8%	+11.4%	+18.2%
Technology	-7.6%	-1.2%	+5.6%
Materials	-12.9%	-8.2%	-4.3%

Source: STOXX Europe 600 sector indices (indicative). *6-Month column per provider convention.

Asia Pacific (MSCI AC Asia Pacific sectors)

Ranked by one month return (highest first). Energy and export oriented industrials benefit from commodity moves and regional manufacturing; information technology and communication services remain structural outperformers over longer horizons but face intermittent profit taking. Financials track credit and policy, while real estate and materials stay sensitive to property and China activity headlines.

Sector	1-Month	6-Month*	1-Year
Energy	+1.9%	+12.6%	+10.8%
Industrials	-0.9%	+7.4%	+16.2%
Financials	-1.1%	+8.9%	+14.6%
Real Estate	-1.5%	-3.2%	-0.8%
Materials	-2.3%	-1.4%	+5.7%
Communication Services	-2.4%	+10.2%	+25.3%
Consumer Discretionary	-3.8%	+4.3%	+21.1%
Information Tech	-4.2%	+15.3%	+38.4%

Source: MSCI AC Asia Pacific sector indices (indicative). *6-Month column per provider convention.

Sources: Reuters; Montanaro Asset Management; AVANTAS Research.
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