PRIMIS® INVESTMENT

Swiss Independent Wealth Manager,
Licensed by the Swiss Financial Market
Supervisory Authority FINMA

WEEKLY MARKETS ROUND-UP

Executive Summary

19th October 2026

Top news: Earnings releases ramping up (NFLX, SPCX, TSLA and Meta), then Global Flash PMIs on Friday – hot US inflation data and mounting AI credit stress dominated last week. Indeed, Wednesday's US CPI was above consensus (Headline 3.7% YoY vs 3.6% exp., Core 2.6% vs 2.5%) mostly on higher gasoline prices. US10Y briefly spiked to 5.36%, yet then reversed sharply lower, ending the week at 5.09%. Thursday's PPI was also hot (6.3% YoY vs 5.3% exp. for Headline and 5.0% vs 4.5% for Core), while US Retail sales also beat. On Friday, Fed Chair Warsh's speech gave no signal on the next move, leaving October hike odds under 20% and a December hike fully priced-in. Equities sold off on these hawkish prints, with the Nasdaq100 down 5.5% for the week, as CoreWeave, the neo-Cloud company fell almost 25% into Friday. Yet, the Dow rose 0.7% on the week. On the earnings front, US Big banks results were mixed and TSMC posted a strong 69% profit jump. Over the weekend, the Houthis targeted Saudi Arabia's Yanbu terminal and tankers were reportedly hit in the Persian Gulf. Brent remains near $108. This week, Netflix and SpaceX report on Tuesday, then Tesla and Meta on Wednesday, all post market close. Friday then brings the Global Flash PMIs and UMich sentiment, the week's only meaningful macro releases before the Fed, the ECB and the BOJ next week.

Equities: US equities pulled back last week, with the S&P500 down -2% and Nasdaq100 -5.5%. In contrast, the Dow Jones Industrial and European markets were up slightly, pointing to a rotation of themes rather than pure risk-off.

Fixed Income: yields were Overbought yet have now retraced back to neutral with the US10Y at 5.09%. IG, HY and EM sovereign ETF proxies are slightly Oversold, which may imply that their rebound may extend in coming weeks.

Forex: the USD is also less Overbought on average than last week despite the hot US data. Most currency trends remain neutral for now, which may point to further retracement in USD to accompany further consolidation on yields.

Commodities: Brent remains uptrending and slightly Overbought at $108. Gulf supply risks remain elevated after the weekend attacks and a warning this morning from Iran's IRGC that If US Bombing resumed "World Will Face Serious Energy Crisis" . Gold is holding near $4'165, above its recent lows. Its upside reacceleration cannot be confirmed yet.

	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS [2]
S&P500 Index	USD	7'659	Mar-26	6'344	20.7%	Oct-26	7'819	-2.0%	11.9%	neutral	neutral
Nasdaq100 Index	USD	29'188	Mar-26	22'953	27.2%	Oct-26	31'224	-6.5%	15.6%	up	neutral
Dow Jones Industrials Index	USD	52'002	Mar-26	45'167	15.1%	Aug-26	54'349	-4.3%	8.2%	neutral	neutral
EuroStoxx50	EUR	6'204	Mar-26	5'501	12.8%	Aug-26	6'551	-5.3%	7.1%	neutral	neutral
Swiss Market Index	CHF	14'391	Oct-25	12'235	17.6%	Aug-26	14'621	-1.6%	8.5%	neutral	neutral
Nikkei225	JPY	65'324	Nov-25	48'538	34.6%	Jun-26	72'366	-9.7%	29.8%	neutral	neutral
Shanghai Composite	CNY	3'716	Oct-26	3'707	0.2%	May-26	4'243	-12.4%	-6.4%	neutral	slightly OS
US 10Y Treasury Yield	%	5.09%	Oct-25	3.95%	1.1%	Oct-26	5.30%	-0.2%	0.9%	up	neutral
German 10Y Bund Yield	%	3.41%	Oct-25	2.55%	0.9%	Sep-26	3.64%	-0.2%	0.5%	up	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	80	Sep-26	77	4.0%	Feb-26	86	-6.9%	-2.9%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	103	Sep-26	101	1.9%	Jun-26	107	-3.6%	-1.5%	neutral	slightly OS
US High Yield (HYG ETF, 3-4Y duration)*	USD	77	Nov-25	75	1.8%	Aug-26	79	-2.6%	-0.0%	neutral	slightly OS
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	92	Sep-26	90	1.6%	Jul-26	95	-3.5%	-0.8%	neutral	slightly OS
EUR/USD		1.12	Oct-26	1.12	0.8%	Jan-26	1.20	-6.6%	-4.3%	neutral	slightly OS
GBP/USD		1.33	Nov-25	1.30	2.4%	Jan-26	1.38	-3.7%	-1.1%	neutral	neutral
USD/JPY		158	Oct-25	151	4.8%	Jul-26	164	-3.6%	0.8%	neutral	neutral
USD/CHF		0.82	Jan-26	0.76	8.1%	Sep-26	0.84	-1.4%	4.0%	neutral	slightly OB
AUD/USD		0.69	Nov-25	0.64	7.8%	May-26	0.73	-4.3%	4.1%	neutral	neutral
Brent Oil (per Barrel)	USD	110	Dec-25	59	86.5%	Apr-26	118	-6.9%	80.5%	up	slightly OB
Gold Spot (per Ounce)	USD	4'165	Oct-25	3'930	6.0%	Jan-26	5'416	-23.1%	-3.5%	neutral	neutral

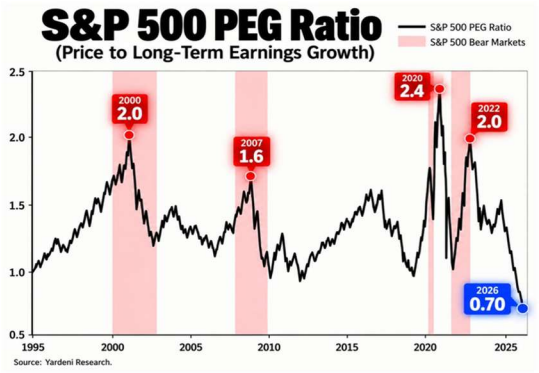
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

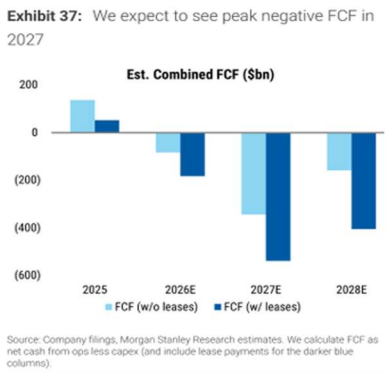
Source: Primis Investment (Suisse) SA

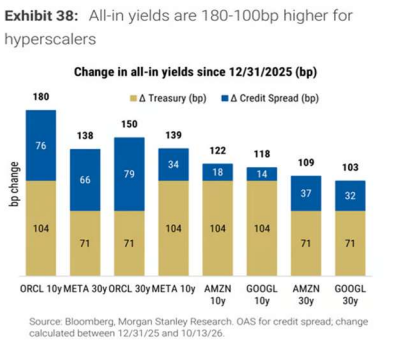
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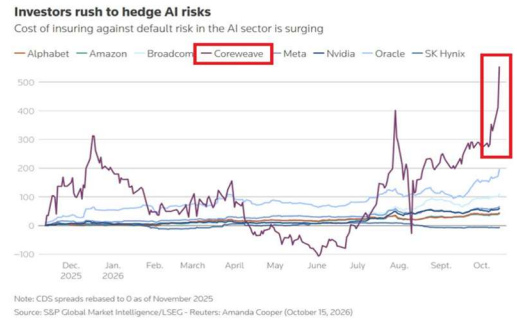
Valuation focus: do forward PE/PEG valuations account for credit/execution risk

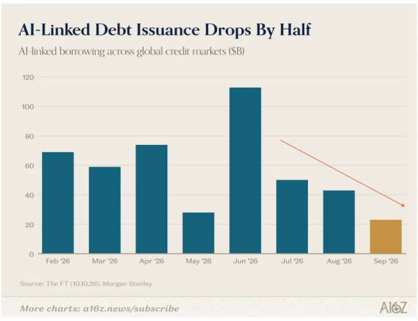
The S&P500 PEG ratio has dropped to 0.70, its lowest since 1995, i.e. expected earnings are growing quicker than stock prices (top-left), yet a low PEG may reflect lower prices as much as high expected growth. Currently, this growth seems to increasingly rely on credit. In this respect, Morgan Stanley expects hyperscalers' combined free cash flow to be negative in 2026 and to trough in 2027, at circa -$0.5trn including leases (top-center), while their all-in borrowing costs are already circa 100-180bp higher than 9-months ago (top-right). Markets are starting to price this credit risk as with the surging CoreWeave's CDS spread (bot-left), and AI-linked debt issuance has halved from its July levels, which may be pointing to further funding stress to come (bot-center). Meanwhile, Goldman Sachs estimates that hyperscaler capex represents 11% points of S&P500 EPS growth in 2026, fading to 7% in 2027 and turning slightly negative in 2028 (bot-right). Their earnings contribution will then need to rely on cash flow generation to compensate. We suspect forward multiples mostly capture the current capex earnings boost, yet not necessarily the funding and execution risks behind it (many datacenter projects currently being delayed). This gap matters with a 5% US10Y. Should credit tighten further, the E, G and then P of the PEG could all be at risk.

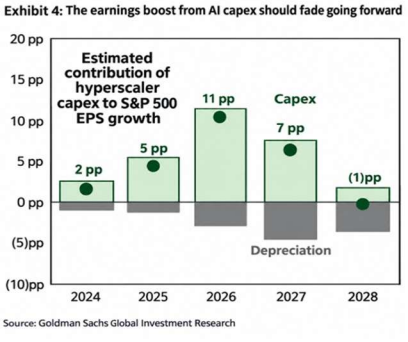












Notes:

1. **Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then "up", below -0.08% then "down", otherwise it is "neutral".
2. **Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

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Primis Investment (Suisse) SA
5 rue Jacques-Balmat, 1204 Geneva –Switzerland
T: + 41 22 570 60 80
wealth-management@primis.swiss www.primis.swiss

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