MONTHLY NEWSLETTER – November 2025

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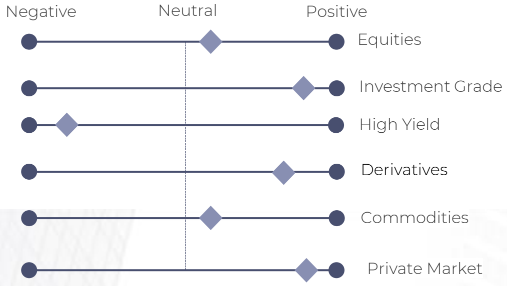
"October was a positive month for markets, with both equities and bonds delivering gains. Easing US–China geopolitical tensions and the relatively limited inflationary impact of recent tariffs helped support sentiment. However, market performance remains heavily concentrated in mega-cap technology names, where valuations are at historically elevated levels. The Q3 earnings season is progressing, with a majority of companies reporting results ahead of expectations so far.
As anticipated, in response to softening labour-market conditions, the Federal Reserve cut interest rates by 25 bps, despite inflation remaining above target.
Meanwhile in the eurozone, inflation has now returned to the ECB's 2% objective, and the economy continues to demonstrate resilience, supported by strong labour markets and healthy private-sector balance sheets.
As previously highlighted, we continue to favour investment-grade bonds given their consistently attractive risk-return profile. In addition, with equity valuations running high, we have already begun to gradually rotate towards value-oriented stocks, as the strong performance of growth equities over the past two years appears to have peaked."

OUR MARKET VIEWS



POTENTIAL MARKET CATALYST

The Fed continues its downward cycle amid deteriorating employment data.

Economic resilience

AI pushes markets to historic highs

The relative impact of US tariffs

KEY INDICATORS

Equities (%)	Level	September	October	YTD
S&P 500	6 840	3,5	2,27	**15,28**
Nasdaq 100	25 858	5,4	4,77	**21,99**
Eurostoxx 50	5 662	3,3	2,39	**15,14**
FTSE 100	9 717	1,8	3,92	**18,29**
China SI 300	4 641	3,2	-0,00	**17,38**
Emerging markets	1 402	7,0	4,12	**31,14**

Bonds (rate spreads)	Level	September	October	YTD
		Spread change level		
10 year government bonds				
US	4,08	-0,08	-0,07	**-10,42**
Europe	2,63	-0,01	-0,08	**11,79**
Corporate – 5 years spread (change level)				
Investment Grade US	53	1,11	0,52	**7,42**
Investment Grade Europe	95	-0,65	-0,62	**-2,29**
High Yield US	328	-0,44	6,74	**6,64**
High Yield Europe	266	-5,68	3,70	**-14,60**

Currencies (%)	Level	September	October	YTD
EUR / USD	1,1537	0,4	-1,68	**10,86**
GPB / USD	1,3152	-0,4	-2,19	**4,17**
CHF / USD	1,2429	0,5	-1,01	**-10,78**

Commodities (%)	Level	September	October	YTD
Gold	4 003	11,9	3,73	**50,06**
Brent	65	-1,6	-2,91	**13,99**
Copper	509	5,8	4,79	**19,15**
Aluminium	2 879	2,5	7,30	**14,24**

Volatility	Level	September	October	YTD
Euro Stoxx 50	18	-5,0	6,80	**13,05**
Nasdaq 100	17	6,0	7,13	**9,39**

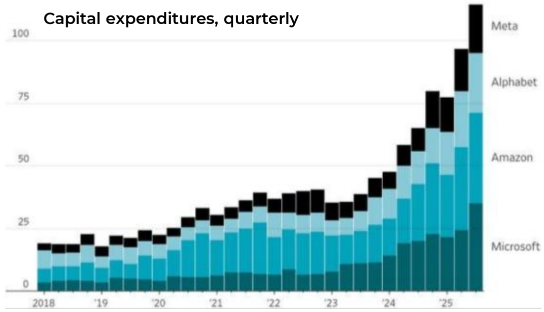
Cryptos (%)	Level	September	October	YTD
Bitcoin	109 428	5,1	-4,55	**10,9**
Etherum	3 860	-5,8	-8,01	**5,3**

Sources: Bloomberg, Norman K. - Data as of October 31st 2025. Past performance is not a reliable indication of future performance. Non-contractual information.

CHART OF THE MONTH

AI, bubble risk ahead?

AI-driven enthusiasm continues to fuel exceptional levels of capital investment, yet current valuations in the sector are now approaching those seen at the height of the dot-com era — raising increasing concerns about the potential formation of a new market bubble.



Source : the companies – Wall Street Journal

Markets driven by tech stocks and Fed rate cuts.

MACROECONOMICS

Improving US–China trade dialogue and a broadly positive US earnings season helped support investor sentiment, although credit markets continued to weigh on global fixed income performance. In the United States, inflation continued to ease, enabling the Federal Reserve to deliver a further 25 bps rate cut.

However, Chair Powell maintained a cautious tone, stressing that a December cut is not guaranteed. This has led markets to scale back expectations for additional policy easing, with growth stocks significantly outperforming value and rate-sensitive sectors.

That said, a lack of economic data due to the government shutdown — combined with the Fed's slightly more hawkish messaging — could still pose a risk to fourth-quarter growth momentum.US equities, led by the S&P 500, were supported late in the month by progress in trade negotiations and stronger-than-expected earnings.

In Europe ex-UK, performance was more subdued (+2.1%), held back by limited exposure to AI-related sectors. In the UK, falling Gilt yields, strong commodity performance and a weaker sterling provided a tailwind to the FTSE.

Gold ended the month higher as well, though still below its intra-month record levels.

NK VIEW

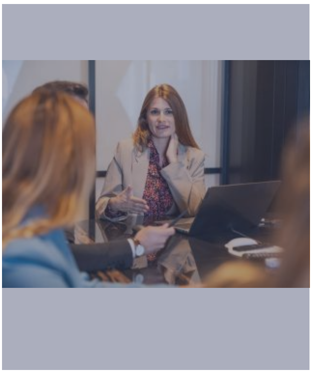
We remain **neutral on equities**, with a strong focus on **selectivity**, favouring companies capable of generating cash flows and demonstrating **resilience** in a more uncertain macroeconomic and geopolitical environment. **Given the high valuations, we are gradually reallocating towards value companies.**

Some **opportunities** are emerging, particularly during the **current earnings season**, where periods of volatility can create attractive entry points — notably for **structured products**.

We remain **positive on investment grade bonds**, which continue to offer an attractive risk-return profile. We favour **longer durations and USD-denominated bonds**, in anticipation of further rate cuts ahead.

The **private debt market** continues to expand, especially in **real estate financing**, as market participants aim to capitalise on falling rates.

We continue to seek **decorrelation and diversification in the pre-IPO segment**, even though some players may postpone their listing due to geopolitical uncertainties.



WHICH OPPORTUNITIES IN THIS CONTEXT?

Market volatility and tariffs' threats

- In-depth analysis and selectivity
- Opportunities in fundamentally strong stocks

Upcoming FED rate cuts / geopolicital uncertainty

- Anticipate impacts on portfolios
- Currency diversification

Weaker macroeconomic environment

- Alternative investments
- Pre-IPO segment / private debt
- Real estate deals opportunities

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