Weekly Investment Insights

10 November 2026

Key Market Highlights

- The Democrats secured control of both chambers of the United States (US) Congress while the Republicans hold the White House. A divided government could limit major policy changes.
- Artificial intelligence (AI)-related stocks came under renewed selling pressure amid concerns of potentially tighter scrutiny of AI and data centre development.
- Brent crude oil fell nearly 20% over three days, marking its steepest decline since April 2020, before rebounding as the election outcome eased concerns of a further escalation in US-Iran tensions and revived hopes of a diplomatic resolution.
- Signs of stabilisation emerged following last Thursday's sharp selloff but an independent investigation into the conduct of a key leader of a major AI chipmaker added another development for investors to monitor.
- Market volatility could remain elevated, investors should avoid indiscriminate selling and remain invested, with greater emphasis on quality and selectivity.

Topics of the Week:

A Democrat Congress triggered a broader AI reassessment

- Global equities initially rallied as election uncertainty eased but reversed sharply the following day as investors reassessed the implications of greater scrutiny over AI and data centre development.
- AI-related stocks led the selloff, with the VIX Index surging to an eight-month high as market volatility increased.
- Beyond political concerns, crowded AI positioning and questions over the sustainability of the AI investment cycle amplified the decline, with systematic selling adding to downward pressure on stocks.
- Technology stocks bore the brunt of the selloff, while healthcare, utilities and consumer staples performed comparatively better, suggesting a rotation towards more defensive sectors rather than concerns of an immediate deterioration in the broader economy.
- US Treasury yields declined as investors sought safe-haven assets, while expectations for a December Federal Reserve (Fed) rate hike eased amid weaker broad risk aversion.
- Although oversold conditions could support a near-term equity rebound, volatility may remain elevated as investors could continue to unwind crowded positions.

US economic data to shape the Fed policy path

- The US labour market showed stronger-than-expected momentum, with nonfarm payrolls rising by 165,000 in October, well above expectations of 65,000. The previous two months were revised higher by a combined 84,000.
    - Hiring gains were broad-based, while the unemployment rate eased to 4.1% and wage growth accelerated to 0.4% month-on-month.

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- Stronger employment and wage data prompted markets to raise expectations of a December Fed rate hike again.
- The upcoming consumer price index (CPI) release will be closely watched as inflation remains a key determinant of the Fed's policy direction.
- Truflation, a real-time inflation tracker that complements official data, signals a renewed pickup in headline and core inflation, narrowing the gap with official CPI readings.
- A renewed acceleration in inflation could re-heighten expectations of a December rate hike, making upcoming inflation releases particularly important in determining the Fed's policy path.

Investment Strategy

- We remain Neutral on equities as uncertainty over inflation and interest rates, alongside crowded positioning in parts of the market, could keep volatility elevated.
- Investors should remain invested rather than reduce exposure indiscriminately following the recent selloff, while placing greater emphasis on quality and selectivity.
    - Within equities, we favour healthcare, selected Magnificent Seven companies, high-quality market leaders and large banks.
    - Within AI, we prefer companies that can translate AI investments and adoption into sustainable earnings and cash-flow growth, rather than those relying solely on continued infrastructure spending.
- Long-short equity strategies may also help diversify portfolios by reducing sensitivity to broad market movements.
- Investors with undeployed capital should look to invest progressively rather than all at once, while retaining sufficient liquidity to take advantage of further market volatility.
- High-quality investment grade bonds with an average duration of four to five years remain an attractive portfolio anchor, offering income and greater downside resilience while equity volatility remains elevated.

Asset Class Performance

Equities	Current	Performance (%)			
		1 Week	1 Month	3 Months	Year-To-Date
S&P 500 (USD)	7376.86	-2.68	-5.45	-4.91	7.76
Dow Jones (USD)	51285.73	-0.94	0.21	-5.09	6.70
NASDAQ 100 (USD)	26989.99	-4.91	-13.38	-9.19	6.89
FTSE 100 (GBP)	10673.94	-0.52	2.06	-2.08	7.48
S&P/ASX 200 (AUD)	9020.802	1.26	3.36	-2.62	3.52
DAX (EUR)	25820.36	0.01	2.85	-1.90	5.43
Swiss Market Index (CHF)	14796.5	-0.10	7.16	1.73	11.52
HSCEI Index (HKD)	8274.1	5.24	2.37	-3.02	-7.18
Hang Seng Index (HKD)	24481.86	5.10	1.46	-4.62	-4.48
Nikkei 225 (JPY)	57434.77	-9.25	-17.99	-12.46	14.09
Commodities & Currencies	**Current**	**1 Week**	**1 Month**	**3 Months**	**Year-To-Date**
Brent Crude (USD)	98.32	-13.32	0.89	24.96	63.24
Gold (USD)	4070.8	5.06	-0.98	-6.24	-5.75
EURUSD	1.1143	-0.15	-0.48	-3.60	-5.13
GBPUSD	1.3352	-0.29	1.04	-1.03	-0.91
USDJPY	158.48	0.58	0.25	0.46	1.13
Bonds	Current (%)	Basis points Change			
		1 Week	1 Month	3 Months	Year-To-Date
US 10-year Treasury yield	4.857	-0.071	-0.426	0.212	0.690
German 10-year Bund yield	3.254	-0.068	-0.221	0.122	0.399
UK 10-year Gilts yield	5.154	-0.130	-0.289	0.233	0.675
Japan 10-year bond yield	2.654	-0.128	-0.450	-0.151	0.588

1 week for the period 30-Oct-2026 to 06-Nov-2026
1 month for the period 07-Oct-2026 to 06-Nov-2026
3 months for the period 07-Aug-2026 to 06-Nov-2026
Year-to-date for the period 31-Dec-2025 to 06-Nov-2026
Source: Bloomberg (last update: Sat, 07 November 2026 2:06 PM SGT)

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