Weekly Market Note

October 30th, 2026

Economic Data & Markets Summary

Index	Asset Class	MTD	YTD
MSCI World	Equity	-0.52%	11.58%
MSCI Asia Pacific	Equity	-2.76%	16.72%
MSCI Europe	Equity	-0.92%	5.68%
MSCI China	Equity	-6.58%	-18.32%
MSCI Emerging Markets	Equity	-7.37%	16.36%
Bloomberg Barclays Global Aggregate Index	Fixed Income	1.10%	-1.55%
Bloomberg Commodities Index	Commodities	1.35%	30.70%
HFRX Global	Hedge Fund	-1.16%	2.77%
HFRX Macro/CTA	Hedge Fund	-1.58%	5.50%
HFRX Equity Hedge	Hedge Fund	-2.03%	4.77%

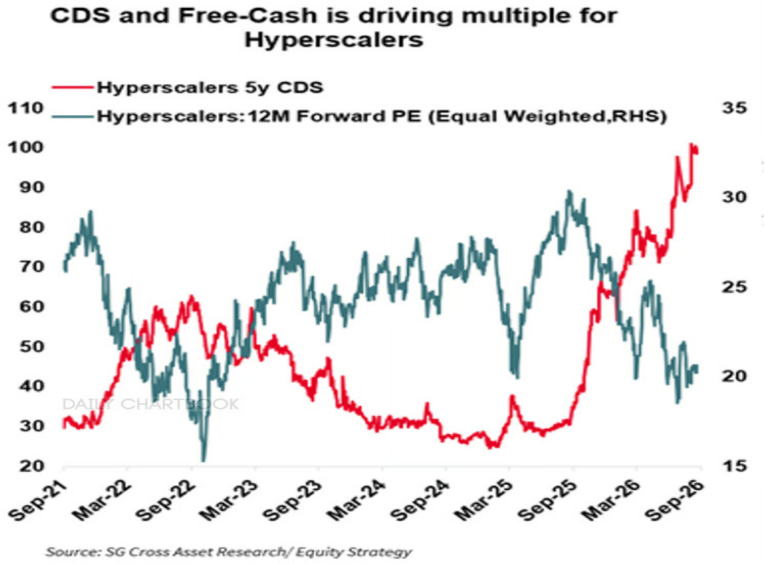
**Index data as of October 23, 2026*

Global Markets and Economic Data:

Most investors started October optimistic the worst in dislocated market price action was left behind in Q3. Unfortunately, the opposite has ensued in October, which has featured violent technical and sentiment driven price movements impacting nearly all corners of the market.

- **US:** The FOMC held rates unchanged and will remain data dependent. Sep. durable goods orders were higher than forecast.
- **Switzerland/UK/EU:** The Swiss KOF Leading Indicators index fell m/m but remained above its medium-term average. Both UK Oct. Manufacturing and Services PMIs were stronger than expected. The ECB held rates unchanged after president Lagarde announced plans to step down early.
- **Japan/China:** The BoJ held rates unchanged in an 8-1 vote. China's Fifth Plenum proved a non-event for economic policy as the focus shifted to internal party control.

Debt driven difficulties

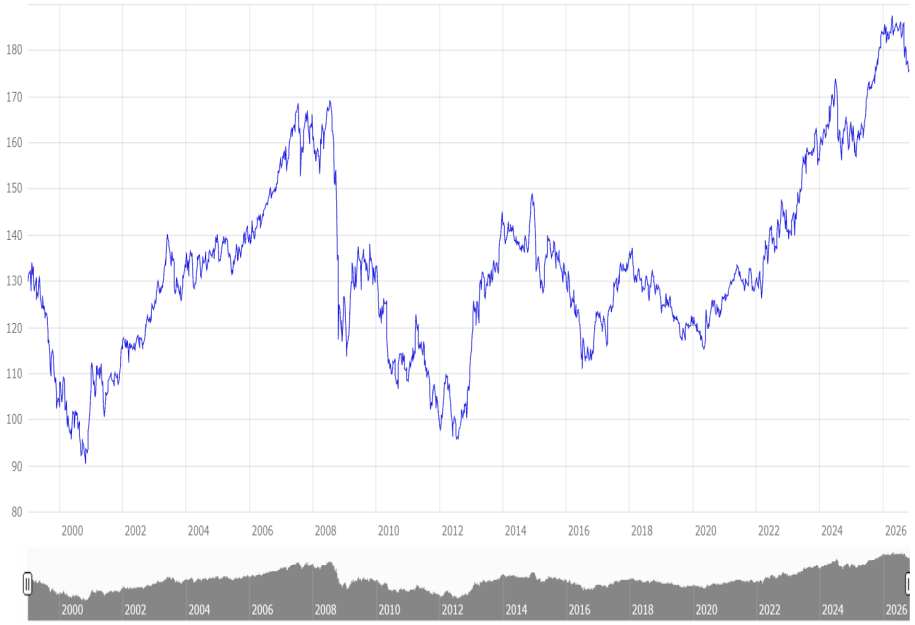


- *The issue presently is not about AI winners or losers, competition from frontier labs, data center pushbacks, or the existential fear that AI will takeover our jobs and/or civilization.*
- *Setting aside these various worries, we have a much more simple problem on our hands which is that funding for AI has finite limitations. The arms race to build the biggest compute footprint started with free cash flows and has now swiftly evolved into a debt story.*
- *Aggressive capital raising by hypserscalers is now destroying their balance sheets, crowding out sovereigns and other corporates in the fixed income markets, driving up interest rates and causing corporate credit spreads to widen.*
- *Playing with debt is a dangerous game as manias can swiftly turn into panics when credit deterioration leads to ever tighter financial conditions across the economy.*

Market Spotlight: EUR/JPY - The Ultimate Risk Off Trade

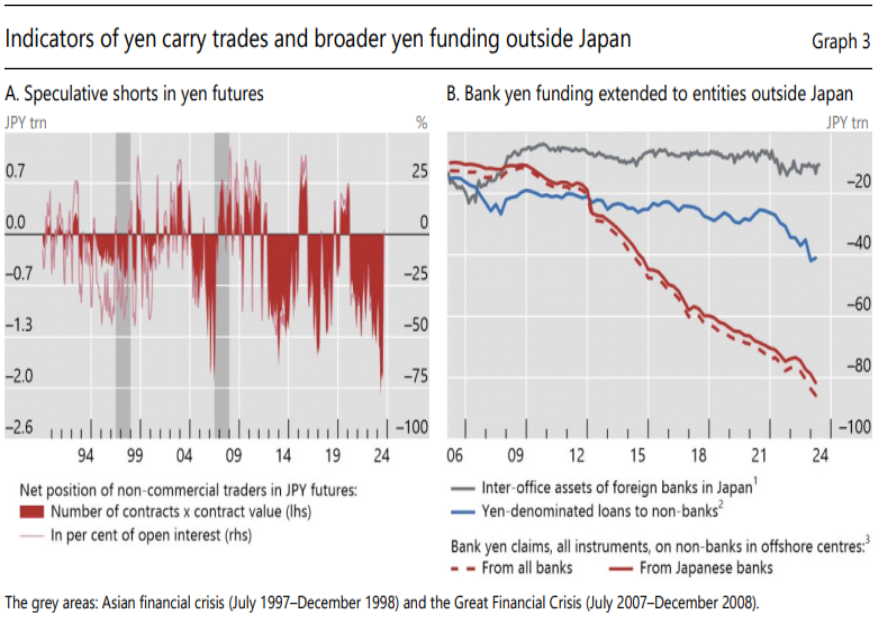
- We have begun to observe the emergence of short EURJPY exposures bubble up in macro books.
- EURJPY, the ultimate barometer of global risk taking, is the benchmark indicator for the "carry-trade".
- During the GFC, the cross moved from a peak of 170 to 112; this forced liquidations to cascade globally, intensifying the historic collapse of the global equity market.
- In 2012, the EURJPY bottomed near 94 amidst the Eurozone Sovereign Debt Crisis.
- In August 2024, the JPY violently rallied against all global FX crosses after the BoJ surprised the market with a 0.25% rate hike, which spurred on a brief global capital markets rout.
- As markets become potentially more volatile over the coming weeks/months/quarters, never take the EURJPY cross off your watchlist.

EUR/JPY performance



Source: ECB

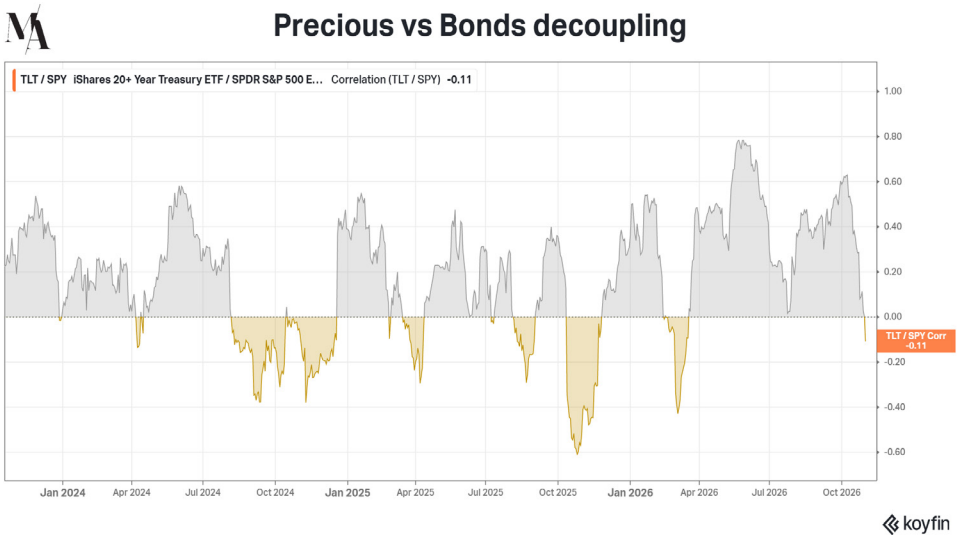
Yen Speculative Positioning

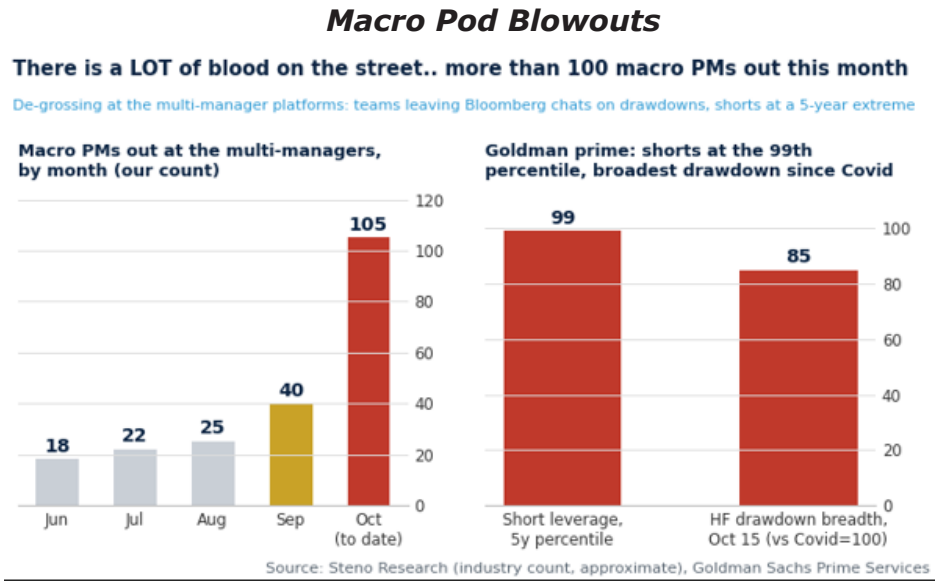


Source: BIS

Market Spotlight: Breakdowns & Blowouts

- The historical positive correlation between the SPDR Gold Trust (ticker: GLD) and the iShares 20+ Year Treasury Bond ETF (ticker:TLT), which typically rise together when interest rates fall or during traditional "risk-off" flight-to-safety environments, is breaking down.
- Precious metals cannot catch a bid despite all of its great risk-off, defensive qualities while bonds are rallying. One explanation is that during the first wave of a liquidity driven market event, gold holdings are sold down to meet margin calls for less liquid exposures. During this first wave, gold simply becomes just another risk asset to be reduced, rather than hoarded.
- Usually gold will bottom out in the wake of the crisis when coordinated global government interventions step in to enact "unprecedented measures".
- The ongoing de-risking across big multi-strategy firms, which has featured a sizable number of macro PM fires MTD in October, might also be adding to the selling pressure in precious.





Black Halloween

The Night Halloween Lost the Plot (And Found Itself Again)

Picture this: October 31, 1933. The Great Depression had America by the throat, and apparently, teenagers decided the best response was to absolutely *demolish* Halloween. Welcome to "Black Halloween"—the year the holiday went from mischievous to absolutely unhinged.

It started innocently enough (or so the kids claimed). Halloween had always been open season for pranks—stealing gates, ringing doorbells, the usual shenanigans. But by the 1930s, something darker was brewing. With jobs scarce, hope scarcer, and energy to burn, restless boys across the nation decided that maybe *vandalism* was the answer.

That fateful October 31st, chaos erupted coast-to-coast. Teenagers—including some from "prominent families," the newspapers smugly noted—went full mayhem mode. Cars got flipped. Telephone poles got sawed down. Porch lights were shot out. Streetlamps smashed. Some cities seriously considered just *canceling* Halloween altogether, which is pretty dramatic.

But here's where it gets interesting: instead of banning the holiday, communities got creative. They invented organized trick-or-treating, costume parties, and haunted houses to keep troublemakers busy with sanctioned spookiness. Basically, they turned chaos into costumes and candy.

The result? Modern Halloween as we know it—costumes, trick-or-treating, and community fun. So the next time you're stuffing your face with candy corn, remember: you owe it to those rowdy 1933 teenagers and the adults clever enough to channel their chaos into something actually worth celebrating.

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