Weekly Market Note

November 6th, 2026

Economic Data & Markets Summary

Index	Asset Class	MTD	YTD
MSCI World	Equity	-0.75%	11.35%
MSCI Asia Pacific	Equity	-2.68%	16.80%
MSCI Europe	Equity	0.41%	7.01%
MSCI China	Equity	-6.99%	-18.73%
MSCI Emerging Markets	Equity	-8.04%	15.69%
Bloomberg Barclays Global Aggregate Index	Fixed Income	1.41%	-1.25%
Bloomberg Commodities Index	Commodities	-0.40%	28.95%
HFRX Global	Hedge Fund	-1.24%	2.69%
HFRX Macro/CTA	Hedge Fund	-2.17%	4.91%
HFRX Equity Hedge	Hedge Fund	-2.49%	4.31%

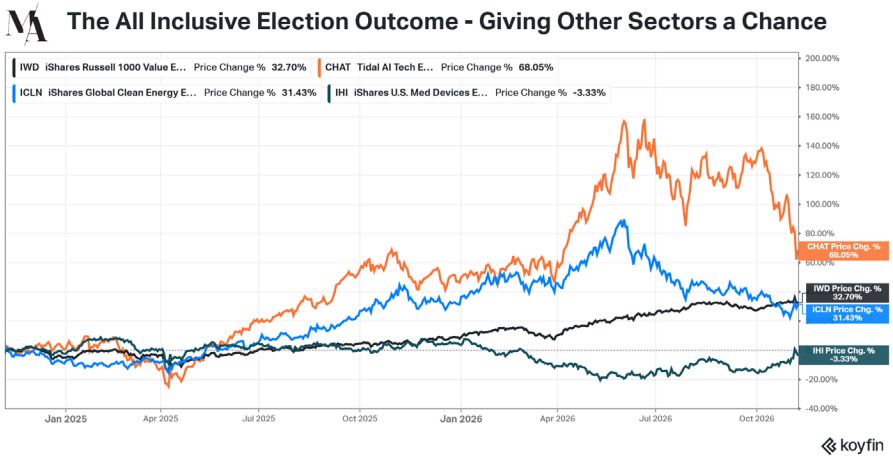
**Index data as of October 31, 2026*

Global Markets and Economic Data:

The "Blue Wave" crashed upon an already fragile market backdrop to cause further dislocations. One positive spin could be that months of hedge fund de-risking is being validated by the upswing in volatility post midterms.

- **US:** Oct Jobs numbers were more robust than anticipated and the first read of Mich. Consumer Sentiment in Nov. was higher than expected. Q4 GDP estimates are tracking at 3.3%.
- **Switzerland/UK/EU:** Swiss consumer confidence registered its weakest reading in three years. The BoE hiked rates by 25bps to 4%, its first increase since Aug. 2023. EU Area Oct. inflation hit 4% annualized, its highest level since Sep. 2023.
- **China/Japan:** China's Oct. Manufacturing PMI figures reflected continued expansion for small and mid-size export oriented firms, but contraction among larger firms. Japan's housing starts made a surprising fall in Sep.

Midterm Market Themes



Tech: *Can we achieve "measured and regulated AI growth" and what does this mean for already opaque ROI and capex numbers? If anything, AI beta will shift with greater fundamental discernment.*

Healthcare: *The potential for an uptick in benefits support is serving as a positive catalyst in the beaten down MedTech sector due to the potential for increased utilization. Mixed government should maintain the status quo in pharma. M&A could be pulled forward before a "Blue, less M&A friendly Govt" in 2028.*

Renewables*: The sector has been decimated and fundamentals look poor. Sentiment will at least pickup here helping to stabilize the selloff, which could be followed by regulatory/government support catalysts.*

Risk Appetites: *The "Trump put" is evaporating and animal spirits that supported speculative price action in "new economy" themes could be tempered by a government placing a lower priority on economic expansion. This dynamic would be favorable for hedge funds as value oriented situations backed by true fundamentals become more sought after than opportunities in the next flying taxi drone, crypto miner, fusion power producer, satellite operator or data center supplier.*

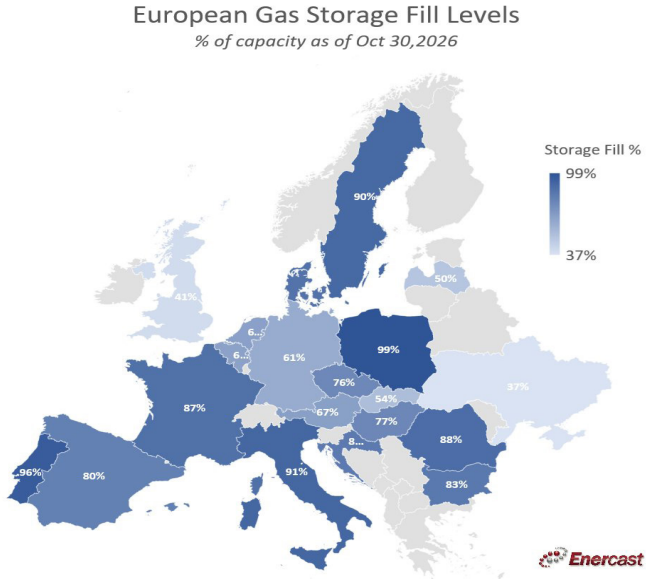
Market Spotlight: Headlines & Fundamentals in TTF

- The headline driven reversal recently witnessed in TTF exemplifies the difficulties commodity traders often face with monetizing fundamentally driven ideas.
- The Title Transfer Facility (TTF) contract is a financial or physical commodity contract for natural gas traded at the TTF virtual trading point based in the Netherlands. It serves as the leading benchmark for natural gas pricing across continental Europe and is one of the most liquid gas trading hubs globally, similar to how the Henry Hub (NYMEX:NGW00) serves as the primary benchmark for natural gas in North America.
- TTF has been on quite a run since March driven by low storage levels and less LNG imports due to war disruptions. Commodity specialist managers have generated strong PNL from European gas in recent months.
- LNG flows are curtailed, price volatility has spiked and a backwardated forward curve stifling storage buildup have created a dynamic opportunity-set.
- Although price action over the past weeks has become less advantageous, similar to Trump's Ukraine peace overtures in February 2025, TTF prices are coming off YTD highs as Trump "orders" Russian gas be shipped to Europe making the seemingly strong fundamentally driven high conviction trade more treacherous to navigate for commodity traders.

TTF on a strong run, but a recent reversal is hurting PNL



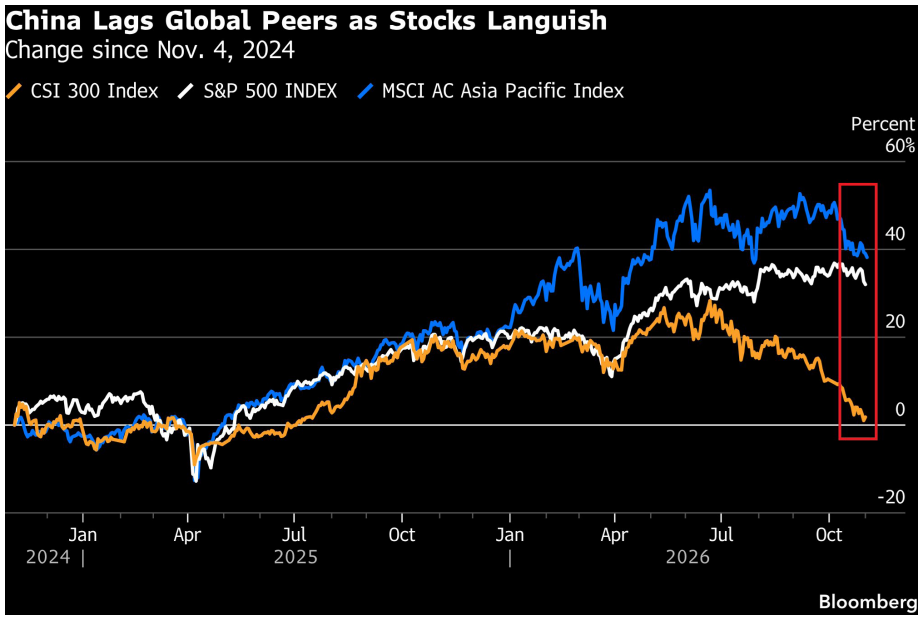
Weather dependency into winter



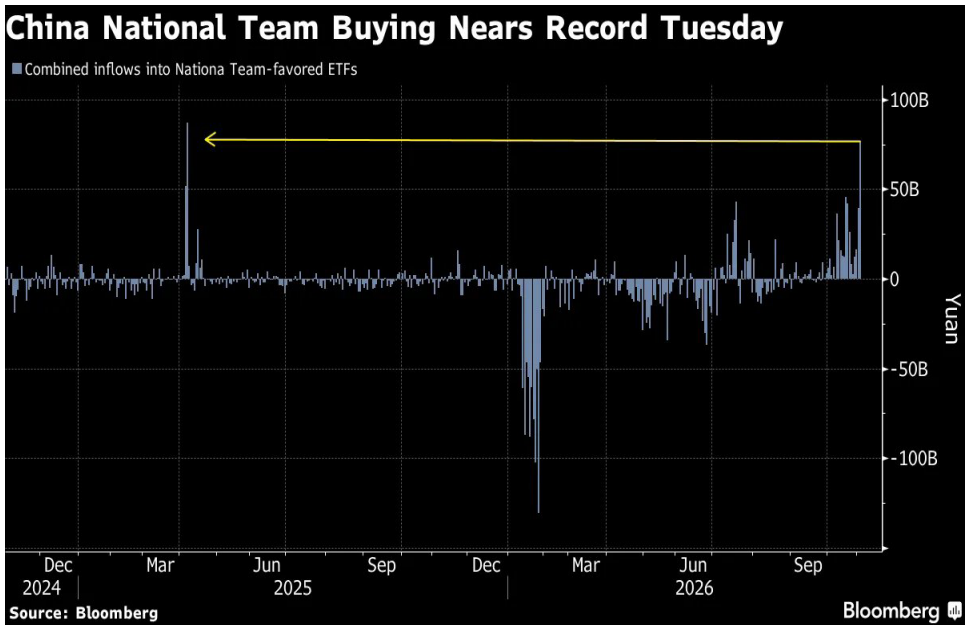
Market Spotlight: A China update

- The Chinese domestic economy remains sluggish with tech exports the only growth area, which could be threatened by EU EV import restrictions and the continued trade war with the US.
- AI/tech names were under pressure early in Q3, but domestic Chinese names fell as well in October leaving the entire market oversold.
- Episodic Chinese government support of its equity market leave stocks generally still overvalued, providing less attractive entry points.
- Increased input costs are keeping oil and chemical costs high, hurting many old economy industries.
- Chinese hedge fund managers remain highly selective and continue to avoid taking on too much directional beta exposure here. However, high quality Chinese consumer, education and internet platform stocks are starting to see a bid here to take advantage of oversold conditions, but the long-term story remains checkered.

The big underpeformance is attracting contrarians



Episodic interventions distort valuations



The Cold November Rain





The Long Road to "November Rain"

Long before most people had heard of Guns N' Roses, Axl Rose was already writing "November Rain." In the early 1980s, broke in Los Angeles, he worked it out on piano, and some early drafts reportedly ran close to twenty minutes. The band demoed it during the Appetite for Destruction era but left it off that album and off G N' R Lies, since a sweeping piano ballad didn't fit their raw street-rock sound. Axl refused to give it up.

The song finally appeared on Use Your Illusion I in September 1991, complete with grand piano, lush strings, and two soaring Slash solos. Despite running nearly nine minutes, it climbed to number three on the Billboard Hot 100 in 1992.

The video matched the song's ambition. Directed by Andy Morahan for a reported $1.5 million, it drew on "Without You," a short story by Axl's friend Del James about a rock star whose girlfriend dies. Supermodel Stephanie Seymour, Axl's real-life girlfriend, played the bride, which blurred fiction and reality, especially after the couple split in 1993. Its images became iconic: Slash's solo outside a desert church, the rain-soaked reception, and the funeral.

Nearly a decade after Axl first sat down at the piano, his most cherished song finally reached the world, proving that his stubborn refusal to compromise had been well worth the long wait.

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