

Multi-Asset Investment Solutions

Weekly Market Review

Author

Nick Warmisham

Investment Analyst

Date: 21/09/2026

Market recap – stock markets mixed as dollar climbs

The performance of global stock markets was mixed last week, as investors weighed a US interest rate rise against volatile oil prices and a stronger US dollar, which flattered sterling returns on dollar-denominated holdings. In the US, the **S&P 500 rose 1.2%** (all returns quoted in sterling terms unless otherwise stated) and the **Nasdaq 100 gained 2.2%**. However, it was the pound's slide to its lowest level since July relative to the dollar that did much of the work here. In dollar terms, returns from both indices were much closer to flat. The UK's **FTSE 100 edged up 0.1%**, while **MSCI Europe (excluding the UK) fell 0.8%** as European bond yields* rose sharply. Japan's **TOPIX added 0.3%** and the **Nikkei 225 rose 0.3%**, both were up considerably more in local currency terms but for overseas investors these returns were eroded by a weaker yen. **MSCI China dipped 0.2%**, while the broader **MSCI Asia Pacific (excluding Japan) index rose 0.9%** and **MSCI Emerging Markets gained 0.7%**.

**Yield is the income paid by bonds (or other investments). It is usually stated as a percentage of the value of the investment.*

Geopolitics – oil spikes after Saudi pipeline attack

Tensions in the Middle East flared again after an attack, reportedly backed by Iran, forced the shutdown of a major Saudi Arabian oil pipeline over the previous weekend, temporarily cutting Saudi production to its lowest level in decades. **Brent crude briefly approached \$110 a barrel** (see Commodities, below) before retreating as reports suggested the damage was less severe than first feared and Saudi Arabia rerouted supplies through other channels. In Germany, Chancellor **Friedrich Merz** vowed to stay on yesterday despite calling the results of regional elections 'a disaster'. His Christian Democratic Union (CDU) slumped to its worst-ever state result in Mecklenburg-Vorpommern, failing to clear the 5% threshold for representation (down from 13% in 2021), as the far-right **Alternative for Germany** surged to become the largest party there.

Central banks – US and Japan raise interest rates. Bank of England holds them steady

The US Federal Reserve **raised interest rates by 0.25% to a range of 3.75%-4.00%** on Wednesday. The move was widely expected, but the **unanimous vote** surprised some who had expected disagreement among policymakers. Officials signalled **one more increase is likely before the end of the year**. The US government bond yield that underpins mortgage and business borrowing costs (the 10-year Treasury yield) **briefly rose above 5% for the first time since 2007**, before slipping back. Japan's central bank also raised rates by 0.25% to **1.25%, the highest level since 1995**. However, the decision was not unanimous, with the rise **passing by seven votes to two**. The Bank of England **kept UK rates on hold at 3.75%**.

News – AI safety scare shakes tech stocks

A sudden bout of nerves over artificial intelligence (AI) shook technology stocks, after Anthropic CEO **Dario Amodei called for AI companies to slow development** of their most advanced models on safety grounds. This was echoed by OpenAI's Sam Altman and Elon Musk of SpaceX and Tesla. **Shares in chipmakers and other AI-related companies fell sharply** when US markets opened last Monday. However, the sell-off proved short-lived. Shares **steadily recovered** over the rest of the week, helped by supportive comments from Nvidia CEO Jensen Huang, and had **made up most of their losses by Friday**.

Economic data – signs of resilience despite inflation worries

Economic data released last week generally pointed to resilience. In the US, **retail sales rose more than expected** in August and fewer people filed new claims for unemployment benefit, signs that the consumer and labour market remain in good health. In the UK, **retail sales rose 0.5%** in August, beating forecasts (which indicated a decline). However, **inflation rose to 3.1% in August**, up from 2.9% in July, largely reflecting higher fuel costs. **Eurozone inflation also picked up, rising to 3.2%**, while in Japan a closely watched measure of underlying inflation **eased slightly to 1.7%**. In China, the data was mixed, with **resilient factory output, up 5.2% on the year**, but **weak consumer spending and property investment**.

Commodities

Brent crude oil fell to around \$103 a barrel, down about 1% over the week, having briefly climbed towards \$110 earlier on fears over the Saudi pipeline attack. Prices retreated as reports suggested the damage was less severe than first thought and alternative supply routes were found.

Gold rose to around \$4,380 an ounce, its first weekly gain in a month, as the retreat in oil prices eased some concerns about inflation. However, gains were limited because of a stronger US dollar, which tends to weigh on the gold price.

Week ahead – what to watch

US: Summit between US President Donald Trump and Chinese leader Xi Jinping, with trade and technology policy on the agenda (Thu); durable goods orders, a measure of demand for long-lasting manufactured goods (Fri).

UK: Preliminary purchasing managers' surveys for manufacturing and services (key indicators of business activity) (Wed).

Europe: German preliminary manufacturing survey (Wed); German Ifo business climate survey, a gauge of corporate confidence (Thu); German consumer confidence survey (Fri).

Asia: A quiet week for scheduled data. However investors will be watching for news from the Trump-Xi summit on trade.

Source: Marlborough Multi-Asset, Morningstar, Financial Times, PIMCO, T. Rowe Price, Anglia Advisors, Trading Economics

Risk Warnings

These are the views of the investment team at the time of writing and should not be construed as investment advice. The opinions expressed are correct at time of writing and may be subject to change. Capital is at risk. The value and income from investments can go down as well as up and are not guaranteed. An investor may get back significantly less than they invest. Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting funds.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from Marlborough or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine together with their own professional advisers if appropriate if any investment mentioned herein is believed to be suitable. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted.

Regulatory Information

Issued in the UK by Marlborough Investment Management Limited, authorised and regulated by the Financial Conduct Authority (reference number 115231). Registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Registered in England No. 01947598.

Issued in Europe by Marlborough Investment Management Limited (authorised and regulated by the Financial Conduct Authority) on behalf of Marlborough ICAV (authorised and regulated by the Central Bank of Ireland). Marlborough ICAV is managed by TMF Fund Management (Ireland) Limited (authorised and regulated by the Central Bank of Ireland). Marlborough ICAV is registered under the laws of Ireland with registered number C186352 as an Irish Collective Asset Management Vehicle which is constituted as an open ended umbrella UCITS fund with segregated liability between sub funds. Directors: Raymond O'Neill (Irish), Dom Clarke (British), Brian Farrell (Irish) and Danny Knight (British). Registered office: Registered Office: Marlborough ICAV 88 Harcourt Street Dublin 2, Ireland. The fund is registered and approved under section 65 of CISCA. South African investors must read this document with the latest Minimum Disclosure Document & General Investor Report.

Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP

Intermediary Support. 0808 145 2502

Email. salesupport@marlboroughgroup.com

Website. marlboroughgroup.com

