Weekly Market Note

November 13th, 2026

Economic Data & Markets Summary

Index	Asset Class	MTD	YTD
MSCI World	Equity	-2.50%	8.76%
MSCI Asia Pacific	Equity	-5.44%	10.84%
MSCI Europe	Equity	0.11%	7.15%
MSCI China	Equity	5.36%	-12.55%
MSCI Emerging Markets	Equity	-4.08%	19.65%
Bloomberg Barclays Global Aggregate Index	Fixed Income	0.35%	-0.93%
Bloomberg Commodities Index	Commodities	-4.55%	24.29%
HFRX Global	Hedge Fund	-0.16%	2.48%
HFRX Macro/CTA	Hedge Fund	-2.64%	2.12%
HFRX Equity Hedge	Hedge Fund	0.58%	4.72%

**Index data as of November 6, 2026*

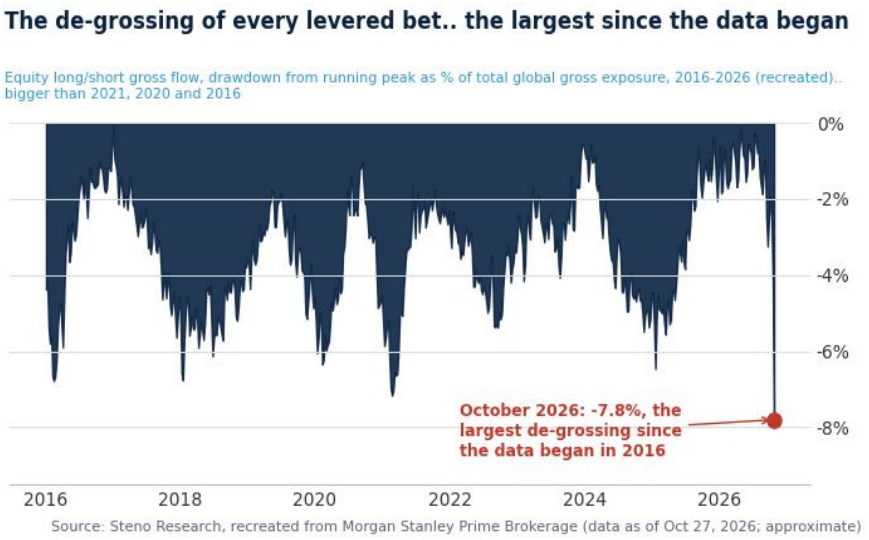
Volatile price action persists as AI bubble pop fears meet rate hike projections, which are then injected with ongoing geopolitical uncertainty.

US: CPI numbers released this week were higher than expected. This was the third consecutive month of above-expectation core inflation cementing the probability of further interest rate hikes.

UK/EU: Q3 UK GDP growth was 1.9% y/y, which means a BoE hike in December is possible. EU Q3 GDP increased 1.3% y/y.

China: The divergence between China's hot export sector and its weak domestic economy was on display this week with CPI figures slowing to a 0.7% y/y rate while PPI surged 5.7% y/y.

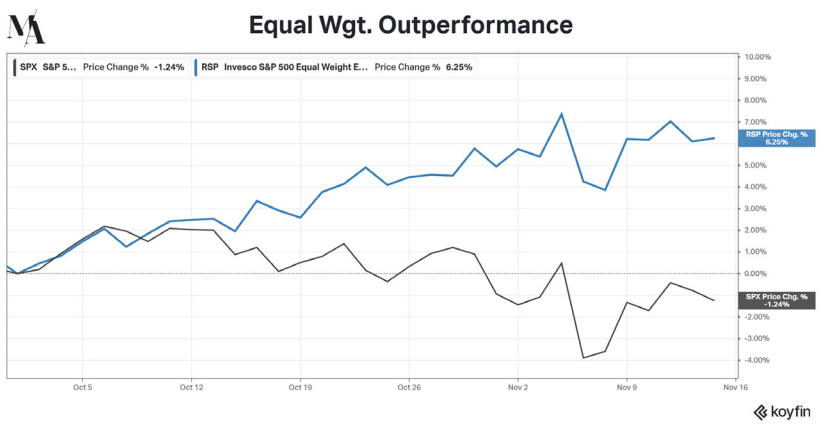
Deleveraging



- *In October, hedge funds de-grossed at the sharpest pace in years. Morgan Stanley's data showed global hedge funds gross flows down over 8% since June, the biggest de-grossing ever since MS started tracking in 2016.*
- *TMT-focused hedge funds lost an average of 12% in October, and cut longs/shorts to protect H1 gains, further amplifying selloffs in names like Google, Intel, Nvidia, and AMD.*
- *Hedge funds have now moved underweight the broader AI trade for the first time since early 2023.*

Market Spotlight: October Recap

- October 2026 brought a sharp shift in market leadership as investors moved out of mega-cap technology and AI-related stocks and into value, cyclical and defensive assets. Doubts over AI spending and rising Middle East tensions drove the rotation. In the US, mortgage rates that peaked near 7.40% kept housing activity slow, pushing median time on market to 63 days
- In the U.S., the S&P 500 slipped about 0.9% despite setting record highs early in the month, while the tech-heavy Nasdaq Composite fell 5.3% on profit-taking and disappointing earnings. The Dow Jones Industrial Average, by contrast, gained roughly 1.7%, and the Russell 2000 edged up 0.5%. The S&P 500 Equal Weight Index jumped 5.0%, beating its cap-weighted counterpart by nearly six percentage points. Energy, consumer staples, utilities and real estate led, while communication services, information technology and industrials lagged.
- Abroad, European equities held up well, with the MSCI Europe Index up 0.4% and the UK's FTSE All-Share up 1.1%. Asia struggled: Japan's Nikkei 225 fell 5.2%, South Korea's Kospi plunged more than 15%, Taiwan lost 8.4%, and China's CSI 300 dropped 7.0% into bear market territory. Brazil fell 12.0% after President Lula's election victory.
- Government bonds regained their safe-haven role as yields fell back from September highs. UK gilts, German bunds and Japanese government bonds each gained between 1.6% and 1.8%, and global investment-grade credit added 1.3%, though high-yield debt lagged. The Federal Reserve held rates at 3.75%–4.00% in a 10–2 vote, with some officials favoring a hike because of sticky inflation, and the ECB and Bank of Japan also held steady.
- Shipping disruptions near the Strait of Hormuz sent WTI crude up 15.6% to above $100 per barrel and Brent to about $118. Gold, meanwhile, slid 6.3% to $3,913 per ounce, its lowest level in a year.

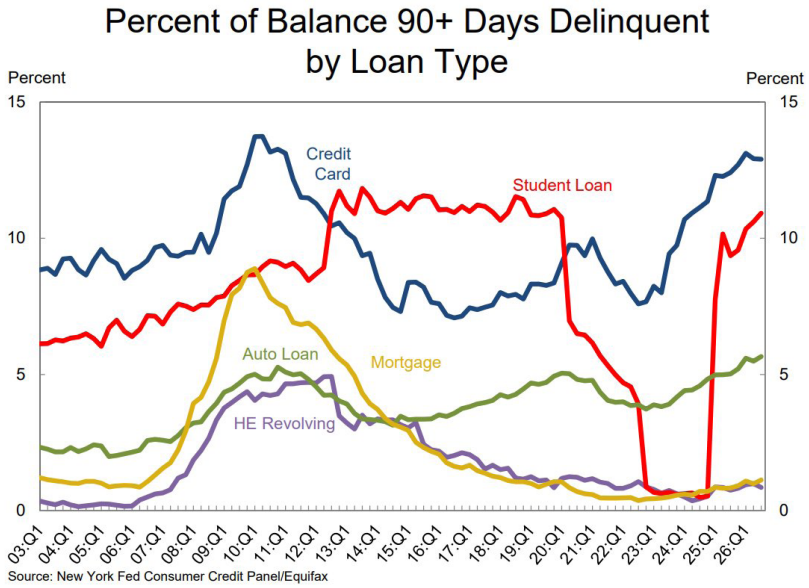


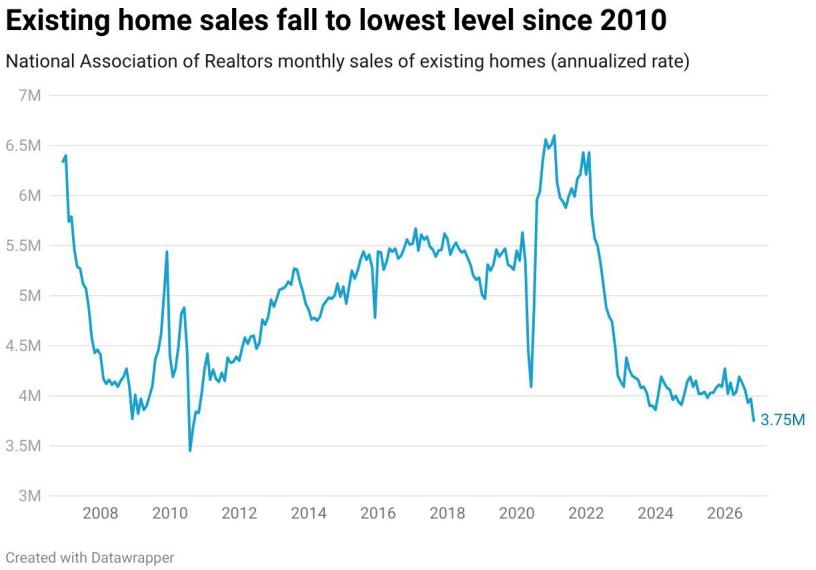


Market Spotlight: Bearish US consumer ruminations

- Top line US consumer data remains resilient. However, elevated interest rates and inflationary pressures are starting to take their toll.
- Additionally, if/when US equity prices drawdown, the move would immensely impact consumer behavior as the wealth effect goes into reverse impacting the top of the "K" shaped US economy.
- The last chip to fall here would be an AI driven spike in unemployment, while there continues to be a consistent stream of corporate restructuring announcements, layoffs have yet to hit jobs numbers.
- We observe mixed hedge fund positioning in the consumer sector as most have stayed away from outright bearish bets due to resiliency, but this leaves decent convexity if negative developments for the consumer continue to unfold.

Plenty to be worried about.....but tons of downside convexity available

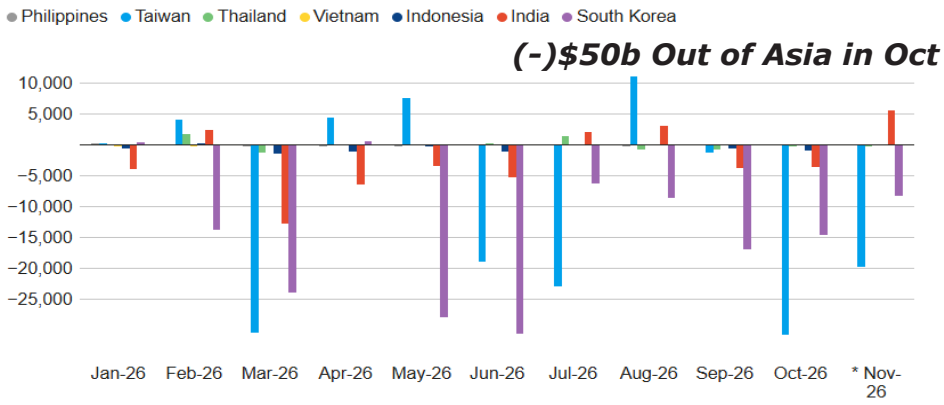




Market Spotlight: More de-risking charts!

- One cannot go about their days in the hedge fund industry without a colleague, client or portfolio manager mentioning "de-risking".
- Last week sadly marked a continuation of this trend, leading quant funds in particular to register some weak results.
- As far as de-grossing has gone, there is still more that could come from the levered players in the marketplace. Meanwhile, fundamental strategies have largely reigned in their net exposure, which has protected them from downside capture on a marketwide selloff. However, with such a complicated and interwoven backdrop, gross exposure is the true risk since high cross asset and inter-equity dispersion does not necessarily mean market neutral is risk neutral.
- Also, with nets low, gross continuing to fall, the ongoing risks of V-shape short squeeze rallies in low quality and highly shorted stocks will persist.

Monthly foreign investment flows into Asian equities



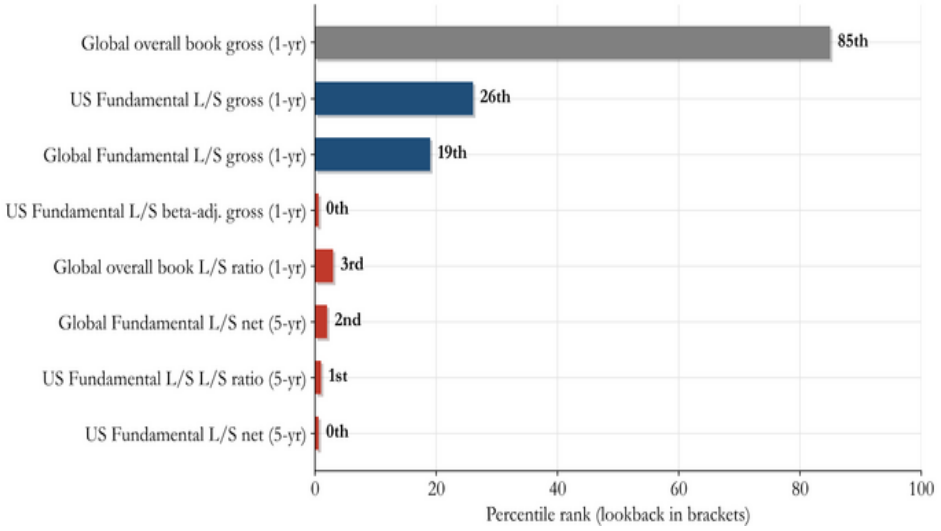
Note: Nov-26 data up to November 10
Source: Local stock exchanges, LSEG

Silver selling pressure has been massive (-)$2.3b over the past 5 weeks



Plenty Of Exposure, Zero Conviction: GS Prime Book Leverage Percentiles

Gross at 85th, net at 3rd percentiles



Happy Gansabhauet!

Gansabhauet: Sursee's St. Martin's Day Tradition

Every year on November 11, St. Martin's Day, the small town of Sursee in the canton of Lucerne holds one of Switzerland's oddest and best-loved festivals: the Gansabhauet, or "goose beheading." Crowds gather in front of the old town hall to watch an event that has been part of local life for centuries.

A dead goose hangs by its neck from a wire stretched above the square. One by one, participants step up to try to cut it down. Each wears a red cloak and a shining golden sun mask, and is blindfolded so they can't see. After being turned around to lose their bearings, they get one swing with a deliberately blunt sabre. It often takes many attempts before someone finally cuts through the neck and wins the goose.

The custom probably goes back to St. Martin's Day being the traditional date for paying rents and taxes, which were often paid in geese. The festival has also grown to include games for children, like sack races, pole climbing, and the "Chäszänne," a funny-face contest where the prize is cheese.

The holiday remains a lively celebration of community, history and Swiss identity.











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