

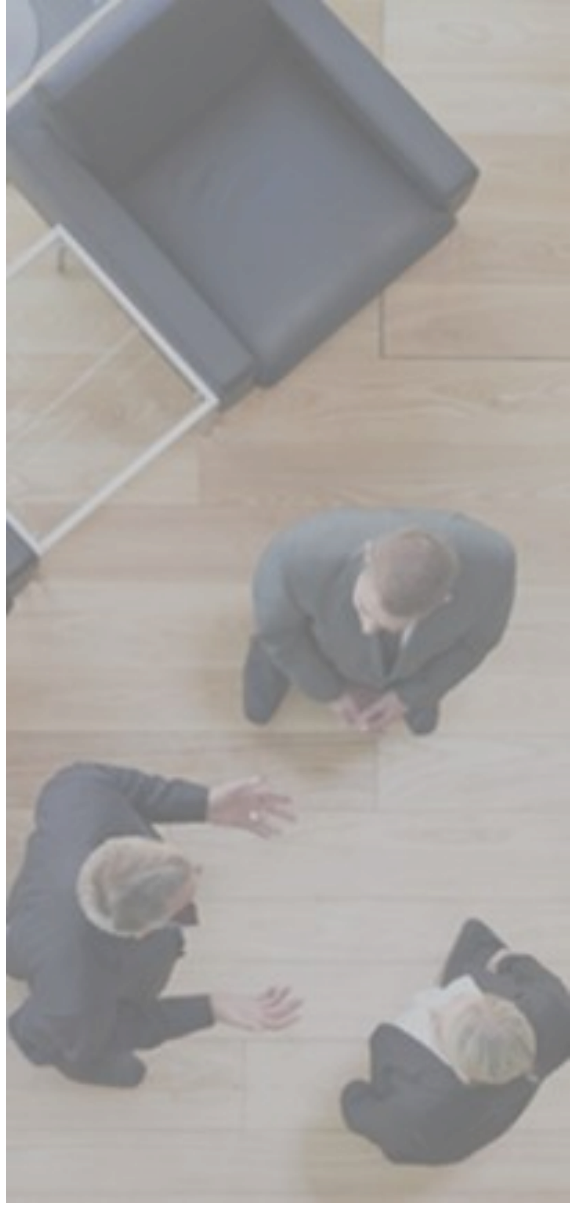
C.I.A. NETWORK

Asset Strategy in Brief

November 2026

BNP PARIBAS
WEALTH MANAGEMENT

The bank
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world



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Macro and market views

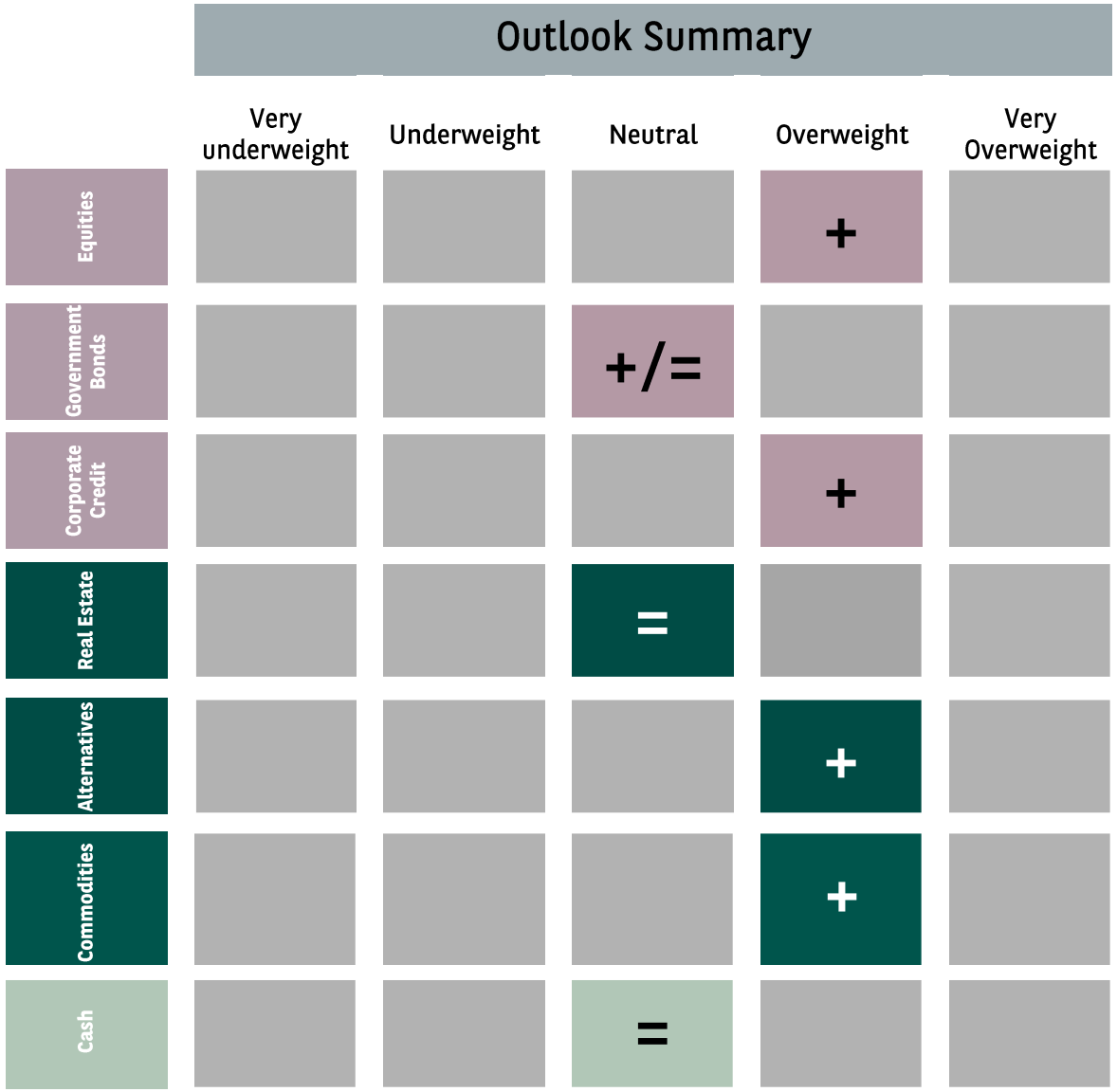


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Asset Allocation

Latest allocation changes:

- **Equities:** No change
- **Bonds:** No change
- **FX**: No change
- **Commodities:** No change
- **Alternative Investments:** No change



Macro and Market Views

Macro		- Global expansion remains on a solid footing, driven by resilient consumer spending, improving business sentiment and a surge in AI-driven capital spending. - With no clear catalysts to de-escalate the conflict, elevated energy costs are expected to sustain inflationary pressure in the near term, but not to undermine the overall resilience of global growth.
Bonds	+/=	– Positive on core eurozone sovereigns (favour maturities of 7-10 years), Neutral on US Treasuries; prefer shorter-term (ca. 5 year) maturities. – Positive on UK gilts (12-month yield target is 4.65%). – The ECB should raise its deposit rate once more in December to 2.75%. The Fed should raise rates in December and January to a 4.5% Fed Funds target rate. – We see the US 2-year yield at 4.35% in 12 months and the 10-year yield at 4.75%. – Our 12-month target on the German 10-year bund yield is 3.0%.
Credit	+	– We prefer EUR and GBP (Positive view) to USD IG bonds (Neutral view) given the supply dynamics and the level of yields/spreads. We focus on quality. – Neutral on US high yield credit. Spreads fell back close to their historical lows even though uncertainty remains high. They do not remunerate the underlying risk.
Equities	+	– Positive on Equities: we are constructive on equities considering the resilience of the global economy, the high earnings growth and the seasonality. – Favour the US, Japan and Emerging Markets, with a preference for Northeast Asia (China A shares, South Korea and Taiwan). – Underweight Europe on a relative basis. – Positive on Global Health Care, Industrials, Information Technology, Metals and Mining, EU Utilities.
Real Estate	=	– INREV European private real estate funds continue to see steady growth in net asset values, delivering an average return of 0.9% q/q to investors in Q2 2026 after 1.3% in Q1. – Industrial/logistics exposure preferred for healthy yields, higher expected rental growth on robust underlying demand growth.
Commodities	+/+/-	– Precious Metals: we remain Positive on precious metals. Our 12-month price target for gold is USD5,000 per ounce and USD80 per ounce for silver. – Positive view on strategic industrial metals, such as copper, aluminium and tin. – Negative stance on Oil, 12-month price range for Brent crude oil of USD65.
Currencies		– The short-term strengthening of the US dollar in the current risk-off environment is unlikely to persist in the longer term, given supplementary US spending increasing the US budget deficit and a gradual de-dollarisation trend. – EUR/USD 12-month target USD 1.20 (value of one EUR).

Key macro & market forecasts

	GDP Growth %			Inflation %			Central Bank Rates %				Key Market Forecasts		
	2025e	2026e	2027e	2025e	2026e	2027e		Now	3M	12M		Now	12M
US	2.3	2.2	2.3	2.7	3.5	2.5	US Fed Funds Rate	4.00	4.50	4.50	US 10Y yield %	4.90	4.75
Eurozone	1.3	1.1	1.6	2.1	3.1	3.2	ECB Deposit Rate	2.50	2.75	2.75	Euro 10Y yield %	3.29	3.00
Japan	1.2	1.0	1.2	3.1	1.9	2.6	Bank of Japan Policy Rate	1.25	1.50	2.00	UK 10Y Yield %	5.20	4.65
UK	1.2	1.3	1.3	3.4	3.2	3.5	Bank of England Base Rate	3.75	4.00	3.75	S&P 500	7541	n/a
China	5.0	4.6	4.5	0.0	1.0	1.2	China 7D reverse repo rate	1.40	1.40	1.30	Euro STOXX 50	6176	n/a
											Oil Brent USD/bbl	104	65
											Gold USD/oz	3960	5000

Source: BNP Paribas WM. As at 3 November 2026

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Fixed Income



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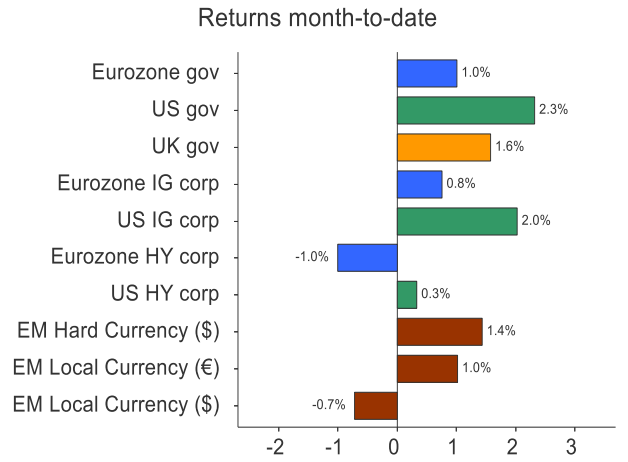
Fixed Income at a glance

In October, the markets were dominated by a continued global selloff in tech stocks, leading to safe-haven flows into US Treasuries, Japanese government bonds and the German bund. As a result, their yields fell despite energy prices surging to or past their Spring highs. French bonds were under increasing pressure, but Moody's unexpected decision to maintain its rating on French debt unchanged could slightly help stabilise the spread. The ECB held rates steady as bond markets have already tightened conditions, but stagflationary pressures suggest another hike is likely in December. The FOMC sought to deliver a balanced message: responsiveness to concerns about tightening financial conditions, while setting out a base case for economic strength. We expect the Fed to hike rates in December and January.

Central Banks	12-month target
Fed	4.50
ECB	2.75
BoE	3.75
Bank of Japan	2.00

Bond yields	12-month target
U.S.	4.75
Germany	3.00
U.K.	4.65

Source: Forecast BNP Paribas WM



Source: LSEG Datastream, JPM and BofA indices, 30/10/2026

Central Banks

We expect the ECB to make another rate increase in December. Oil and especially gas prices have risen again with core CPI inflation of around 2.5% and a resilient economy. **For the Fed, we expect two more rate increases, one in December and another in January. We expect the BoE to raise rates in November. We expect a series of rate hikes in Japan over the coming months with a terminal rate of 2.5% in 2028.**

Government Bonds

We are Positive core Eurozone govies. Yields have risen sharply and are well above our targets. The expected return is still attractive. **We favour maturities of 7-10 years. We like UK govies.**

We keep a Neutral stance on US govies with maturities up to 5 years.

EU Peripheral bonds

Periphery spreads are still close to historic lows and do not remunerate enough for the risk. **We remain Neutral on periphery debt.**

Corporate Investment Grade (IG) Bonds

We prefer EUR and GBP (Positive view) to USD IG bonds (Neutral view) given the supply dynamics and the level of yields/spreads. We focus on quality.

Corporate High Yield (HY) Bonds

We keep a Neutral stance on Corporate HY. Spreads are still close to historic lows and expected returns do not reflect the underlying risk.

Emerging Market (EM) Bonds

Neutral on EM bonds despite the strong performance. EM central banks have less potential to cut rates, and the USD has limited upside in the coming months. **We are Neutral on EM bonds in local currency and on hard currency bonds.** Valuations are not attractive.

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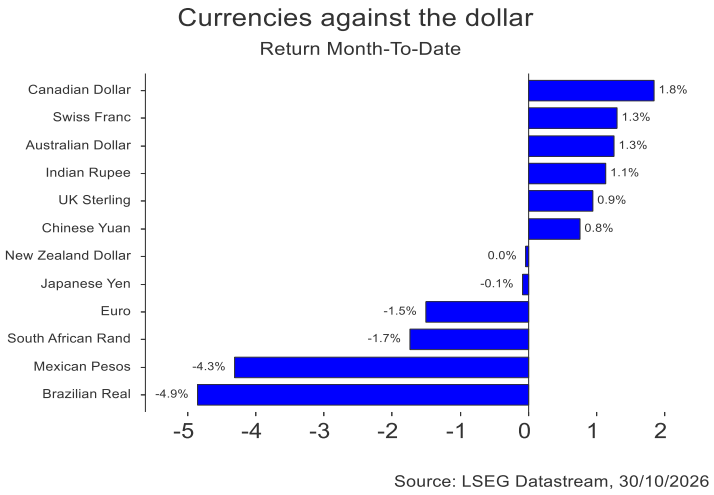
Currencies



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Currencies at a glance

1. **Currency Dynamics: t**he global FX market is currently dominated by a strong US dollar, fuelled by a hawkish Fed, high yields, and a robust US economy, while Europe faces political and economic instability. High-yield and emerging market currencies are struggling due to volatility and high energy costs, with overall performance driven by diverging central bank policies and local political events.
2. **Central Banks: we anticipate a rate hike in December and January for the Fed, after the mid-term elections. Meanwhile, we expect single hikes from the BoE in November and the ECB in December.** As for the BoJ, we anticipate hikes in December and March, whereas the SNB is likely to hold rates steady until late 2027.
3. **The EUR/USD: t**he EUR faces downside risks from the forthcoming French presidential election, even though it is unusual for the FX market to focus on France so far ahead of an election. Typically, presidential election risk only becomes a consideration at the beginning of a year. Nonetheless, we stay bearish on the dollar over the coming year, given the structural headwinds such as expanding fiscal deficits and a gradual de-dollarisation trend. The dollar remains highly overvalued compared with the EUR base on a fair value estimate such as Purchasing Power Parity (1.43). **Accordingly, our 3-month EUR/USD target is 1.12 and our 12-month target is 1.20 (value of one EUR).**



>> TARGET 12M UER/GBP: 0.87

The BoE held its policy rate at 3.75.% in September. The bearish GBP sentiment has moderated recently based on the expectation that the government is likely to maintain fiscal prudence. The British pound is well placed to benefit from European political uncertainty, ongoing M&A inflows, and wide rate differentials. **Our 3-month EUR/GBP target is 0.84 and our 12-month target is 0.87 (value of one EUR).**

>> TARGET 12M EUR/CHF: 0.92

The SNB held rates at 0% in September. While carry trade dynamics may weigh on the CHF as a funding currency, support should come from Swiss economic resilience, potential rate hikes through 2027, and its safe-haven status amid political risks, especially ahead of the French elections. **Our 3-month EUR/CHF target is 0.94 and our 12-month target is 0.92 (value of one EUR).**

>> TARGET 12M AUD/USD: 0.73

The RBA raised rates by **25bp to 4.85% in November.** Despite softer energy prices and USD strength, Australia's terms of trade should remain strong. The currency carry remains attractive, further supported by the global AI theme (commodities). **Our 3-month AUD/USD target is 0.70 and our 12-month target is 0.73 (value of one AUD).**

>> TARGET 12M USD/CNY: 6.60

The PBoC left the policy rate unchanged in October. Growing foreign demand for RMB-denominated assets and wider international use are adding upward pressure. **Our 3-month USD/CNY target is 6.7 and our 12-month target is 6.6 (value of one USD).**

>> TARGET 12M USD/BRL: 5.00

The BCB delivered a 25bp rate cut to 13.75% in September. We expect the BRL to remain an outperformer in EM due to its attractive carry. Surprise election results have spiked BRL volatility and triggered a sell-off, with fiscal concerns and Lula's pledges leaving the currency vulnerable. **Our 3-month USD/BRL target is 5.20 and our 12-month target is 5 (value of one USD).**

>> TARGET 12M EUR/SEK: 10.80

The Riksbank raised rates by **25bp to 2.00% in November.** The SEK may face short-term vulnerability as a low-yielding currency, but the outlook remains cautiously optimistic. Growth driven by IA spending and Germany's defence plan, alongside a potential Riksbank rate hike, should support the currency. **Our 3-month EUR/SEK target is 11.00 and our 12-month target is 10.80 (value of one EUR).**

Currencies at a glance

FX FORECASTS EUR

	Country		Spot 02/11/2026	Trend	Target 3 months (vs. EUR)	Trend	Target 12 months (vs. EUR)
	United States	EUR / USD	1.12	Neutral	1.12	Negative	1.20
	United Kingdom	EUR / GBP	0.83	Neutral	0.84	Negative	0.87
	Japan	EUR / JPY	176.77	Neutral	177	Negative	186
	Switzerland	EUR / CHF	0.92	Negative	0.94	Neutral	0.92
	Australia	EUR / AUD	1.60	Neutral	1.60	Negative	1.64
	New-Zealand	EUR / NZD	1.99	Neutral	1.96	Neutral	2.0
	Canada	EUR / CAD	1.56	Neutral	1.57	Negative	1.62
	Sweden	EUR / SEK	10.97	Neutral	11.00	Neutral	10.80
	Norway	EUR / NOK	10.39	Negative	10.80	Neutral	10.60
Asia	China	EUR / CNY	7.44	Neutral	7.50	Negative	7.92
	India	EUR / INR	106.26	Neutral	106.40	Negative	114.0
Latam	Brazil	EUR / BRL	6.09	Positive	5.82	Neutral	6.0
	Mexico	EUR / MXN	20.79	Positive	19.04	Positive	20.16

Source: BNP Paribas, LSEG

FX FORECASTS USD

	Country		Spot 02/11/2026	Trend	Target 3 months (vs. USD)	Trend	Target 12 months (vs. USD)
	Eurozone	EUR / USD	1.12	Neutral	1.12	Positive	1.20
	United Kingdom	GBP / USD	1.34	Neutral	1.33	Positive	1.38
	Japan	USD / JPY	157.88	Neutral	158	Neutral	155
	Switzerland	USD / CHF	0.82	Negative	0.84	Positive	0.77
	Australia	AUD / USD	0.70	Neutral	0.70	Positive	0.73
	New-Zealand	NZD / USD	0.56	Neutral	0.57	Positive	0.60
	Canada	USD / CAD	1.40	Neutral	1.40	Positive	1.35
Asia	China	USD / CNY	6.65	Neutral	6.70	Neutral	6.60
	India	USD / INR	94.90	Neutral	95.0	Neutral	95.0
Latam	Brazil	USD / BRL	5.44	Positive	5.20	Positive	5.00
	Mexico	USD / MXN	18.57	Positive	17.00	Positive	16.80
EMEA	South Africa	USD / ZAR	16.58	Positive	16.00	Positive	15.75
	USD Index	DXY	101.75	Neutral	101.92	Negative	96.31

Source: BNP Paribas, LSEG

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Equities



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Capex Vigilantes

Capex – friend and foe for hyperscalers

- **Recent market weakness** has been intensified by a lacklustre reaction to recent earnings announcements, despite the underlying data remaining fundamentally solid. While headline execution within technology has been messy, the core thesis for the AI built-out trade remains intact.
- **We are seeing significant dispersion** among hyperscalers. The primary driver is the tension between AI integration and legacy business models. For some, AI is a complementary tailwind; for others, it poses a cannibalisation risk. However, the necessity to defend market share ensures that capital expenditure remains a non-negotiable priority.
- **The underlying compute trajectory remains exceptionally robust**. Massive revenue backlogs and increasing capital commitments signal that demand is currently capacity-constrained rather than demand-constrained. The transition from heavy infrastructure investment towards proven free cash flow generation is now the key metric for market leadership.
- **Ultimately, the "AI story" is not being challenged** by isolated weaknesses in specific segments. Instead, the market is pivoting to reward capital discipline. The winners will be those who can most effectively convert massive infrastructure outlays into sustainable, high-margin earnings power.

Main recommendations

We remain constructive on AI Infrastructure names– A lot of datapoints have indicated that compute remains one of the key bottlenecks of AI. At the same time, pricing power remains with the providers of compute. We therefore consider the current weakness an interesting buying opportunity.

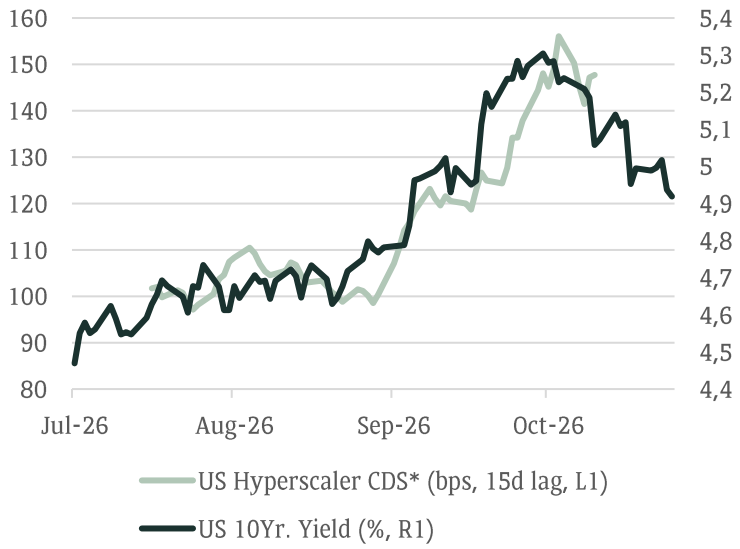
Defensives strongly outperformed in October – In October, a big rotation took place into defensive sectors, mainly Consumer Staples, Health Care and Utilities.

Among defensives, we prefer healthcare (Overweight). This sector, apart from offering a great and relatively uncorrelated diversification, should benefit from AI and new types of therapies. Its valuations look reasonable.

Sector preferences: Global Healthcare (OW), Information Technology (OW) and Industrials (OW), EU Utilities (OW). **Regional allocation:** we remain Overweight on Japan and emerging markets, with a focus on North-East Asia (Chinese A-shares, South Korea, and Taiwan). **Overweight on the US and Underweight Europe.**

Key risks: higher inflation and more hawkish central banks could derail the current bull market. Moreover, companies cutting their AI capex spending plans would cause a sharp re-rating of growth expectations for AI Infrastructure names.

LOWER YIELDS SHOULD EASE THE PRESSURE ON CDS



Source: BNP Paribas, Bloomberg
** equal weighted basket of Amazon, Alphabet, Meta, Microsoft, Oracle and SpaceX*

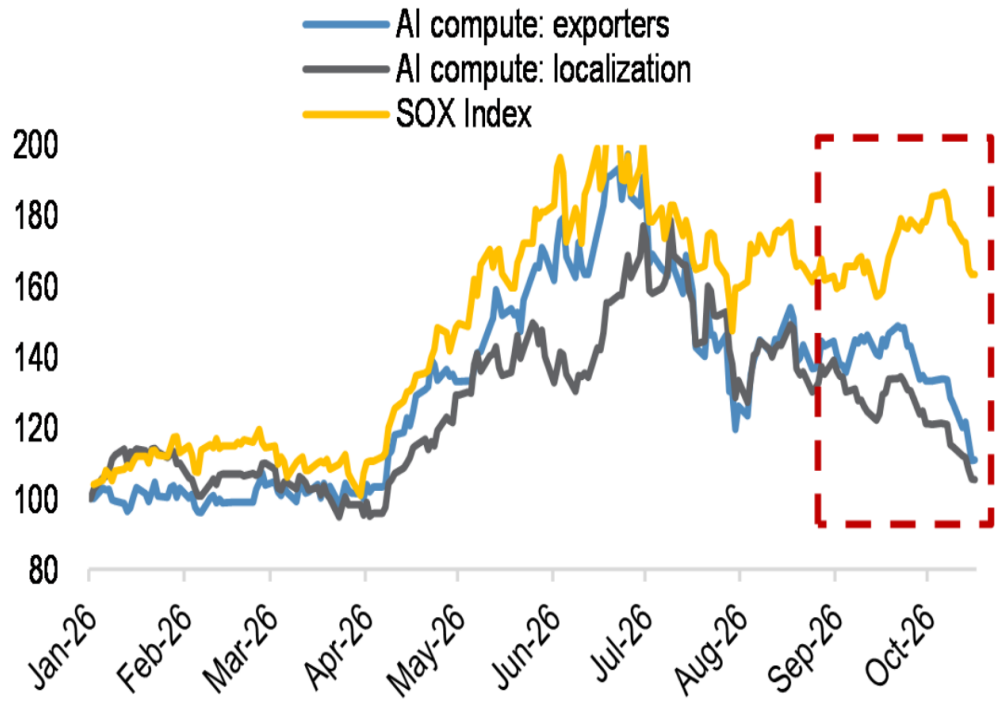
Asian Equities view

ASIA COUNTRY PREFERENCE

+	=	–
COUNTRY		
China A shares Taiwan South Korea	Hong Kong/China H shares India Southeast Asia	

- **Overweight Taiwan and South Korea: b**oth countries remain critical in the global AI value chain. Taiwan's leadership in advanced semiconductor manufacturing and packaging, alongside South Korea's dominance in High-Bandwidth Memory (HBM), positions both markets to benefit from sustained AI and data-centre investment. Robust technology capex should continue to drive earnings growth, while valuations remain attractive relative to US mega-cap tech. The current pullback represents a steep discount and good entry opportunity.
- **We continue to favour China A-shares over H-shares/Hong Kong shares:** i) A-shares also offer direct exposure to China's innovation ecosystem, with less sensitivity to geopolitical risks than offshore listings; ii) market stabilisation measures and Beijing's focus on high-tech industrial development provide further support; iii) historically discounted valuations offer a stronger margin of safety, particularly for A-share hardware tech companies. For long-term investors, the pullback presents an attractive entry point to capture China's structural economic transition at discounted valuations.

China AI lagged the global AI rally In September, but follows the dips in October



Source: Wind, China Customs, JP Morgan, as at 23 Oct 2026

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Commodities



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Commodities at a glance

Despite a decline in the US 10-year real yield, neither **gold** nor **silver** benefitted last month. Precious metals markets may need more central bank dovishness for a new leg higher. Lower energy prices could help in that respect, as they would lower inflation expectations, rates and thus the main headwind for precious metals.

Copper continues to trade broadly sideways on the back of high yields. **Aluminium** continued to head lower and even briefly dipped below **USD**3k per MT in October. Aluminium suffered from the brief risk-off periods throughout October, as well as from the slowdown in residential construction due to higher yields. We remain Positive in the longer term on both base metals due to structural demand drivers from electrification, datacentres and renewables.

Crude oil rallied over 10% in October, due to increased attacks in the Strait of Hormuz and the risk of new US attacks against Iran after the midterms. The geopolitical risk premium comes despite strong Middle Eastern exports. **European gas** is at risk of a further rally in the short term, due to historically low inventories and uncertainty about temperatures. We are cautious on the general assumption that this winter will be (very) mild due to El Niño.

PRECIOUS METALS

We maintain our 12-month price target of USD5,000/ounce for gold and USD80/ounce for silver and confirm our Positive view on precious metals. High real yields keep both precious metals in a consolidation phase. A new leg higher for gold seems conditional on a decrease in energy prices and inflation expectations.



Source: LSEG Datastream, 03/11/2026

INDUSTRIAL METALS

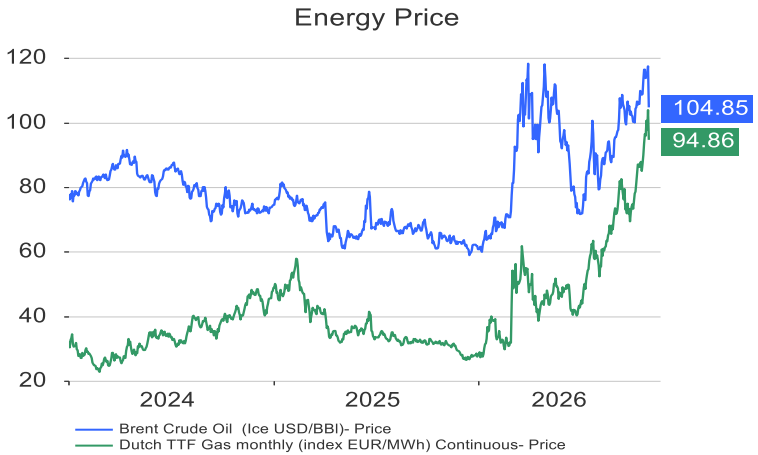
We maintain our positive view on industrial metals and hold our 12-month price target at USD**15,000/MT for LME copper and at** USD**3,800/MT for LME aluminium**. Higher real yields will continue to be a headwind for copper and aluminium in the short term, but the longer-term structural factors remain intact.



Source: LSEG Datastream, 02/11/2026

CRUDE OIL AND NATURAL GAS

We maintain our 12-month price target of USD**65 per bbl for Brent.** Beyond the conflict, we see a structurally oversupplied market. **For European natural gas (TTF) we maintain our 12-month price target of EUR35 per MWh,** but highlight the bullish winter risk due to historically low gas inventories heading into the season.



Source: LSEG Datastream, 02/11/2026

Our 12-month position for this month

Evolution of our position since last month

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The bank for a changing world

06

Alternative Investments



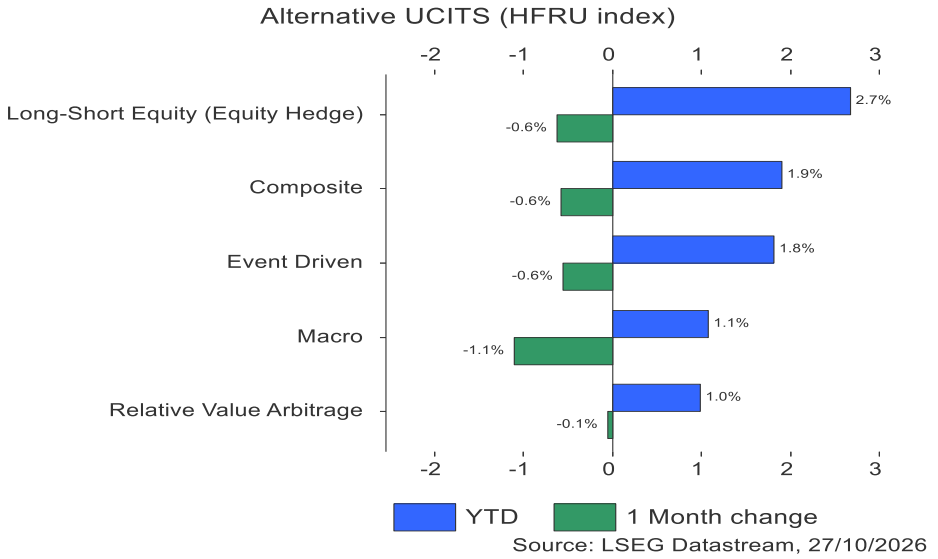
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Alternative Investments

The main strategies have had a negative performance over the past month.

Year-to-date, all main strategies remain largely in positive territory, with Long-Short Equity being the best performer and Relative Value the weakest.

We keep a Positive opinion on Macro and Event Driven.



Source: LSEG Datastream, 27/10/2026

Global Macro

Positive: as in 2025, macro managers are able to take advantage of some clear outcomes from the Trump agenda (weaker dollar, curve steepening from policy credibility issues, etc.). Although not immune to exogenous shocks, they are best equipped to adapt to new paradigms and trade risk assets long or short. These strategies mostly use futures & derivatives, thus providing "cash + alpha" returns, reducing the opportunity cost of holding cash.

Event Driven

Positive: the pressure is high for Private Equity firms to deploy capital, which can be put to work through leveraged buyouts. The current regulatory environment should remain supportive under the Trump Administration. Indeed, there are strong incentives for large strategic deals. We also expect more deals in Europe, with reforms facilitating the constitution of continental champions.

Long-Short Equity

Neutral: the main market movers have clustered around a few sectors. Typical examples are technology, AI, semi-conductor producers, and energy producers propelled by a huge momentum effect (positive in the spring, and negative in July). It has been challenging for diversified long/short strategies to identify large enough moves to profit from arbitrages outside of these few sectors.

Relative Value

Neutral: until recently, corporate credit dispersion had remained muted under well-bid-for credit markets in the search for yield. However, some cracks seem to be appearing in sectors going out of favour, such as software and private credit. Convertible bond arbitrage has suffered a correction from excess issuance, rising rates, and the questioning of some actors' viability. Nonetheless, that strategy should continue to benefit single stock volatility, especially in the technology/AI sector, as long as there is no significant credit deterioration of the issuers.

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