



The Investing Pantheon

October 2026



“The Investing Pantheon serves as a unified framework for global asset allocation. Inspired by the ancient Pantheon—a structure designed to accommodate many deities within a single architecture—our approach brings together equities, fixed income, commodities, currencies, and alternative assets across regions and investment styles. The objective is to identify the most attractive opportunities globally while maintaining diversification and portfolio resilience.”



Global Markets Remained Volatile As Macro Headwinds Continued To Weigh On Sentiments

Global markets remained volatile in September 2026, weighed down by the Fed's rate hike, a sharp spike in US Treasury yields, with the 10Y yield crossing 5.2%, and persistent geopolitical tensions that pushed Brent crude back above USD 100/bbl. Within equities, risk participation remained selective, with EMs (-0.8%) outperforming DMs (-1.3%), while cyclicals such as info-tech saw renewed investor interest. In the US, large caps remained preferred over small caps amid rising rate-hike expectations. Within commodities, oil prices rose 14.4% during the month, while gold declined amid higher US real yields. ***Against this backdrop of elevated macro uncertainty, we have increased allocation to DMs, making the DM:EM split as 70%:30% and also reduced our commodity allocation from 20% to 15% and reallocated the 5% to Fixed Income to curb portfolio volatility.***

1. Sentiments Remained Tested, With Selective Risk Participation During The Month

A combination of Fed's rate hike decision, sharp spike in treasury yields and sustained geopolitical tensions weighed on market sentiment. Large caps continued to outperform smaller caps (S&P 500: -0.5% vs. Russell 2000: -5.2% in Sep), while selective risk participation through cyclicals like IT (+4.4%) was visible. With rising global macroeconomic uncertainties, we expect investors to increasingly favour a more diversified approach over concentrated positions.

2. Global Liquidity Is Recovering, While Tighter Fed Policy Could Pressure Credit

US liquidity has recovered alongside stronger global M2 growth, providing support to credit and the broader economy. With the Fed only recently starting to tighten policy, the impact on borrowing and investment is likely to become more visible over the coming months. Business credit has remained more resilient than consumer borrowing, but further rate hikes could gradually slow corporate borrowing and investment, reducing support for growth. If liquidity conditions tighten further while household credit remains limited, the broader economy could become increasingly reliant on business investment to sustain growth.

3. Fiscal Borrowing And AI Investment Could Keep Pressure On Long-Term Yields

Long-term Treasury yields could remain elevated as inflation expectations, fiscal borrowing and expectations for further rate hikes continue to put pressure on the long end. AI-related investment is adding to corporate funding requirements, with long-end investment grade issuance rising 68% YoY while Treasury supply remains broadly stable. As both government and corporates raise more capital, the larger pool of debt could keep long-term borrowing costs elevated.

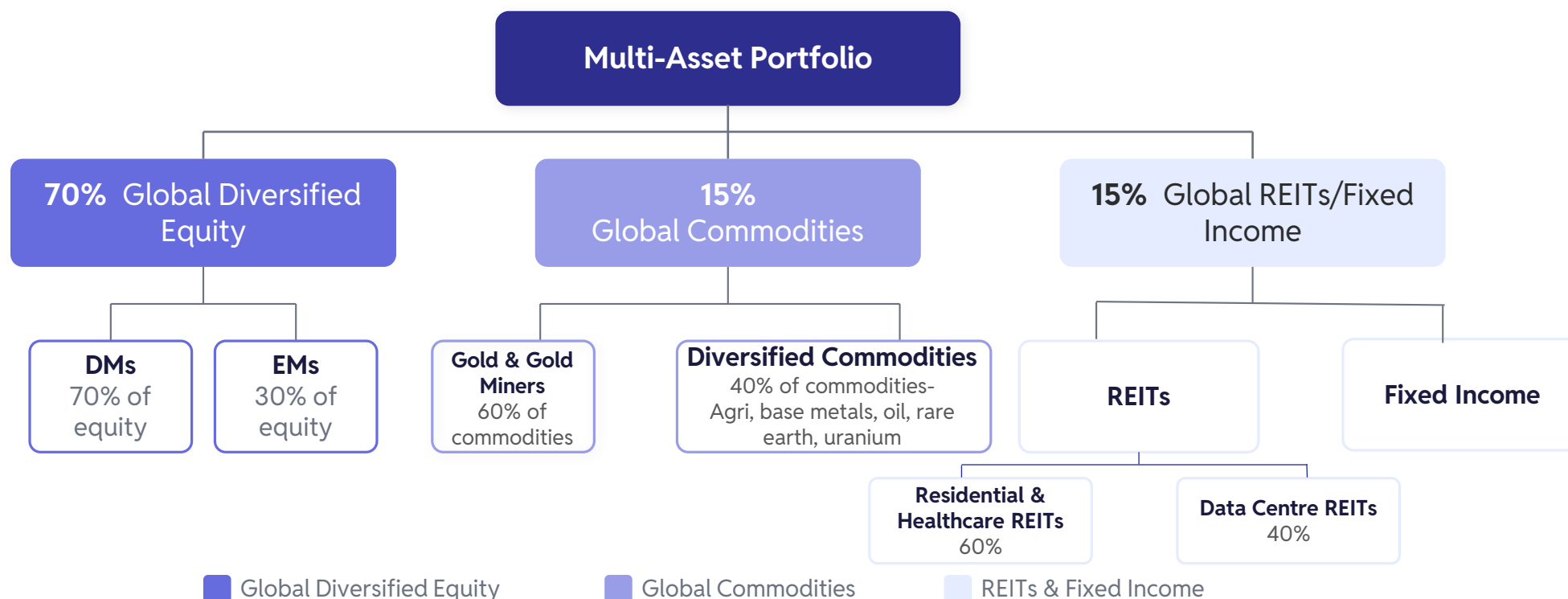
4. US Elections Could Reshape the Fiscal Outlook, DXY strength could sustain in the short-term

US elections could become an increasingly important driver of fiscal policy and market expectations, with the November midterms likely to shape the balance of power in Congress and the direction of future spending and tax policy. Weaker approval ratings and slower growth could increase the risk of a divided Congress, which may also encourage greater fiscal discipline and temper expectations for further deficit expansion. Meanwhile, wide US rate differentials continue to support the dollar, with DXY gaining 3.2% YTD, although further tightening in Japan and Europe could narrow the gap. **Changes in the fiscal outlook and global rate differentials could therefore have important implications for Treasury yields, DXY and broader risk assets into year-end.**

5. Europe's Energy And Geopolitical Risks Could Keep Gas Prices Elevated

European gas storage is around 72%, below the 86.7% LPA level, leaving a limited buffer as the winter withdrawal season approaches. At the same time, the Russia-Ukraine war continues to constrain Russian pipeline gas flows, increasing Europe's reliance on LNG and global gas markets. The widening TTF - Henry Hub spread highlights continued supply and geopolitical risks, while any further disruption or colder weather could accelerate storage withdrawals and push European gas prices higher. This could add to inflationary pressure and keep energy costs elevated for households and energy-intensive industries.

How To Position? Global Multi-Asset Strategy



➤ **Optimized Strategic Asset Allocation:** A disciplined **70/15/15 allocation across equities, commodities, and select REITs/Fixed Income** balances long-term growth potential with protection against structural inflation risks.

➤ **Gold as a Strategic Reserve Asset:** Within the 15% allocation to broad-based commodities, gold continues to be the primary position in the commodities basket. Increasingly supported by central bank reserve accumulation and de-dollarization trends, gold continues to have structural strength. However, near-term headwinds are also visible amid persistent rise in US real yields.

➤ **Agriculture: Cyclical Opportunity As Global Supply Stress Remains:** Agricultural commodities are positioned to see a cyclical upside due to global supply pressures as weather related risks intensify along with supply chain issues to the war.

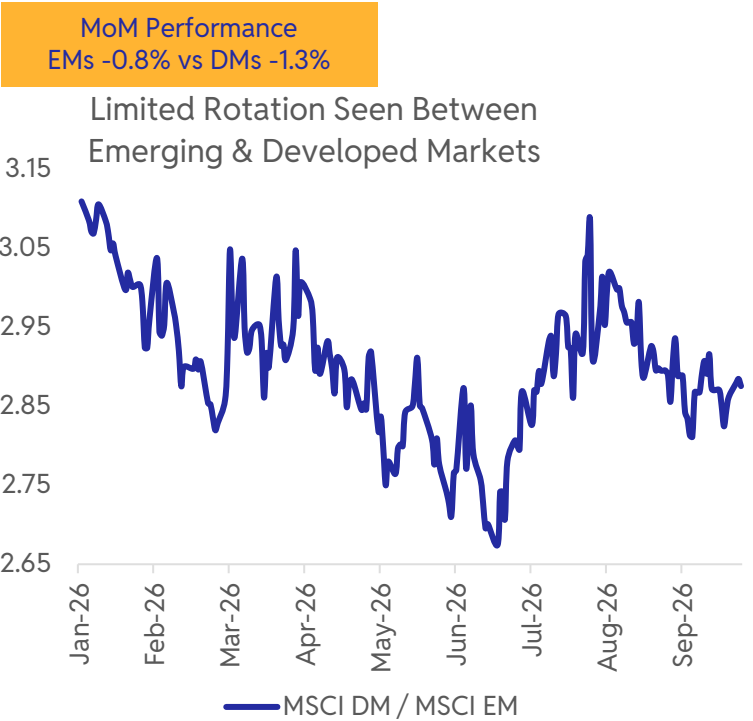
➤ **Selective Bond Participation:** We are adding allocation to bonds with 3–7 year and 7–10 year maturities, as current levels offer an opportunity to lock-in higher accruals, while limiting exposure to the longer end of the curve.

A Look In The Rear View Mirror...

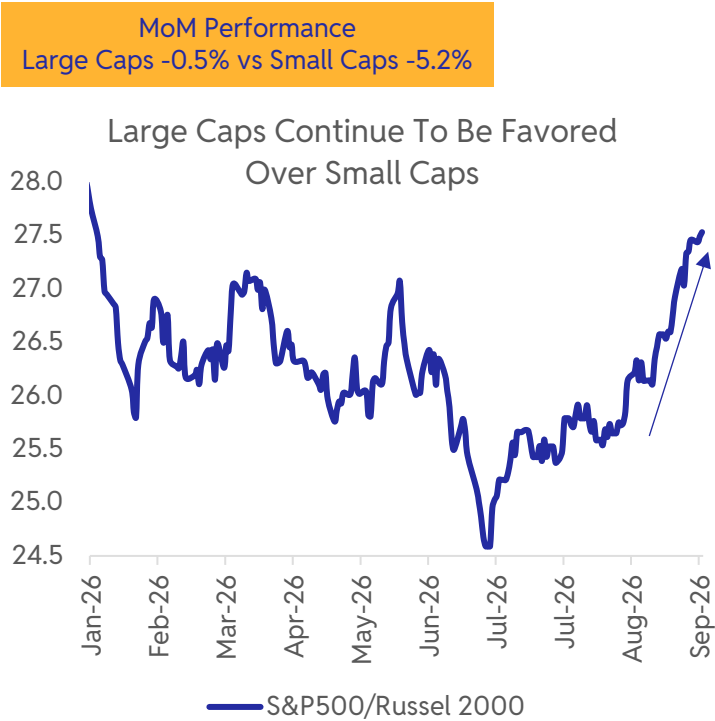


Selective Risk Participation Persisted Despite Higher Yields, With EMs Outperforming DMs and US Large Caps & Tech Leading

Higher Yields and Macro Risks Temper Risk Appetite, Driving Selective Participation Across Equity Markets



September saw limited rotation between DM and EM, with both markets facing pressure as higher US yields and tighter financial conditions weighed on risk appetite.



September saw a reversal, with investors rotating back towards the relative stability of large caps as the Fed's rate hike and elevated yields increased pressure on small caps.

	1M	3M	6M	YTD
S&P 500	-0.5%	2.0%	17.2%	11.8%
Defensives				
Consumer Staples	-3.5%	-2.4%	-2.7%	4.1%
Healthcare	-1.0%	6.0%	14.8%	8.8%
Utilities	-6.1%	-13.0%	-14.1%	-7.6%
Cyclicals				
Energy	-2.8%	16.5%	0.1%	37.4%
Materials	-6.9%	-3.2%	-1.6%	7.5%
Industrials	-4.5%	-9.9%	3.2%	7.6%
Financials	-7.3%	-0.5%	8.1%	-2.5%
Consumer Discretionary	-5.9%	-5.2%	3.4%	-6.3%
Real Estate	-6.7%	-6.3%	0.8%	2.7%
Information Technology	4.4%	7.1%	40.9%	27.9%
Communications	4.3%	3.5%	11.9%	3.9%

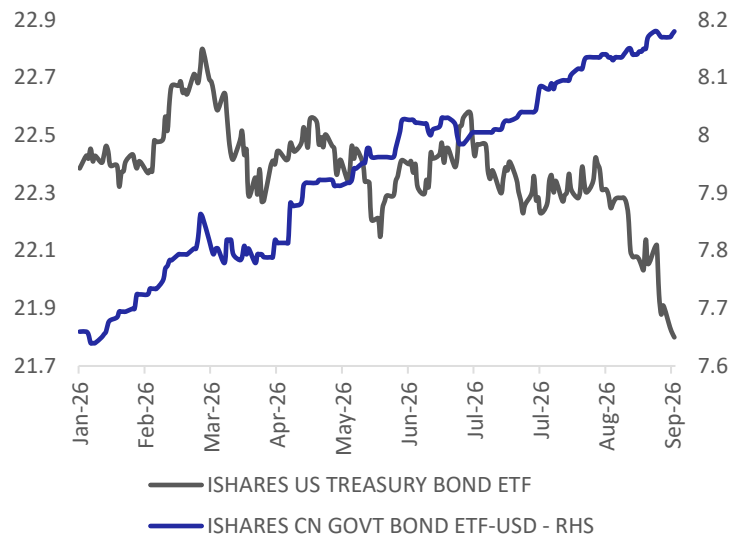
Despite elevated macro risks, IT and Communication Services led equity gains in September, supported by a resilient earnings outlook, while defensives such as Utilities and Consumer Staples lagged.

Market leadership remained selective in September, with DM-EM performance broadly range-bound while investors favored large caps amid higher interest rates and info-tech backed by strong earnings outlook.

Higher US Yields Weighed on Rate-Sensitive Assets, While Chinese Bonds Outperformed and Energy Led Commodity Gains

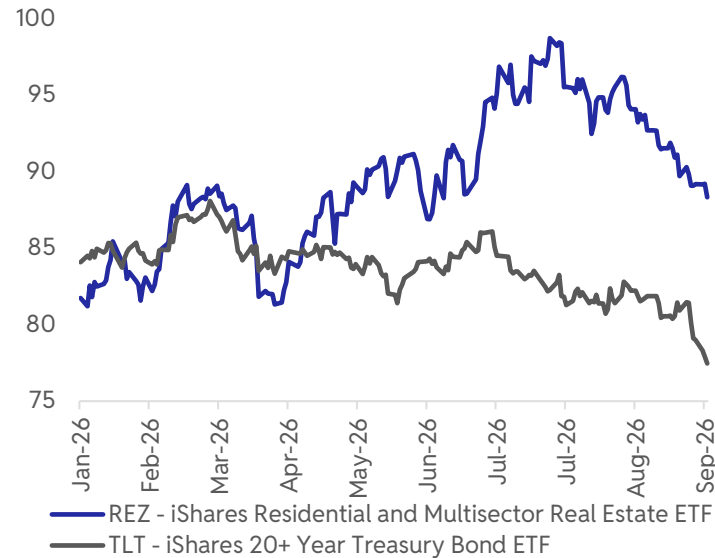
September market performance reflected rising US yields and persistent geopolitical uncertainty, weighing on rate-sensitive assets, while Chinese government bonds benefited from lower domestic yields and energy benefitted from Middle East Tensions

MoM Performance
10Y USTs +54 Bps vs 10Y CGBs -10 bps



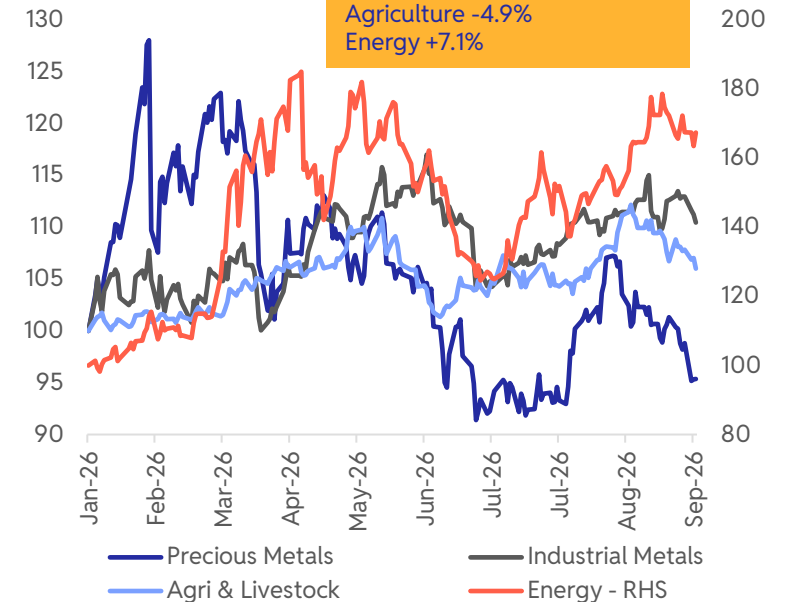
Chinese government bonds (CGBs) continued to outperform US Treasuries as persistent disinflation supported lower CGB yields, while higher rate and fiscal concerns kept US yields elevated.

MoM Performance
REZ -5.2% vs TLTs -5.4%



REITs and long-duration Treasuries both pulled back in September, pressured by elevated yields and persistent fiscal concerns

MoM Performance
Precious metals -6.9%
Industrial metals -0.9%
Agriculture -4.9%
Energy +7.1%

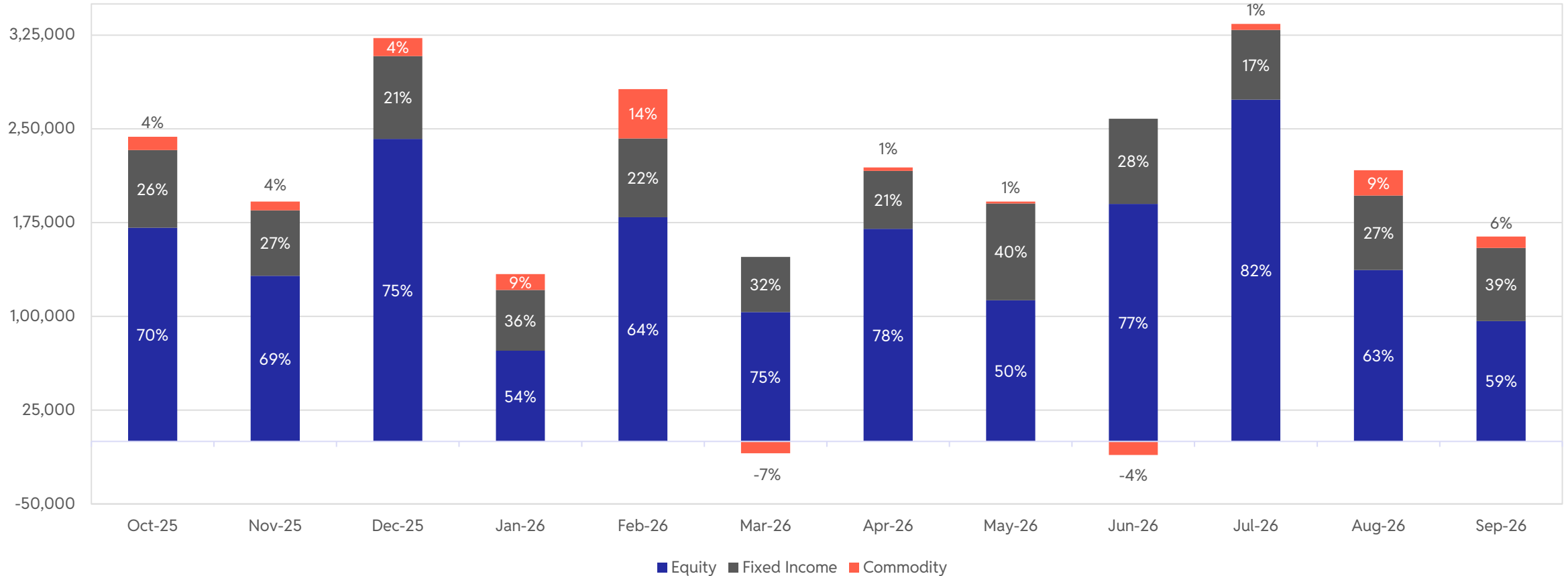


Commodity performance was led by energy, supported by ongoing Middle East tensions. Precious metals came under pressure from elevated treasury real yields, while industrial metals remained subdued amid uneven Chinese demand and a higher-rate environment. Agriculture declined as prospective easing of Black Sea tensions along with likely decline in demand.

The market is balancing opportunity and caution, with investors trying to maneuver through rising rate hike expectations in the US that are weighing on fixed income and REITs to some extent, while continuation of war keep prices elevated for commodities particularly for energy.

Rate Hikes Shifted Global ETF Allocations Towards Fixed Income as Higher Yields Weighed on Risk Appetite

The Fed's September rate hike pushed Treasury yields higher, while persistent inflation and uncertainty around AI capex returns weighed on investor sentiment



▪ Sep 2026 — Fixed Income Gained Momentum as Equity–Bond Yield Spreads Narrowed

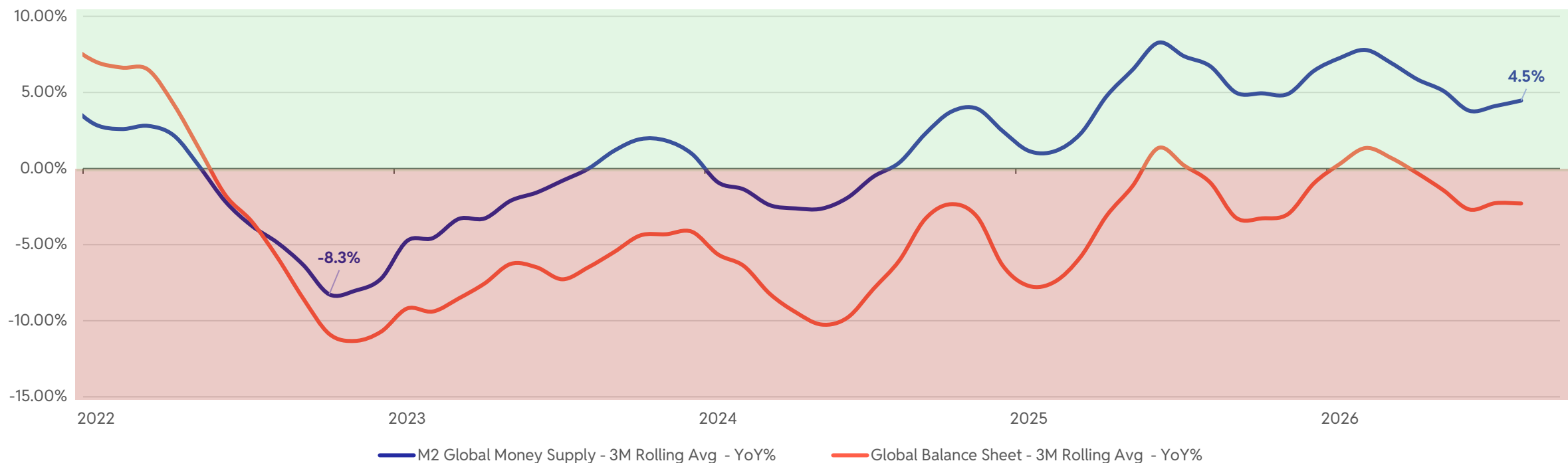
September marked a clear rotation towards fixed income as the Fed resumed hiking and treasury yields moved sharply higher, *even as overall ETF flows declined sharply*. With inflation risks still elevated and further hikes back in focus, higher yields could renew demand for bonds while impacting broader rotation back into rate-sensitive risk assets.

The Macro Backdrop Is Becoming More Uneven, As Comfortable Liquidity Meets Higher Yields, Persistent Inflation And Greater Policy Uncertainty, Shaping The Outlook For Markets And The Broader Growth Cycle



Global Money Supply Remains Supportive, But Rate Hikes Could Tighten Liquidity Ahead

Sticky inflation could keep policy rates higher for longer, gradually weighing on credit and broad money growth and reducing liquidity support for risk assets ahead



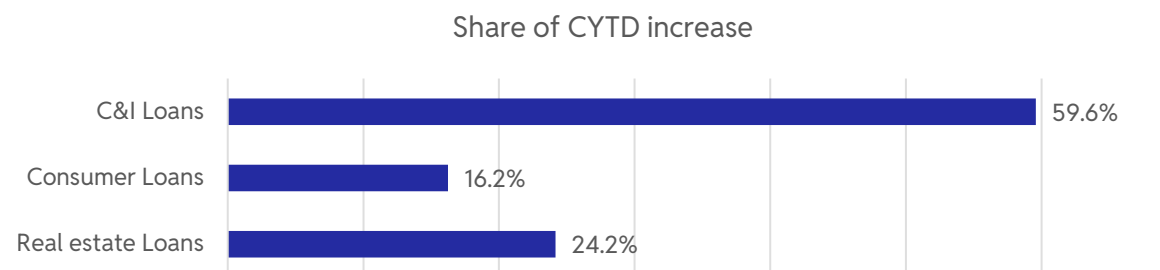
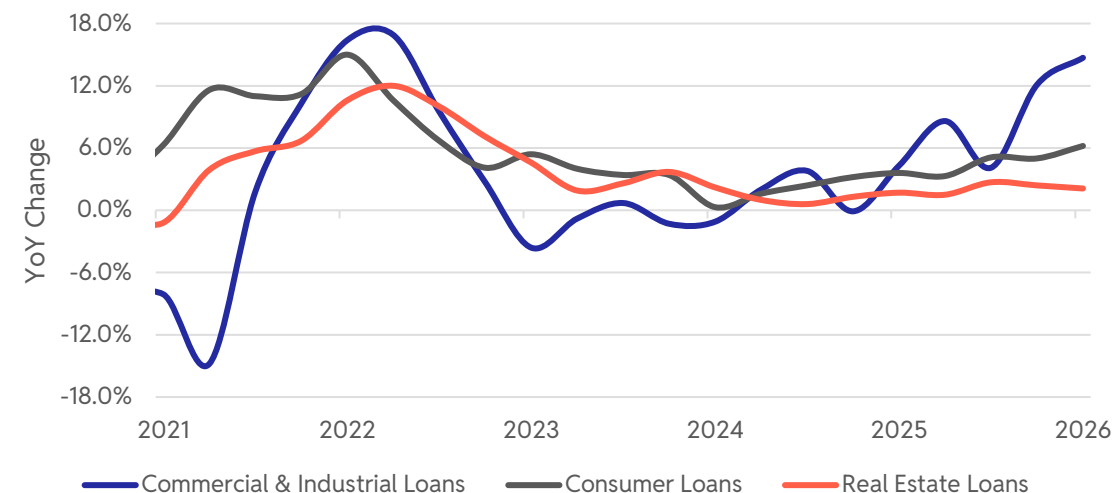
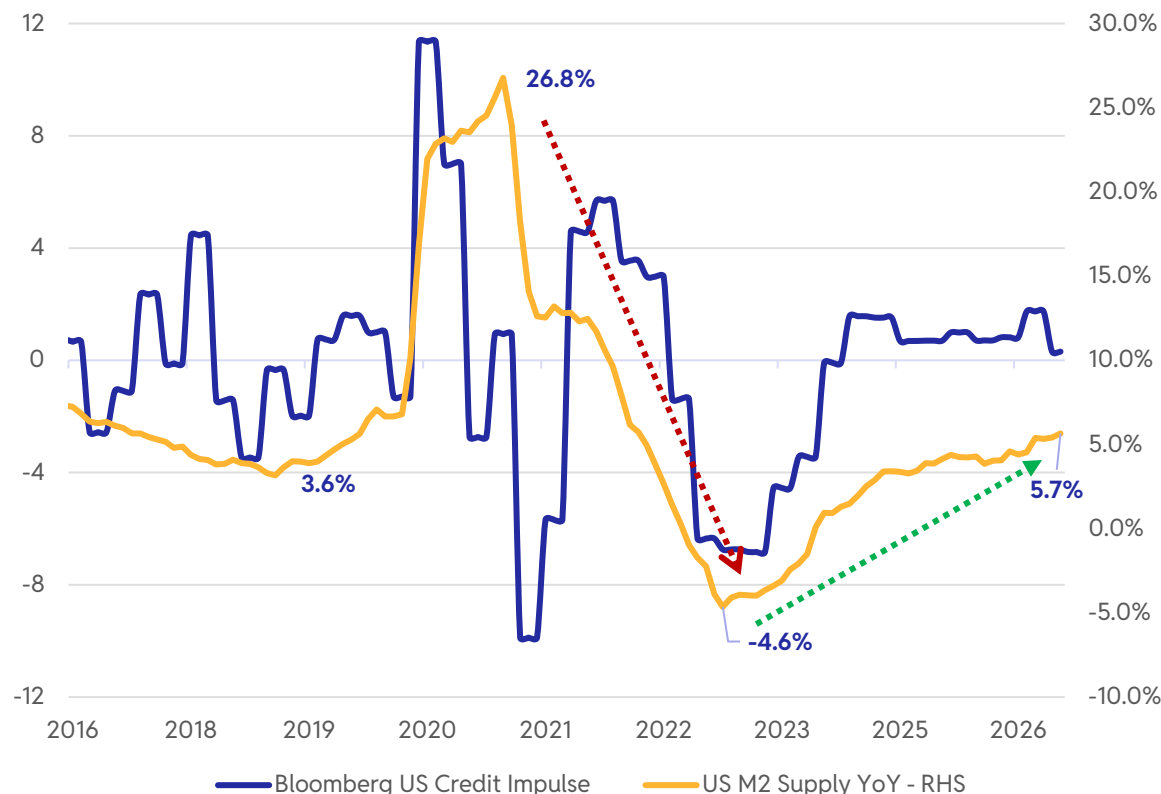
Global M2 growth remains supportive, while aggregate central-bank balance-sheet growth remains subdued. This divergence suggests that liquidity is increasingly being supported by broader money and credit dynamics rather than central-bank balance-sheet expansion alone.

However, sticky inflation and tighter policy could slow global M2 growth going forward, gradually reducing liquidity support for risk assets. A stronger USD could add further pressure by raising funding costs, weighing on EM currencies and potentially weakening foreign inflows into EM assets.

For EM equities, the combination of slower global money growth and a stronger USD could therefore create a larger headwind in the near-term. Weaker liquidity would reduce the support for risk-taking, while tighter USD financial conditions could further pressure EM currencies and capital flows.

US Liquidity Continues To Rise, But Bank Credit Growth Is Largely Led By Commercial & Industrial Loans As Consumption & Real Estate Remain Flat

Improving Liquidity Is Supporting Credit, But Household Borrowing Remains Weak, Most of incremental borrowing is from commercial and industrial bank loans



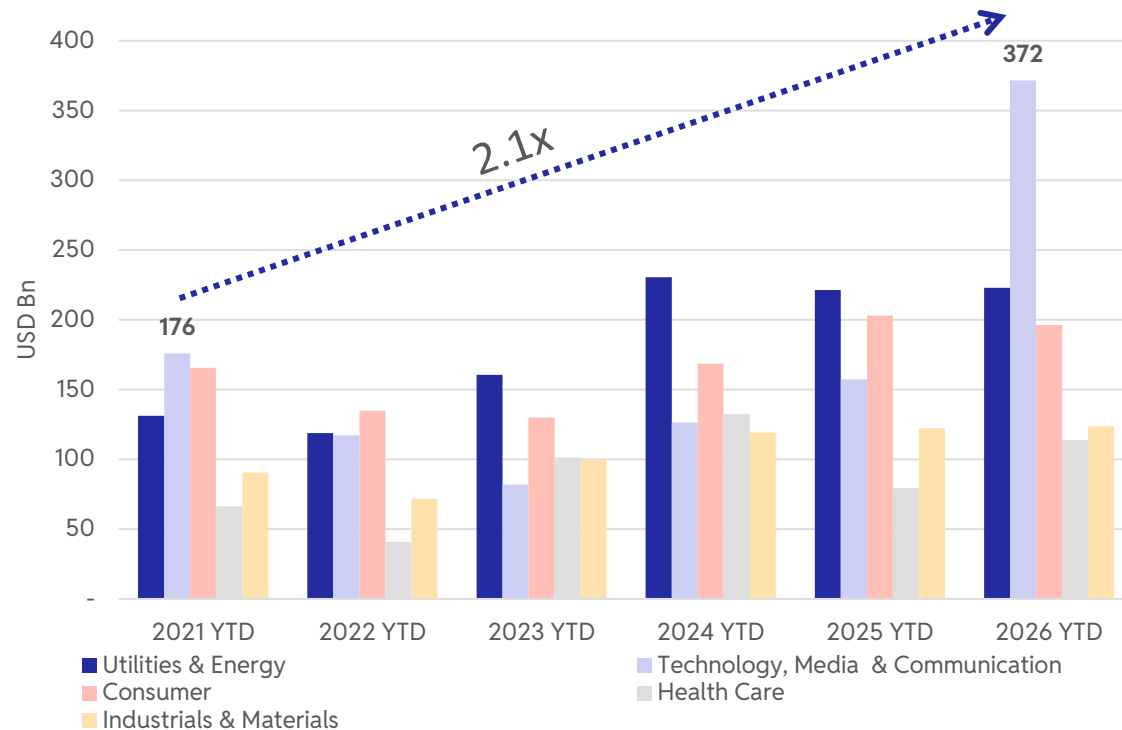
US liquidity is becoming more supportive, with M2 and the credit impulse improving. The stronger credit impulse is feeding more into investment than consumption. Commercial and industrial lending accounts for 59.6% of CYTD loan growth, versus just 16.2% for consumer lending, pointing to a stronger business than household transmission

Household demand is holding up in nominal terms, but real purchasing power is weakening. Real wage growth has slipped to ~-0.3%, while discretionary spending is up ~4.5% and staples are broadly flat, suggesting nominal consumption is holding up better than underlying purchasing power.

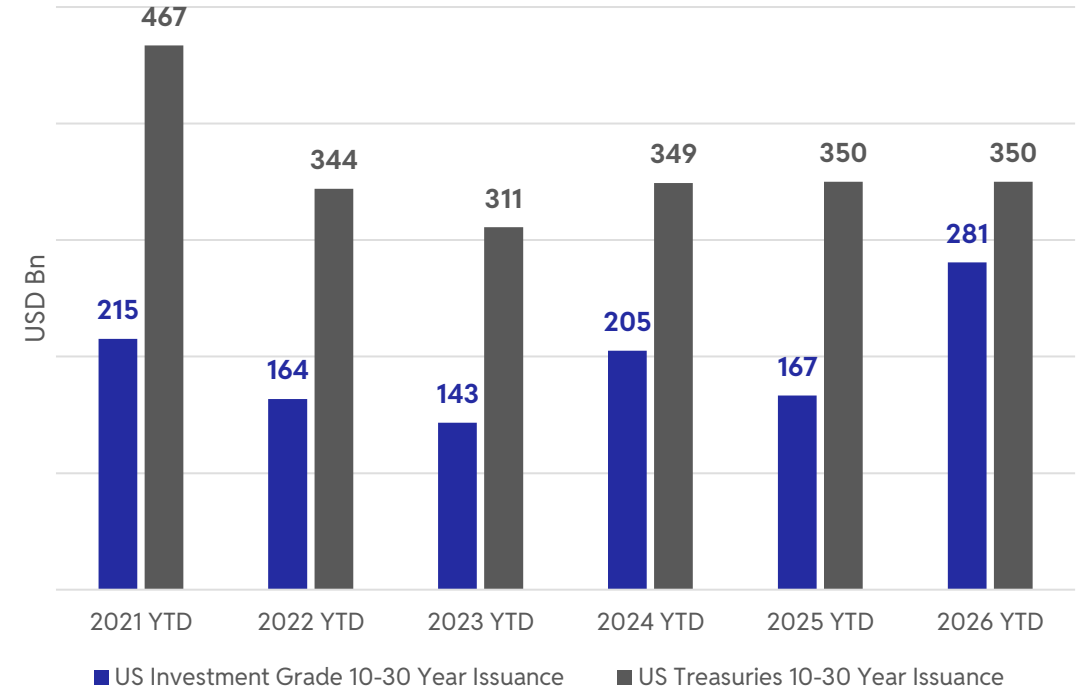
Corporate Issuance Is Broadening, With More Pressure At The Long End

Higher issuance from Technology, Media & Communication and a pickup in 10–30Y borrowing could put further pressure on borrowing costs as demand for capital rises.

Technology, Media & Communication now accounts for **~36% of total non-financial investment-grade issuance**, up from **~28% in 2021**



Long-end Investment Grade issuance surged **68% YoY**, while Treasury supply remained flat

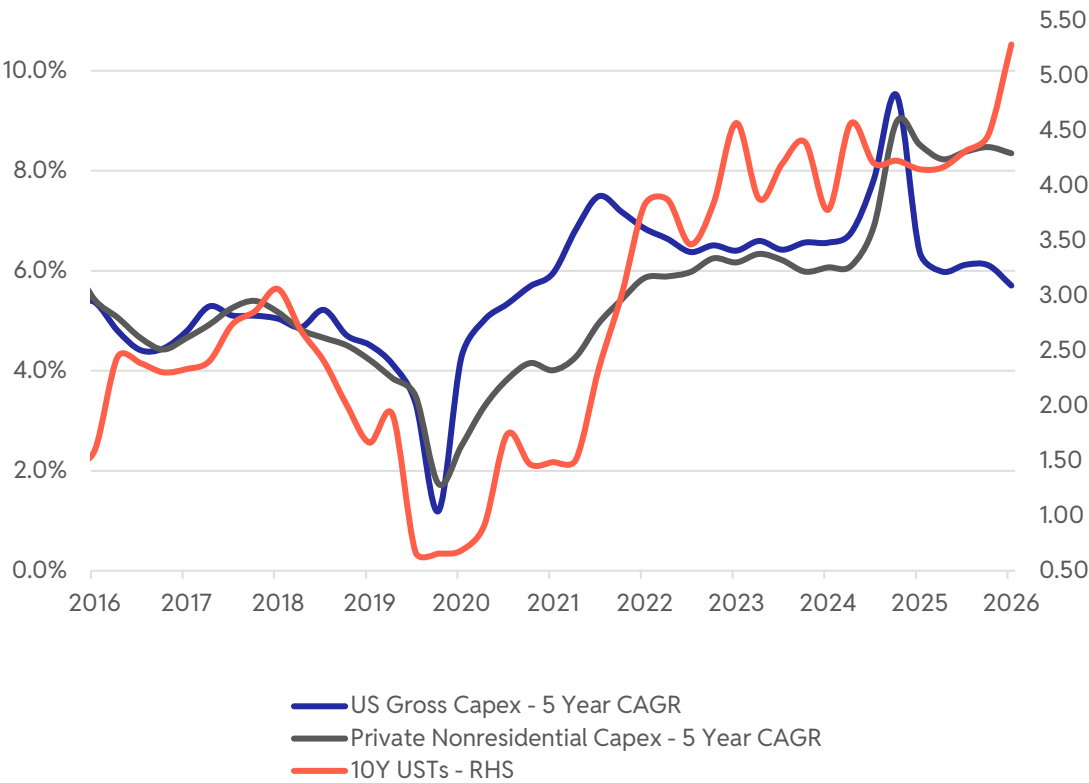


- The broader increase in corporate issuance suggests that AI-related borrowing is adding to an already expanding pool of capital supply, rather than being the sole driver of higher financing requirements.
- **The stronger growth in Technology, Media & Communication issuance reflects rising funding requirements from AI and data-centre investment, alongside more traditional corporate financing.**
- The rise in 10–30Y corporate issuance relative to treasury supply means investors must absorb a larger pool of long-duration credit, suggesting that treasury yields could remain under pressure as more supply of corporate bonds continue to hit the market.

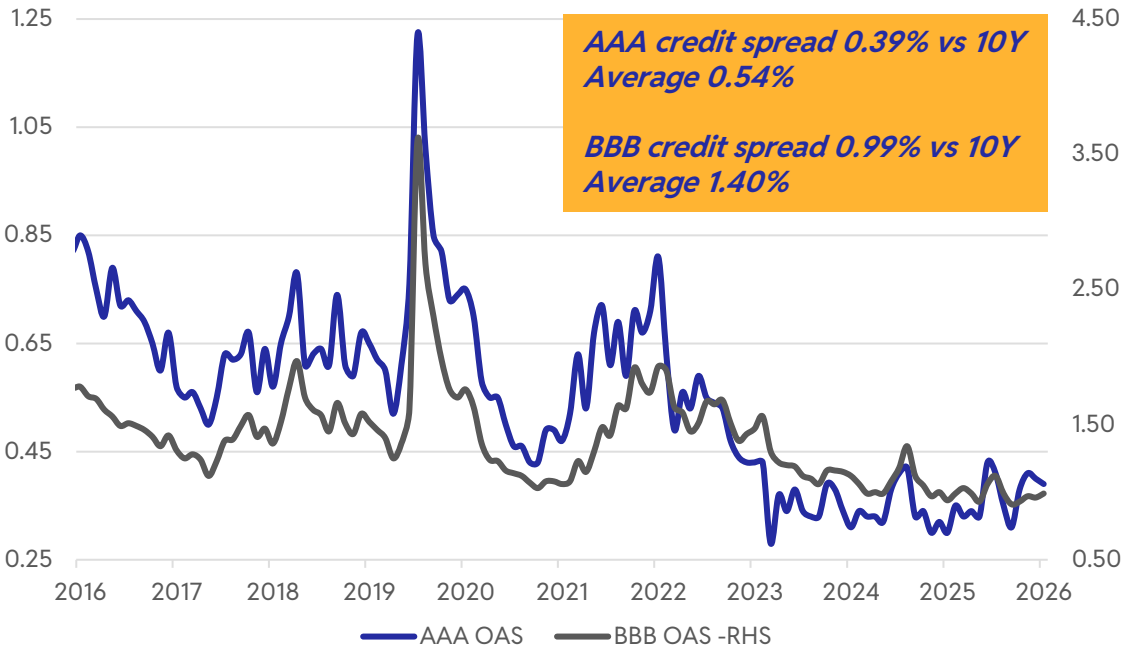
AI Is Adding To Long-Term Yield Pressure Along With Broader Macro Forces

Rising corporate issuance amid strong AI-related investment along with fiscal pressures continue are increasing the amount of capital and duration markets need to absorb

Capex remains strong, adding to the yield pressure



Corporate spreads remain contained for now, however, rising rate expectations and uncertainty could increase credit costs going forward



- Private non-residential capex remains strong at ~8%, above broader US capex at ~6%, despite higher capital costs. As Treasury yields and corporate financing costs remain elevated, new investment could face greater pressure, particularly if companies become more selective around AI-related spending.
- Despite higher corporate borrowing, credit markets remain well contained, with AAA and BBB spreads at ~0.39% and ~0.99%, below their 10-year averages of ~0.54% and ~1.40%, respectively. However, sustained elevated treasury yields and rising corporate issuance could gradually put pressure on borrowing costs.

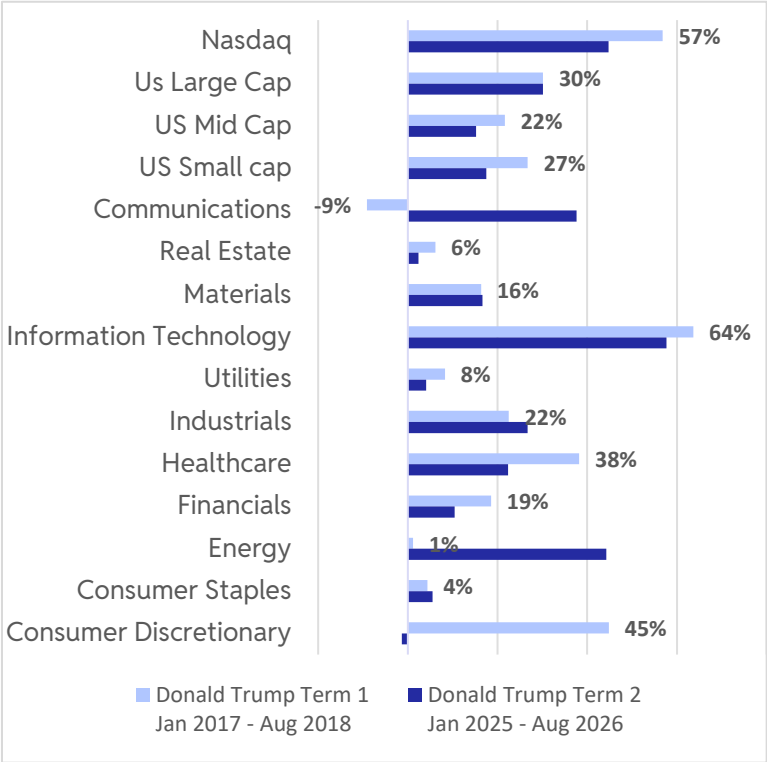
A Divided Congress Could Limit Policy Shifts Amid A Mixed Macro Backdrop, How Will Markets React?

Compared with Trump’s first term, the second term has been marked by slower growth, higher inflation and weaker net approval ratings, increasing the likelihood of a divided Congress, which could limit further fiscal expansion

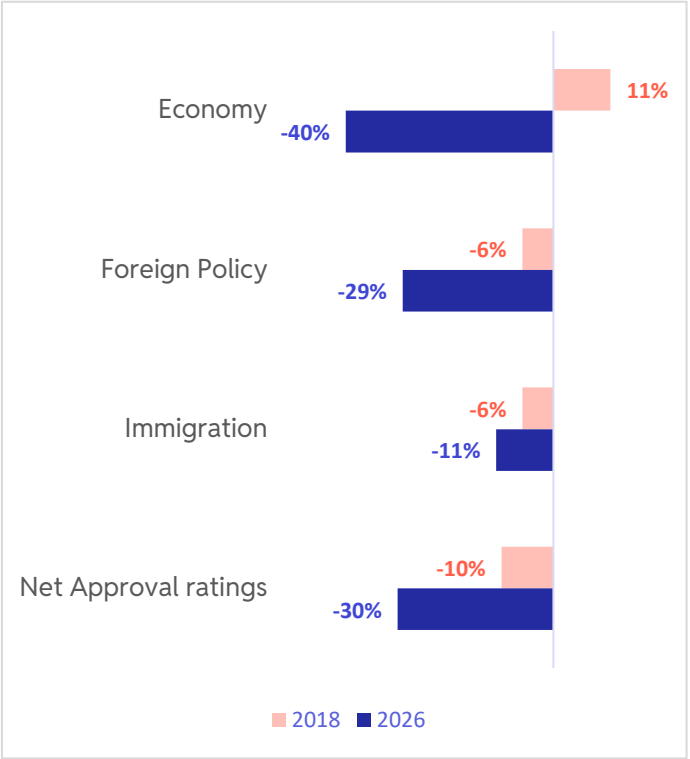
Interest & social security account for ~37% of total expense

Macro Regime	Donald Trump Term 1 (Until Mid-Term)	Donald Trump Term 2 (Until Mid-Term)
Fiscal Deficit as a % GDP	-4.2%	-5.4%
Interest Cost as a % of Total Expense	11.7%	16.1%
Social Security as a % of Total Expense	21.2%	20.7%
Social Security as a % of Total Borrowing	4.6%	4.2%
Fed Funds Rate	2.25%	4.0%
M2 Change	7.4%	8.6%
Real GDP Growth	2.9%	2.2%
Unemployment Rate	4.2%	4.3%
CPI (avg)	2.3%	2.8%
Core CPI (avg)	2.0%	2.6%
Owners' Equivalent rent of Residence (avg)	3.3%	3.5%

Markets have been supportive during both terms; however, rising fiscal stress and geopolitical tensions could keep near-term volatility elevated



Weaker Approvals Could Shift The Policy Outlook After Mid Terms

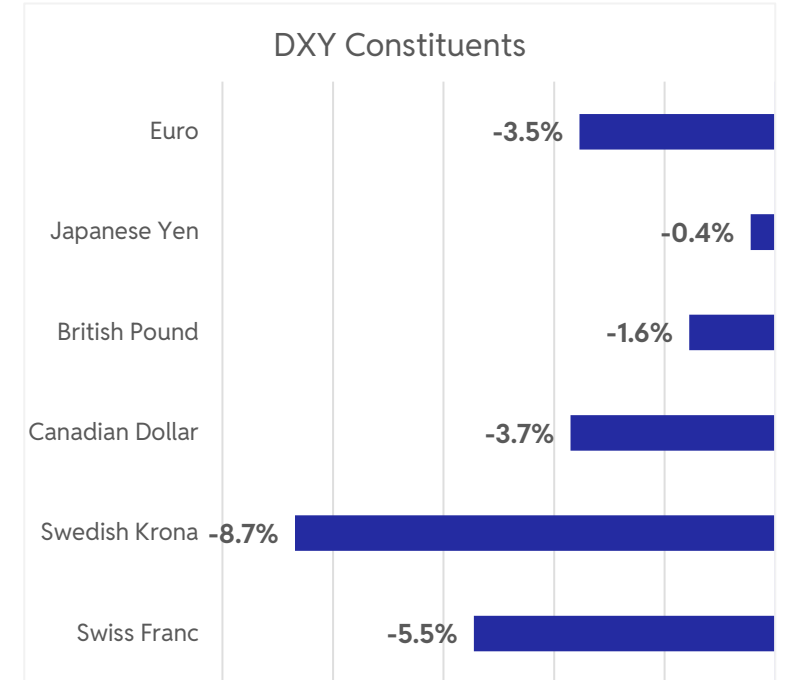
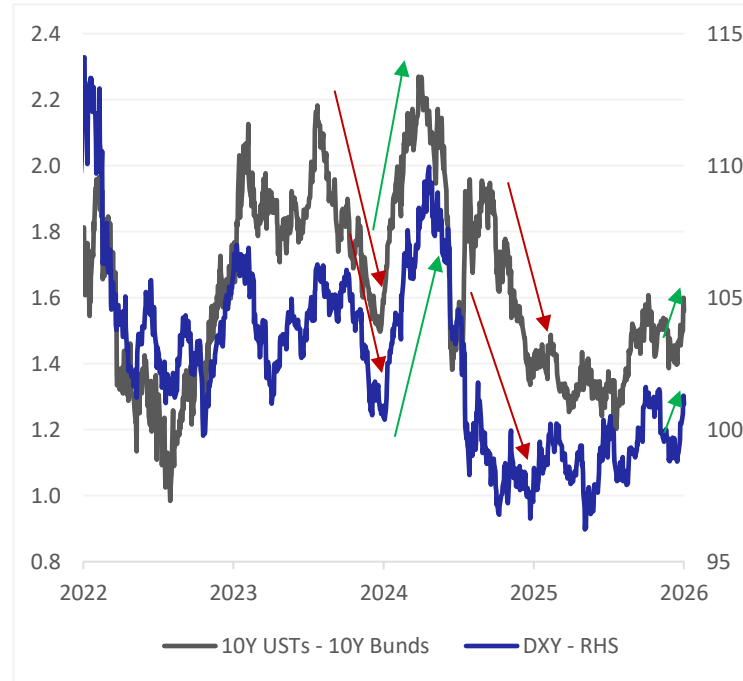
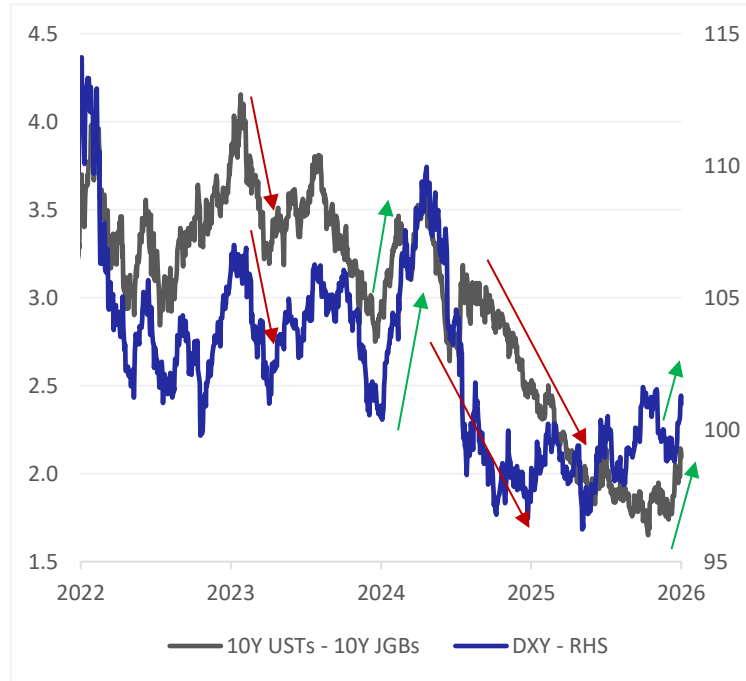


The second term is seeing slower growth and higher inflation than the first term, while interest costs as a % of total expenses have increased to 16.1%. This leaves policymakers with less room to support growth, as further fiscal support could increase government borrowing and put additional pressure on treasury yields. **CBO estimates that if interest rates were 50 bps higher than its February 2026 baseline across 2026–2036, net interest costs would rise by about USD 1.6 Tn over the period, or about USD 1.9 Tn including the added debt-service costs.**

- Equity performance has become more uneven in the second term. Slower growth and higher borrowing costs could continue to weigh more heavily on smaller and cyclical companies, keeping market performance concentrated. **However, once the midterms are behind us, greater policy clarity could support a broadening of market performance.**

Widening US–DM Rate Differentials Could Continue To Support DXY In The Near-Term

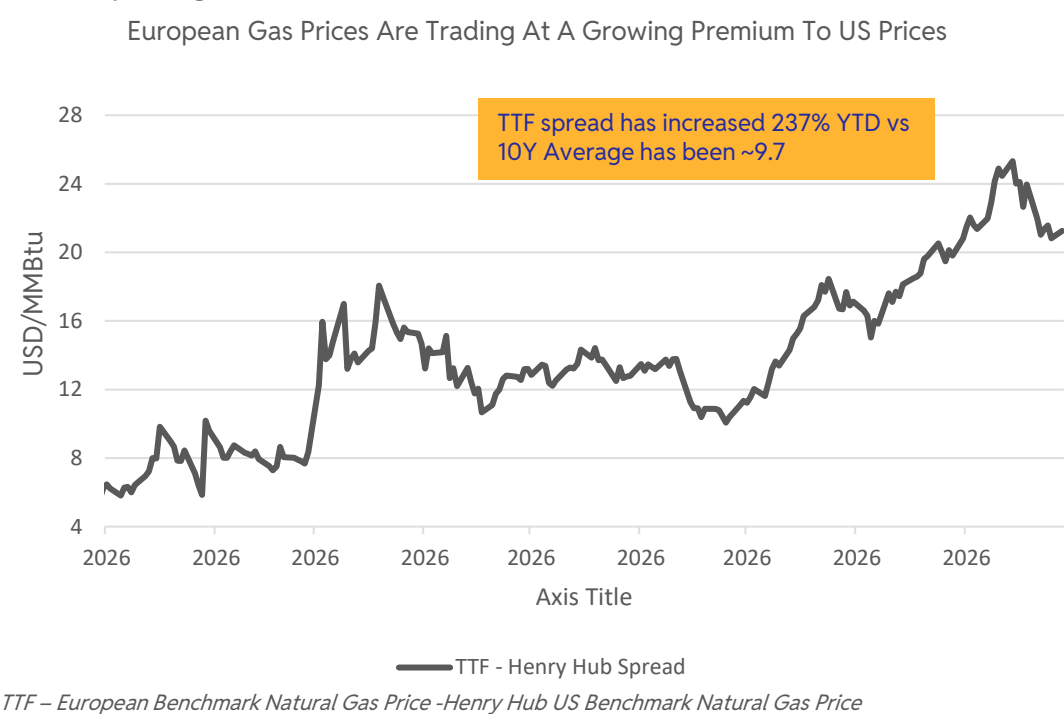
Wide US-DM rate differentials are continuing to support the dollar, keeping DXY supported in the near term despite tighter policy across major DM central banks



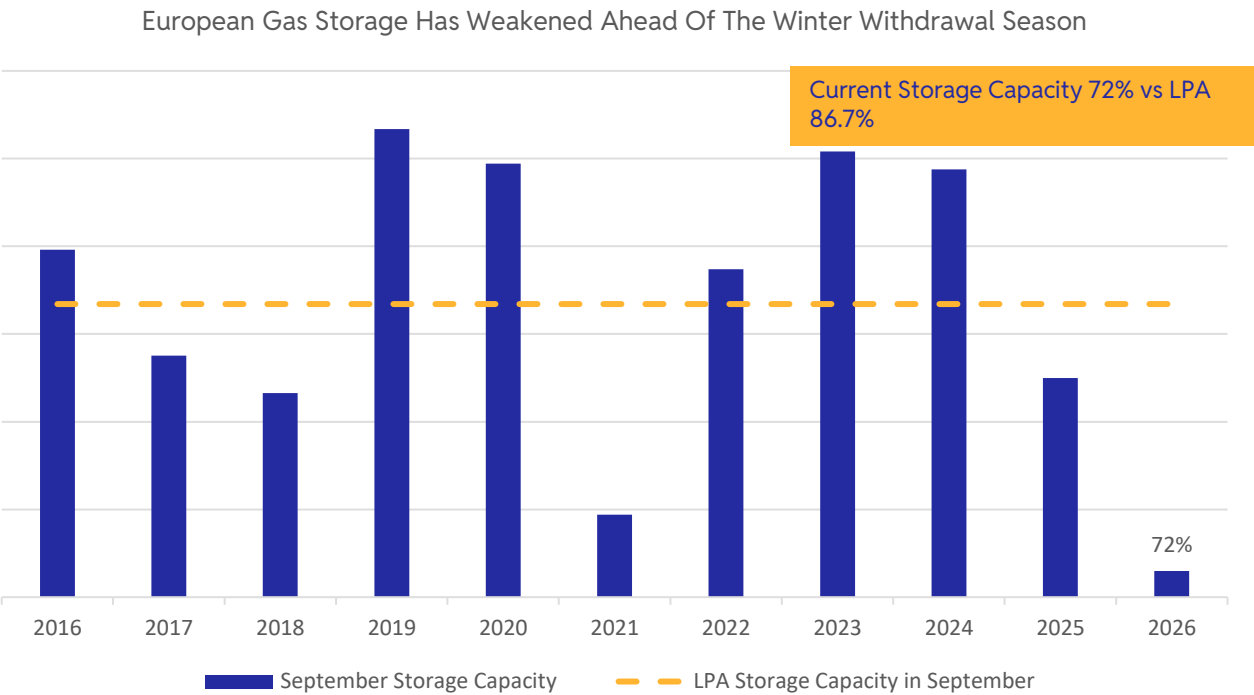
- The current rate differential remains supportive of the dollar. Despite BoJ tightening, the US–Japan yield gap remains wide, while the US–Germany spread also continues to favour the dollar.
- DXY has gained 3.2% YTD, with weakness in major DM currencies, particularly the euro and Canadian dollar, providing a significant boost given their relatively large weights in the index.
- Looking ahead, further tightening in Japan and Europe, combined with a moderation in US yields, could narrow the current rate differential. A narrower gap would reduce support for the dollar, **thereby supporting both EM as well as commodities trades.**

Europe Is Entering Winter With Limited Gas Buffer, While Rising Price Premium Signals Higher Supply Risk

European gas storage is below LPA as the winter withdrawal season approaches, while the widening TTF–Henry Hub spread points to renewed pressure on European gas costs.



TTF – European Benchmark Natural Gas Price -Henry Hub US Benchmark Natural Gas Price

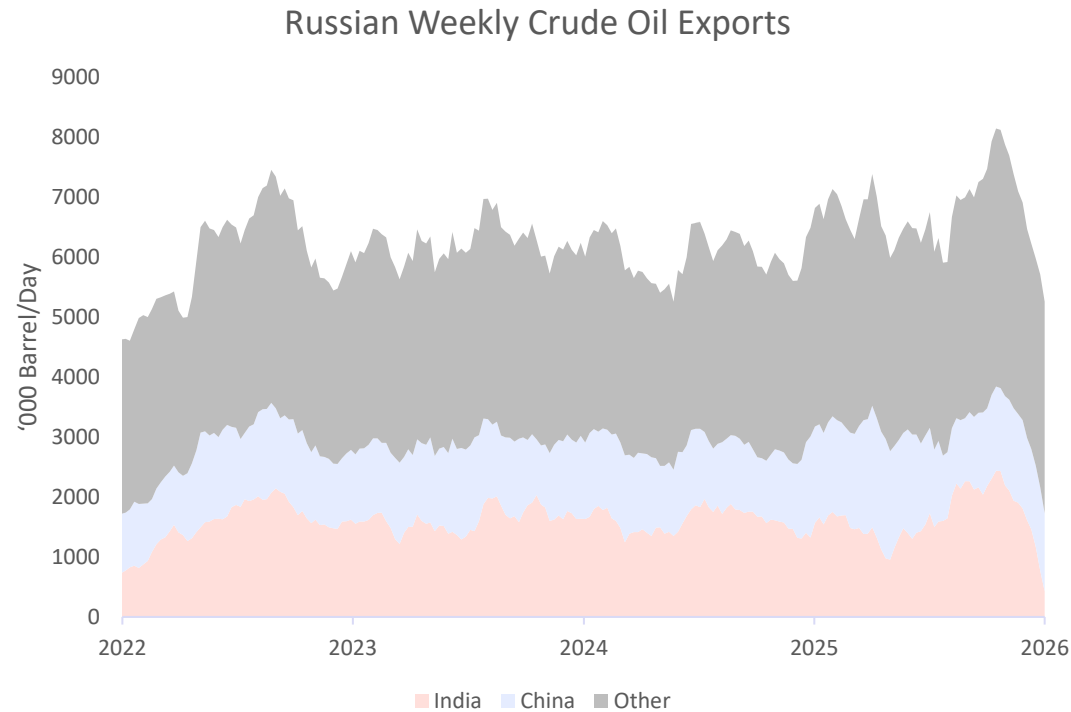


- EU gas storage is currently around ~72%, well below the 86.7% LPA level, leaving a limited buffer as the winter withdrawal season approaches.
- The Russia–Ukraine war continues to constrain Europe’s access to Russian pipeline gas, increasing reliance on LNG and global gas markets. With storage meaningfully below LPA, regional supply disruptions could put further pressure on European gas prices during the winter withdrawal season.

- High gas prices could weigh on demand, while colder weather would increase winter consumption and accelerate storage withdrawals, creating further upside risk for European gas prices
- The widening gap between European and US gas prices points to higher relative energy costs for European users, which could weigh on margins in energy-intensive industries and add to pressure on European growth

US Sanctions Could Further Tighten An Already Constrained Oil Market

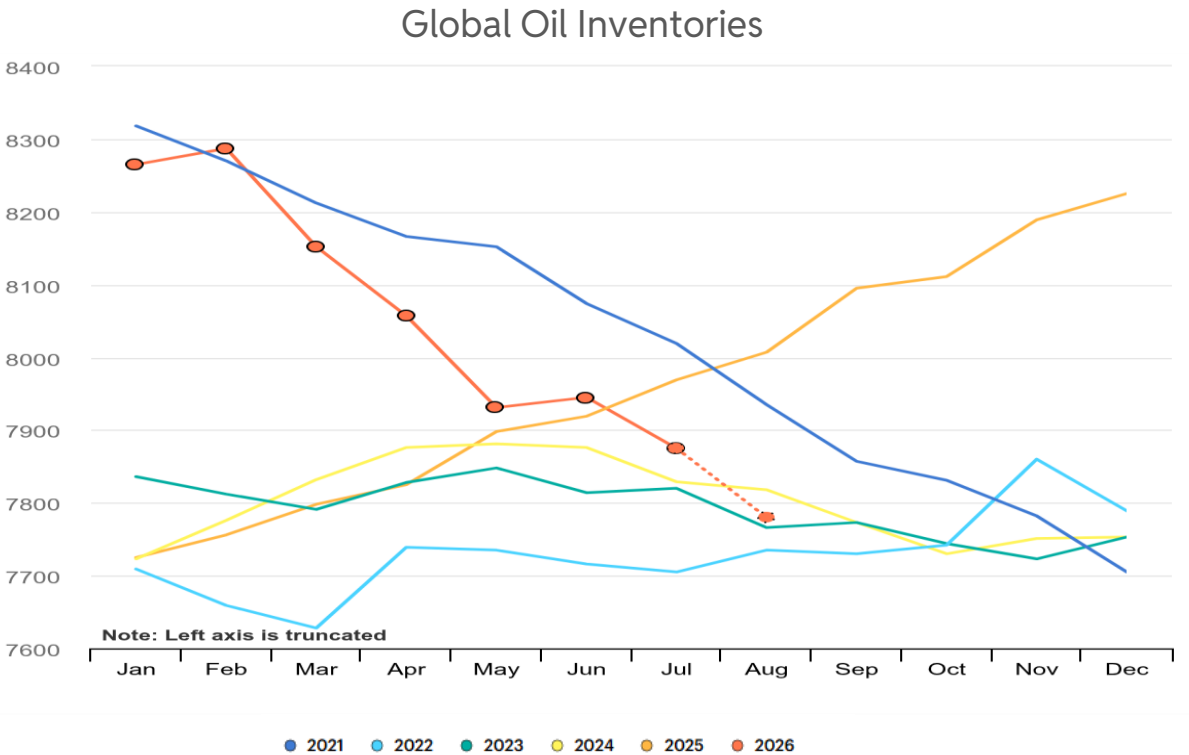
Russian crude exports are showing signs of weakening as US sanctions put further pressure on major buyers, increasing trade and supply risks across China and India and adding to broader global market pressures



US sanctions are putting further pressure on major Russian buyers, with China and India accounting for a significant share of Russian crude flows. As sanctions widen across banks, shipping and trade, both economies face greater pressure to diversify Russian imports and trade flows.

China remains the largest buyer of Russian fossil fuels globally, while India’s Russian crude imports have fallen 16.5% MoM to ~2.1mb/d in August. Further disruption could increase replacement costs and raise trade and current-account pressures, particularly for India.

With global inventories already depleted and US strategic reserves at their lowest levels since 1982, the market has less of a buffer against further supply disruptions. Higher import costs could add pressure on the INR and other EM currencies, while keeping inflation elevated.



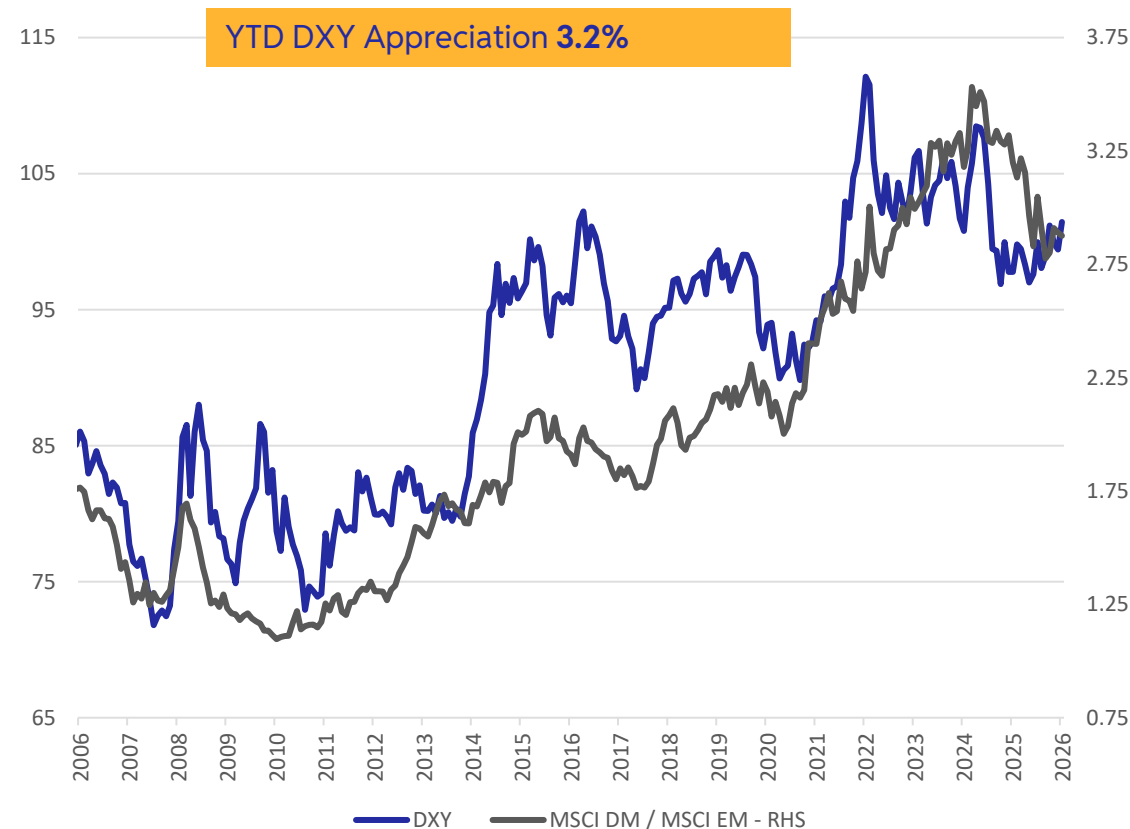
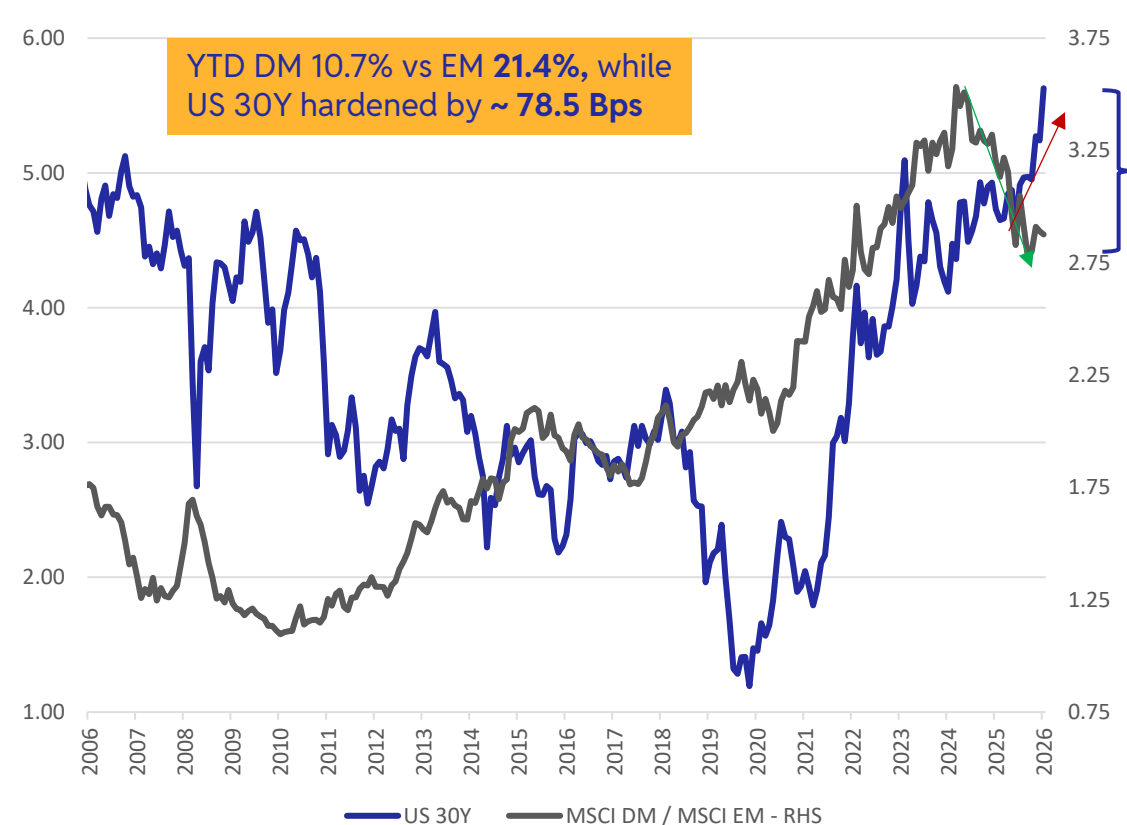
Themes In Focus...

- *Rising rate hike expectations and USD strength favours increased DM allocation*
- *Nuclear expansion seen as a strong structural tailwind for Uranium*



EMs Outperform So Far, But Higher Yields and USD Strength Pose Near-Term Headwinds

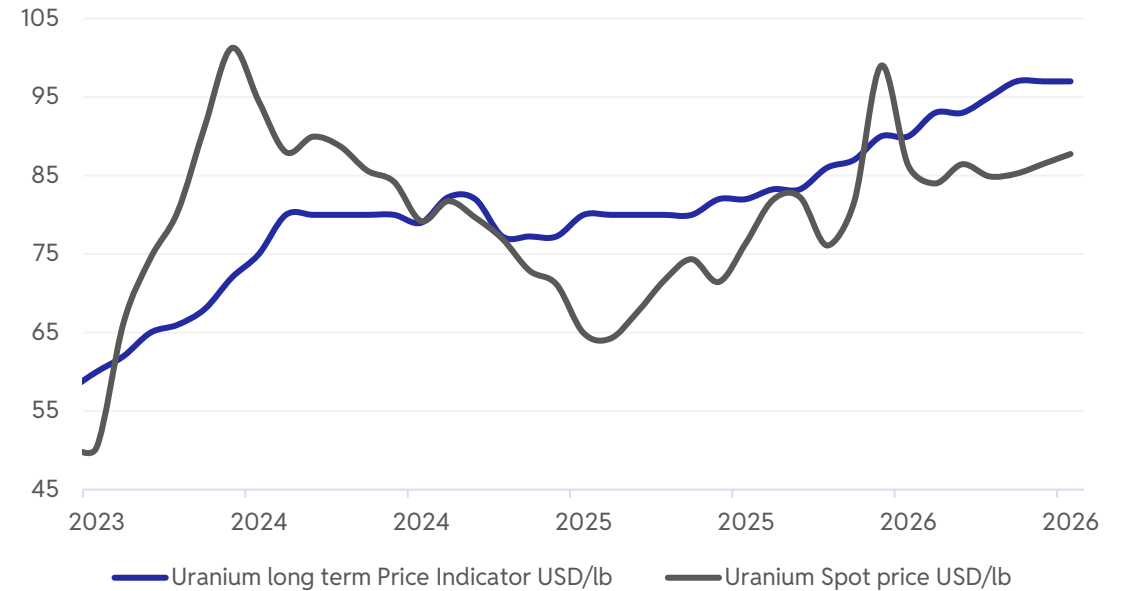
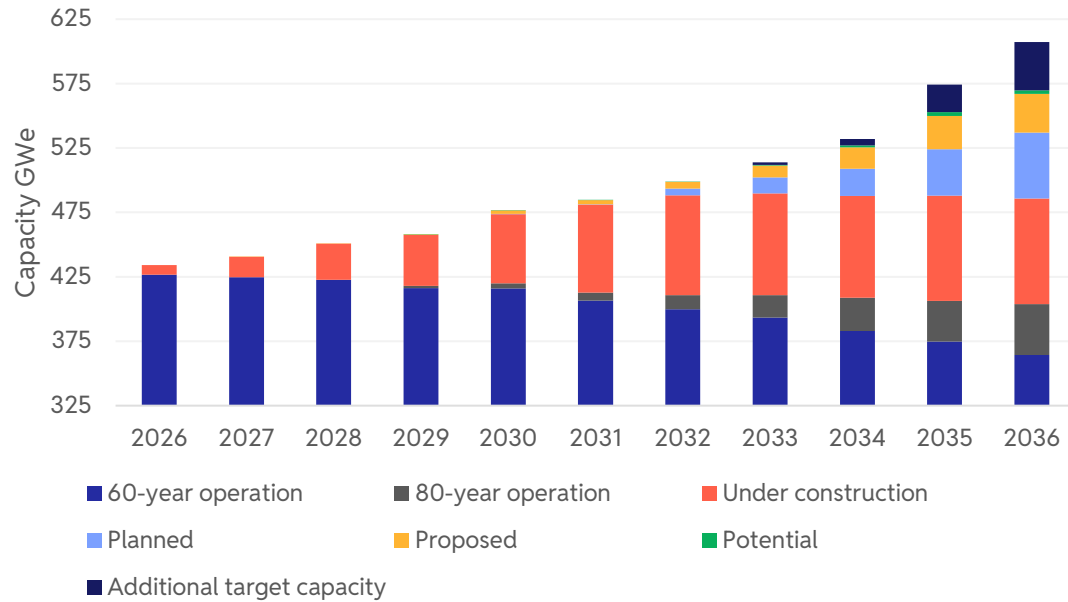
Elevated US Yields and Dollar Strength Pose Headwinds for EMs Amid Fiscal Concerns and Shifting Rate Expectations



- US 30Y yields remain elevated amid fiscal deficits and increased Treasury issuance, with rising term premiums reflecting concerns over debt supply and fiscal sustainability. Persistently high yields could tighten global financial conditions and weigh on EM performance.
- This pressure could be compounded by renewed USD strength as rate-hike expectations rise, increasing currency pressures and tightening external financing conditions for EMs, particularly those reliant on foreign capital. ***Taking this into account, we prefer to increase allocation to DMs, with a preferable DM:EM split of 70%:30%.***

Nuclear Expansion Is Set To Increase Uranium Demand Through 2036, Supporting A Structurally Stronger Market

Longer reactor operating lives are sustaining the existing uranium demand base, while new reactors are adding incremental demand as nuclear capacity expands



- **Existing Reactors Are Sustaining A Large And Persistent Uranium Demand Base**

Of the 423 GWe of nuclear capacity currently in operation, 403 GWe is projected to remain operational through 2036, including 40 GWe from reactors operating between 60 and 80 years. Longer reactor lives are therefore keeping the existing uranium demand base intact

- **New Reactor Capacity Is Adding Incremental Uranium Demand Through 2036**

New reactors under construction, planned and proposed are increasing nuclear capacity from 2026 through 2036, creating additional fuel requirements on top of the existing reactor fleet. As more capacity comes online, uranium demand could continue to increase structurally

- **Long-Term Uranium Prices Are Rising As Utilities Secure Future Fuel Requirements**

The Long-Term Uranium Price Indicator has risen to USD 97/lb, reflecting stronger demand for future uranium supply as utilities secure fuel requirements through 3–10 year contracts.

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