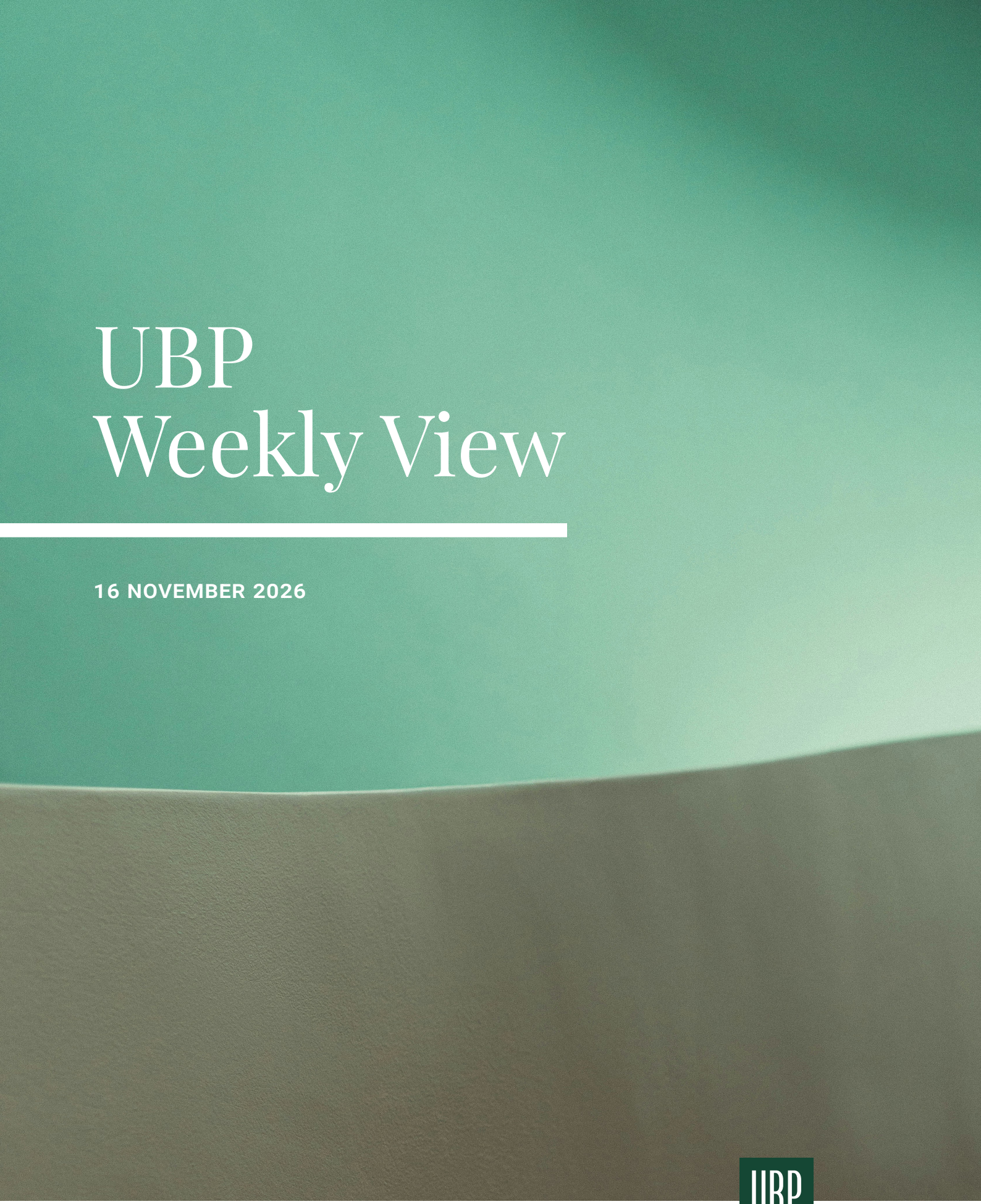
# UBP Weekly View

16 NOVEMBER 2026



UBP

Union Bancaire Privée

# Equities rebound, but sticky inflation lifts yields and the USD


## SUMMARY

Hotter-than-expected US inflation pushed US Treasury yields back above 5% and the USD to its highest level since April 2025, with markets now fully pricing in a Fed rate hike in December. Global equities rebounded despite the departure of Nvidia's CEO, as stronger CoreWeave results restored some confidence in artificial intelligence (AI) spending. Anthropic's record IPO, Nvidia's earnings and US–China trade developments are the key events to watch this week.


## MARKET RECAP

| Asset classes | Last Close (13.11.2026) | 1-Week Total Return | 1-Month Total Return | Year-to-Date Total Return |
|---|---|---|---|---|
| S&P 500 | 7 562 | 2.5% | -3.1% | 10.5% |
| NASDAQ Composite | 25 136 | 2.3% | -7.6% | 8.2% |
| STOXX Europe 600 | 664 | 2.4% | 4.6% | 12.1% |
| MSCI Japan | 2 398 | 6.3% | -5.0% | 14.7% |
| MSCI EM | 1 550 | 3.2% | -6.6% | 10.4% |
| US 10-year Yield | 5.14% | 28 bps | -8 bps | 98 bps |
| Gold (USD/oz) | 3 881 | -4.6% | -6.7% | -10.1% |
| Brent Crude Oil (USD/bbl) | 96 | -2.5% | -9.3% | 57.5% |

Source(s): Refinitiv

# Beyond the numbers

## MACROECONOMICS

The US Federal Reserve's (Fed) decision to hold interest rates steady in October looks increasingly like a mistake, at least judging by the October consumer price index (CPI). Consumer prices rose more than expected in October (0.4% m/m vs. 0.3%) and, importantly, the surprise was to be found in core prices, not energy: core goods saw a broadening, as the share of categories running above their 2010–2019 trend has increased. This could signal transport costs spilling over into consumer prices. Moreover, services remain sticky as 'supercore' inflation, which excludes housing, ran at about 0.4% for a second month, putting the annualised pace near 5%.

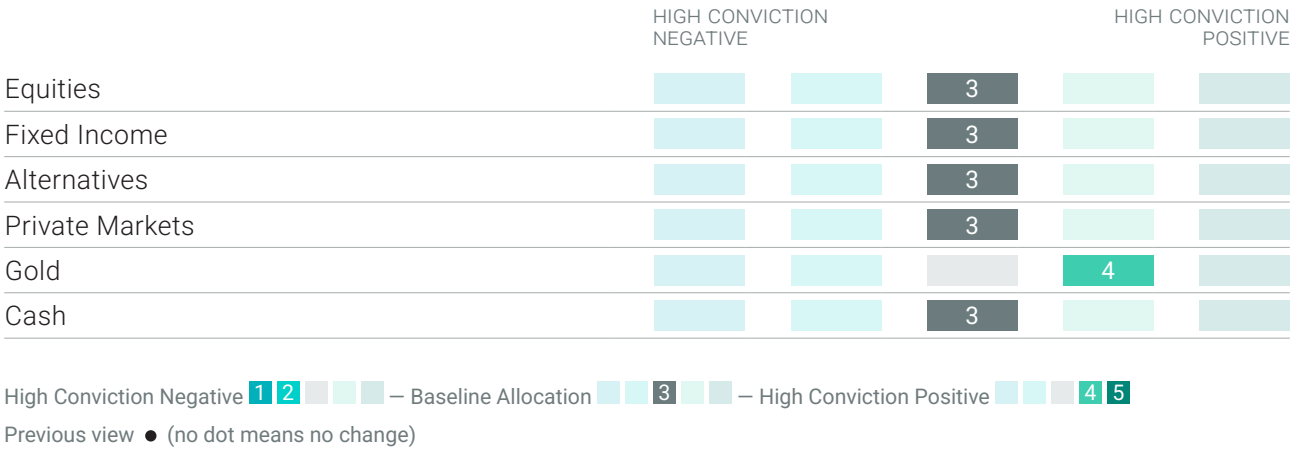
This argues for a tightening of rates on 9 December or even accelerating the pace. Christopher Waller, a Fed governor, has even said a half-point hike should be considered if inflation fails to improve, and on core, it has not. Yet 50 basis points looks excessive as the labour market is not tight enough to generate a wage-price spiral, and average hourly earnings are up by 3.1% a year earlier – below inflation at 3.7% – putting a lid on real purchasing power.

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In the UK, gross domestic product (GDP) grew, as expected. by 0.7% in the third quarter, led by a 0.9% rise in services output. Growth that robust suggests the economy can bear the Bank of England's (BoE) interest rate rise to 4% on 5 November and keeps a December vs. February rate-hike debate in play.

This week, US retail sales should give back some of September's 0.8% rise, which was flattered by petrol prices. The minutes of the Fed's October meeting will show how many officials sided with the two dissenters who wanted a rate hike. Jobless claims will test the labour market's tightness; the final Michigan survey should confirm year-ahead inflation expectations of 4.3%, down from 4.7% in October. In the UK, October's CPI follows September's 3.5%, with retail sales data coming out on Friday. The eurozone calendar is light: industrial production, the ZEW survey, and the final HICP which should confirm inflation of 4.0%.

## ASSET ALLOCATION: STRATEGIC VIEWS AS AT NOVEMBER 2026




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# Equities

Global equities rebounded last week (MSCI ACWI +2.5%), recovering part of the previous week's sharp sell-off, although the index remains 4.2% below its recent highs. The recovery was broad-based, with Japan (+6.3%) and emerging markets (EM) (+3.2%) outperforming, while Europe (+2.5%) reached new highs. Energy (+3.6%), industrials (+3.5%) and technology (+3.3%) led the gains, while global semiconductors rebounded 3.5%, breaking a streak of more than five consecutive weeks of losses.

The week's defining event was the unexpected departure of Jensen Huang as Nvidia's CEO, following allegations surrounding his personal conduct and links to a suspected Chinese intelligence operative. Nvidia shares fell 12.8% over the week, extending their losing streak to six consecutive weeks and bringing their decline to around 30% over the past month. The announcement raised questions about leadership continuity, particularly regarding Nvidia's substantial financial commitments to its customers, as well as its competitive position. Nvidia has also become increasingly entangled in US politics, with senior US administration officials reportedly involved in discussions surrounding the company's leadership and compliance with export controls. This adds another layer of political uncertainty alongside the risk of investigations and potential financial penalties if export violations are established. Meanwhile, Congress is considering tighter restrictions on advanced artificial intelligence (AI) chip exports to China, potentially through the upcoming defence bill. Against this backdrop, AMD and Broadcom benefited from expectations of potential market share gains at Nvidia's expense.

Beyond Nvidia, CoreWeave's stronger-than-expected results and upgraded guidance helped restore confidence in AI infrastructure spending. The company indicated that its 2027 capacity is largely sold out, with limited additional financing needs through next year and no immediate impact from regulatory changes. Nevertheless, growing opposition to data centre construction, particularly regarding electricity costs and grid capacity, could delay new projects. Current estimates suggest that while data centres already under construction for 2027 should be relatively unaffected, around 20% of US projects planned for 2028 could be pushed back to 2029. Ironically, such delays could benefit hyperscalers with existing capacity and increase demand for more efficient chips, including Nvidia's Vera Rubin, as operators seek to maximise computing output from constrained capacity.

Importantly, the correction has brought technology valuations to increasingly attractive levels, with hyperscalers now trading below some defensive sectors. However, investors are becoming more selective, focusing on project execution, financing conditions and earnings sustainability rather than announced capex commitments alone.

Looking ahead, Nvidia's earnings will be a key test of AI demand and 2027 growth expectations, alongside potential developments in US–China trade relations and semiconductor export restrictions.

Another major catalyst this week will be Anthropic's IPO, with pricing expected on 18 November and trading scheduled to begin on 19 November. At the midpoint of the USD 70–78 indicative price range, the transaction implies a USD 1.4 trillion valuation and estimated combined IPO and private placement net proceeds of USD 84.6 billion, potentially making it the largest public listing in history. The USD 26 billion strategic placement – including USD 10 billion each from Google and Nvidia – highlights the growing financial interdependence across the AI ecosystem. Beyond its record size, the IPO will be a critical test of investors' appetite for financing the massive infrastructure commitments required to sustain AI growth.

We maintain our neutral stance on global equities, with a preference for well-capitalised technology leaders over more leveraged infrastructure beneficiaries.

## Global equities rebounded but remain below their highs; tech looks more attractive, yet investors are selective ahead of Nvidia's earnings data and US–China chip rules.

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# Fixed income

This week the spotlight was on rates, with US Treasuries selling off from Tuesday's inflation print onwards, reversing two-thirds of their rally since the start of October and taking 10-year yields back above 5%. 2-year yields were also up 33 basis points (bps), the largest weekly rise since early October 2024.

October CPI showed a third consecutive 0.3% core print. Unusually, this came without a year-on-year rate, as the 2025 government shutdown left no October index to compare with, but the monthly figure was enough: it met the threshold Governor Waller had set ahead of the release for putting a 50-bp hike in December on the table. While we think a 50-bp rise would be excessive, markets have now fully priced in a 25-bp hike. The week was cemented by Friday's producer price index (PPI), where prices excluding food, energy and trade services rose 0.5% for a second month and the annual rate reached 6.5%, its highest since November 2022.

Hopes of an Iran deal faded, as Trump wrote that the US does not need one and told Vance, who had been part of the peace effort, to focus on domestic issues, leaving oil to rebound towards the end of the week. Iran launched drones at US positions in Bahrain on Friday and Sunday, its first attacks against a Gulf state since early September, with the second coming a day after Trump said he might hold off strikes absent of new provocations. Trump meets presidents Xi and Putin in Shenzhen on 18 and 19 November, with the conflict in the Middle East on the agenda.

European rates followed with roughly half the force of their US counterparts. 10-year Bunds rose 12 bps to 3.38%, even as core inflation at 2.5% remains consistent with the European Central Bank's (ECB) view that second-round effects have yet to appear. In the UK, 10-year gilt yields rose 18 bps to 5.34%, alongside Q3 GDP growth of 0.7%, the fastest rate since Q1 24.

Credit absorbed the rates' movements, with investment grade (IG) tightening 5 bps, EM 10 bps, additional tier 1 bonds (AT1s) 19 bps and high yield (HY) 20 bps. IG, HY and EM spreads remain in the upper half of their year-to-date ranges, and the week clawed back part of the recent widening while all-in yields rose. In dollars, US Treasuries returned -1.0% on the week, IG -0.9%, EM -0.7%, HY -0.2%, and AT1s were flat.

On the AI-financing names, spreads held through a volatile week. JPM updated its supply forecasts for 2027, now expecting USD 612 billion of US IG supply from technology and media, USD 225 billion from hyperscalers, and as much again from data centre and GPU financing, about half of all net issuance, which would take the IG technology sector to USD 1.5 trillion, the size of the entire US HY market today. So, despite a narrative of a market less ready to bankroll endless AI capex, supply is still at record levels, with US IG gross issuance of about USD 2.0 trillion this year and USD 2.1 trillion forecast for 2027.

While OAT–Bund spreads have stabilised somewhat at around 150 bps, we see France as a problem the market has stopped focusing on for the moment. Data out this week show foreign investors kept buying French bonds through September's stress (when spreads widened from 85 bps to 125 bps). Further episodes can come at any moment and widen spreads quickly. We hold no French government debt and remain underweight on AT1s. We think the story is not over, and AT1 spreads – 33 bps from their all-time lows – do not provide enough of a cushion for a sovereign debt problem at Europe's core.

## US treasuries sold off sharply as persistent core inflation and a hot producer price report pushed long-term yields higher and led markets to fully price in a December rate hike.

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# Forex and Commodities

Last week, the USD rose to its highest level since April 2025, with the publication of October US CPI data sparking the upward move. Both the headline and core print came in above expectations, and markets moved to price in an increasing possibility of a 50-bp rate hike in December. The terminal rate expectation also rose, meaning that the USD's carry profile has extended across the curve. The main event risks over the coming week will be the publication of US retail sales data (Tuesday) and the FOMC minutes from the September meeting, at which the Fed raised rates by 25 bps.

The USD/JPY rose to levels of just below 160, reflecting the rise in US yields. Japanese officials have once again started to issue spoken interventions, though we do not believe that a real intervention is imminent. The main event risk over the coming week is the publication of October CPI data on Thursday, which is expected to print at 2.5% y/y (headline), and 2.3% y/y (core). The overnight index swap (OIS) market has priced in a 25-bp December rate hike with an 85% probability. Terminal rates are expected to land at levels of around 1.85%. In the absence of a faster pace of rate hikes and a higher terminal expected rate, the JPY should struggle to appreciate meaningfully.

The main event risks for the GBP over the coming week are the publication of CPI and unemployment data for October. Headline CPI is expected to come in at levels of around 3.6% y/y (headline) and 2.8% y/y (core). The unemployment rate is expected to print at 4.7%. We note that measures of labour market slack have started to tighten (very marginally), and several BoE speakers have noted the potential for higher-than-expected pay growth coming into 2027, which is a key risk for the BoE's inflation forecasts. Overall, the GBP should fare well against the EUR and trade in a downside range against the USD.

Gold traded lower to levels of around USD 3,850 per oz, just above long-term technical supports. The cause of the downward move was the rise in both front and long-term US rates. US real rate expectations – proxied by US 10-year TIPS yields – rose back to levels of around 2.85%. Gold is likely to trade in a sideways range. with modest downside risks, until markets have clarity on the ultimate level and duration of Fed rate hikes. We note that ETF investors remain strongly invested, while futures positions have seen a broad clearing of long positions.

## The USD hit its highest level since April 2025 on hot inflation data and rising rate-hike expectations, keeping the yen weak and gold rangebound with a modest downside risk until the Fed's direction becomes clearer.

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