

Video Transcript

Top Questions from our Clients: October 2026

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Each month, our CIOs address

Top six questions on investors' mind

Here is what's defining October

Top Questions from our Clients

Q1: Could an AI slowdown shake public and private markets?

Key takeaway

- AI leaders are calling for slower, safer development, but not an industry-wide pause
- Expect volatility across semis, data centres, power infrastructure and private-market AI ventures
- Implication: mild OW US; favour diversified AI beneficiaries with strong balance sheets

Q2. What's the bigger threat: rising prices or slowing economies?

Key takeaway

- Global growth remains resilient, supported by AI investment, fiscal support
- Higher oil prices could keep inflation sticky, increasing pressure on central banks
- Implication: OW the US, South Africa, Japan, HK, Singapore and South Korea

Q3. What risks rise as US 10-year yields top 5%?

Key takeaway

- Yields above 5% could pressure growth, corporate profits and equity valuations
- Watch for tighter policy, wider spreads, weaker earnings and leveraged borrowers' stress
- Implication: Favour quality IG, selective equities, gold, UK index-linked gilts

Q4. What do France's upcoming budget and elections mean for markets?

Key takeaway

- Large deficit and political uncertainty could complicate budget negotiations

- OAT–Bund spreads may consolidate near 100bps, with geopolitical risks adding pressure
- Implication: stay mild UW French equities, neutral on European bonds and the euro

Q5. How are Middle East conflict and closer Canada-EU ties shaping the US midterms?

Key takeaway

- Higher energy prices could fuel inflation and keep affordability central to the US election debate
- Closer Canada–EU ties may affect tariffs, North American supply chains and economic security
- Implication: mildly OW US equities, favour energy, gold and high-quality credit

Q6. What could trigger the next equity-market breakout?

Key takeaway

- Upside drivers: broader earnings growth, AI diffusion and resilient global growth
- Downside drivers: higher yields, persistent inflation and weaker-than-expected AI profitability
- Implication: OW global equities, favour US, Japan, North Asia with diversified sector exposure

Every month brings new questions and new signals

To explore what this means for portfolios,

Read the publication or reach out to your HSBC contact