CORION CAPITAL

OCTOBER '26

DECODING **THE MONTH**

GLOBAL ASSETS ($)

EQUITY	-1.6%
PROPERTY	2.5%
BONDS	1.4%

GLOBAL EQUITY REGIONS ($)

USA	-0.9%
EUROPE	0.4%
CHINA	-7.0%

COMMODITIES ($)

GOLD	-6.4%
PLATINUM	-16.8%
OIL	17.3%

CURRENCIES ($)

RAND	-1.9%
EURO	1.8%
YEN	-0.2%

SA ASSETS (R)

EQUITY	-0.4%
PROPERTY	2.3%
BONDS	2.1%

SA SECTORS (R)

FINANCIALS	3.7%
INDUSTRIALS	3.8%
RESOURCES	-9.1%

THE GOOD

SASOL	26.3%
OLD MUTUAL	23.7%
BAT	15.7%

THE BAD

IMPLATS	-16.6%
VALTERRA	-16.2%
SIBANYE	-15.7%

Corion Capital (Pty) Ltd is an Authorised Financial Services Provider Data Source: Morningstar, FTSE/JSE Indices. Best and worst shares are selected from the Top 40.

OCTOBER '26

BULLS, BEARS AND **SCARES**

October lived up to its spooky billing. Markets were haunted less by a single monster than by a sudden change of costume: the AI trade, the market's favourite disguise all year, slipped off, energy-driven inflation kept central bankers firmly in their hawkish masks and investors raced for the safe houses of defensive equities and government bonds. The month ended with a genuine fright, as disappointing mega-cap tech results delivered Wall Street's worst session since June on the eve of Halloween itself, while oil kept climbing as the US-Israeli war with Iran entered its eighth month and attacks in the Strait of Hormuz cast a long shadow over energy supply. Global equities ended lower with emerging markets finding the most skeletons in the closet.

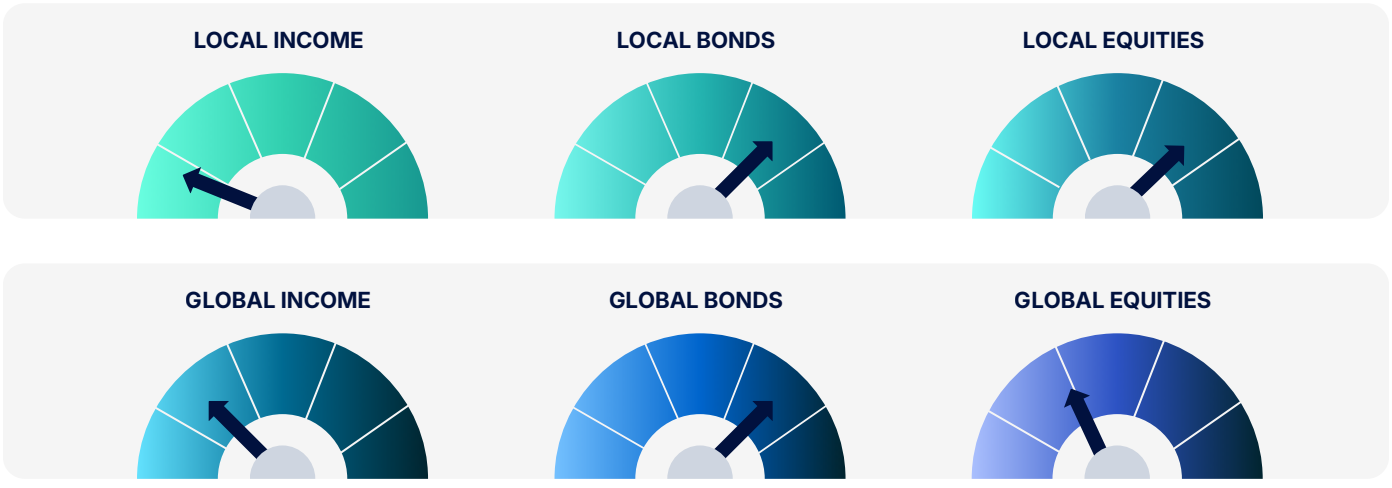
Central banks handed out no treats. The Fed held at 3.75–4.00% on 28 October after September's hike, but two dissents in favour of tightening and rising odds of a December hike made clear the hawks are still prowling. Even so, Treasuries proved the month's best hiding place: investors fleeing the AI sell-off gave the 10-year yield its biggest monthly drop since December 2023, with long-dated bonds the clear winners. Across the Atlantic, France became the haunted house of the bond market, with 10-year yields crossing 5% for the first time since 2002 on fiscal worries, while the ECB held rates at 2.5%.

In equities, the masks came off. Meta's flat capex guidance and Tesla's capex cut stoked fears the AI investment boom had peaked and weak results from Amazon, Alphabet and Intel then made more than $1 trillion vanish from the Nasdaq 100 in a single session, a disappearing act worthy of the season. With tech and communication services the only US sectors to fall, the cap-weighted S&P 500 slipped while its equal-weighted cousin came home with a full bag of treats. Globally, value comfortably beat growth, momentum's jack-o'-lantern flickered out and energy, staples, health care and utilities led the parade. Chip-heavy Asia lived the worst nightmare: Korea became the world's worst major market as Samsung and SK Hynix slumped and China's CSI 300 posted its steepest monthly loss in a decade, with Taiwan and Japan also lower. Tech-light Europe and the UK edged higher, Mexico and India held their nerve, while Brazil and Turkey took a sharp fall.

South African markets wore a similar costume. The All Share ended marginally lower, as a steep fall in Resources was offset by gains in Industrials and Financials. Telecoms and consumer staples handed out the best treats and mid and small caps comfortably beat the large-cap index. The domestic highlight was a pleasant surprise rather than a scare: the 21 October Medium-Term Budget Policy Statement's narrower deficit, stabilising debt and planned bond buyback programme conjured up a bond rally, even as the 2026 growth forecast was cut. Nominal bonds delivered strong returns, led by the long end and well ahead of cash, while inflation-linked bonds lagged as core inflation eased, calming fears of another SARB hike after September's increase.

As the costumes come off, November brings its own ghosts. The US midterm elections come first, after which traders are bracing for possible escalation in Iran, a direct risk to oil and inflation. Beyond that, the questions are whether AI spending fears creep beyond tech, how far markets push December Fed hike pricing and what the SARB decides on 19 November. October's lesson was that diversification across regions, styles and bonds remains the best protection against things that go bump in the night and it looks set to matter again.

POSITIONING



Data: Reuters. Indices are the FTSE/JSE, the MSCI and the WGBI. Corion Capital is an Authorised Financial Services Provider 44523 | Registration No: 2007/002166/07