October Market Recap

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Executive Summary

In October, a single shock drove every market we cover. The US–Iran war kept energy prices elevated, which in turn sustained inflation and bond yields, splitting performance across power, carbon and metals. The attacks around the Strait of Hormuz lifted Brent's December contract to $117.64 at its expiry on 30 October, while Dutch TTF gas broke €100/MWh for the first time since 2022. With inflation at 3.7% in the US and 3.8% in the euro area, both the Fed and the ECB held rates in October, yet markets still price a December hike from each.

Rates & Macro: Long-term yields, rather than policy rates, did most of the tightening, weighing most heavily on long-duration infrastructure assets (Section 01).

Oil, Gas & Shipping: Tight supply set oil prices, while headlines drove the swings. EU gas storage stands near 75%, a record low for the season (Section 02).

Power & Utilities: US utilities fell 12.4% in the third quarter as yields rose, while European generators with low-cost output benefited from power prices set by gas (Section 03).

Carbon & Metals: Carbon reached a nine-month high, precious metals sold off, and copper set a record before easing (Section 04).

01 Rates & Macro

In October, the bond market, more than the central banks, tightened financing conditions. For energy and infrastructure, that means a higher cost of capital just as energy revenues hit multi-year highs.

EXHIBIT 1

Key macro and market figures, October 2026

GROUP	INDICATOR	LEVEL	AS OF
Policy rates	Fed funds	3.75–4.00%	28 Oct
	ECB deposit	2.50%	29 Oct
Bond yields	US 10Y	~5%	27 Oct
	French 10Y	5.14%	22 Oct
	German 10Y	3.35%	27 Oct
Spreads	OAT–Bund, peak	177.7bp	22 Oct
	OAT–Bund, latest	~155bp	29 Oct
	Italy–Bund	~89bp	Sep
Inflation	US CPI	3.7%	Sep
	Euro area HICP	3.8%	Sep
December hike odds	Fed	~85%	28 Oct
	ECB	~67%	29 Oct
Energy	Brent	>$117/bbl	30 Oct
	Dutch TTF	€100/MWh	28 Oct

Note: Figures are as of the dates shown, all in 2026. Inflation figures are for September, year on year, and the Italy–Bund spread is the September average.
Source: Al Jazeera, CME Group, CNBC, European Central Bank, Federal Reserve, Ideal Investisseur, Rebaudo, Reuters, RTÉ [1–12].

1.1 Rate dynamics

Policy rates stood still in October, while the market rates did the moving. The Fed announced to maintain its target range at 3.75–4.00% on 28 October by a 10-to-2 vote, with two officials dissenting in favor of a 25bp hike [8]. The next day, the ECB kept its deposit rate at 2.50%, warning that the energy shock is likely to push inflation up and growth down, and that financing conditions have tightened since its last meeting [7]. Markets still price a December hike from both banks. Fed odds rose to about 85% after its 28 October meeting [2], while ECB odds fell to about 67% after its 29 October meeting, from roughly 82% before [4]. The US 10-year yield stayed near 5%. France's 10-year touched 5.14%, its highest since 2002, and its spread over Bunds peaked at 177.7bp, the widest since 2011 [10].

The US–Iran war translated not only into an energy shock, but also into a rates shock. Brent exceeded $117 [1] and Dutch TTF gas briefly hit €100/MWh [12], the highest since 2022. That pushed US inflation to 3.7% [3] and euro-area inflation to 3.8% in September [4]. Both central banks restarted hiking this year but chose to pause in October. Nonetheless, inflation remains well above the 2% target, raising questions about whether further hikes would have been needed to bring these figures down. The cause is an energy shock, not an overheating economy. Oil and gas prices jumped after the war began, and what central banks worry about is second-round effects: workers demanding higher wages and firms raising other prices, which would make inflation stick. So far there is little sign of that. Lagarde said that the ECB is not seeing second-round effects beyond what was already in its September projections, and the ECB noted that underlying inflation has remained broadly stable, while wages do not show a significant response at this stage [4, 7]. Long-end yields kept rising anyway as investors demanded more compensation for inflation risk. France became the stress point: a contested budget and debt near 119% of GDP pushed its spread to crisis-era levels [13]. Yet the French 10-year barely moved in October, while the Bund fell by about a quarter of a percentage point over the month, to 3.35% [9] as a safe-haven asset.

1.2 Market implications

Interest rates: short-term rates swing, long-term rates carry the risk. Over one week, market bets on a December ECB hike fluctuated from roughly 90% to 69% and back to about 80% [14]. That indicates policymakers' words now move 2-year yields more than concrete central bank interventions. The bigger danger is at the long end. If investors decide central banks are too relaxed about inflation, they will demand higher yields on 10- and 30-year bonds. That would hurt most the long-term infrastructure assets, where value often depends on cash flows far in the future. Wind farms and electrical grids can earn cash for 20 to 40 years, and higher long-term rates shrink the present value of those distant payments most. Many projects are also heavily debt-financed and sell power at fixed prices, so their costs rise while their revenues cannot.

France: higher borrowing costs, but no wider crisis yet. France now pays much more than Germany to borrow, but the stress has not spread. Italy's spread over Germany averaged about 89bp [5, 6]. French companies, including utilities and infrastructure firms, usually pay more when their government does, so their funding costs rise compared with German competitors: investors price country risk into corporate debt, rating agencies rarely rate firms far above their home state, and French banks, large holders of OATs, pass higher funding costs on to borrowers. The link is strongest for utilities and infrastructure: EDF is fully state-owned, and regulated networks earn returns set by national authorities. Over a 20- to 30-year project, even a modest gap in borrowing costs makes French infrastructure less competitive than German equivalents. The ECB is unlikely to step in quickly: its emergency tool, the TPI, requires countries to follow EU budget rules, which France currently struggles to meet, and Lagarde has responded coolly to calls to use it [15].

Energy and infrastructure: winners and losers. Higher interest rates reduce what future income is worth today, but not equally. First, the sharpest effect falls on projects that sell energy at fixed prices agreed before 2026, such as many wind and solar farms with long-term contracts (PPAs): their income cannot rise while their financing costs do. Second, regulated networks such as electrical grids are partly protected, because their allowed returns rise with inflation. Third, producers selling at market prices are earning more from high oil and gas prices but face a growing risk of windfall taxes as governments respond to anger over energy bills.

1.3 Looking ahead

US midterm elections (3 November). Some analysts, including Deutsche Bank economists, forecast the Fed would hold in October partly to avoid moving rates days before a national vote [16]. A hike a week before the midterms could be seen as hurting the governing party, and the Fed's credibility relies on being seen as independent. Once the elections are over, that argument disappears. A December hike is already the market's main expectation, at about 85%, so the election is more likely to confirm it than change it. The bigger risk is to long-term yields: if the result sparks a political fight over the Fed or fiscal policy, investors could demand more to hold long-dated US debt.

French national strike (5 November). French unions have called a large mobilization against the 2027 budget, which plans about €54 billion in savings [17, p. 15]. They want higher wages, pensions and inflation-linked pay, the opposite of the spending restraint investors want, so a large turnout would be a worrying sign. The bond market is already nervous: the OAT–Bund spread was around 155bp on 29 October, after peaking at 177.7bp on 22 October [11]. A move back above 175bp would signal that investors doubt France can fix its finances.

Fed and ECB meetings (9 and 17 December). Both come with new forecasts. The Fed's 'dot plot' will show where officials expect rates to go: if the median for end-2027 is not above end-2026, December would be the last hike. The ECB will publish new forecasts too, and policymakers expect it to deliver the final hike of the cycle then [18]. The key question is whether either bank sees the energy shock as temporary or persistent [19].

US–Iran talks. Energy prices are the main driver of today's inflation, so diplomacy matters as much as central banks. A credible deal that reopens Hormuz shipping would push oil and gas prices down quickly, and with them inflation expectations, hike odds and long-term yields. That is the biggest risk to the 'rates stay high' view; renewed attacks on tankers would push yields the other way.

If energy prices are the main driver of rates, the next question is what drives energy prices. Section 02 turns to the oil, gas and shipping markets where the shock begins.

02 Oil, Gas & Shipping

Physical scarcity set the level of energy prices in October, and Hormuz headlines set the swings. Brent's December contract expired at $117.64 on 30 October, with January, the new front month, at $113.43, European gas broke €100/MWh, and freight became one of the largest costs in a delivered barrel.

2.1 What happened

Oil: supply set the level, headlines set the swings. The front of the curve said barrels were scarce now, not only feared scarce later. The December contract expired at $117.64, about $4 above January, a steep backwardation for a market still below its 2026 high of about $126 set in late April [20]. The month was the fourth straight gain for Brent and the steepest since July [21].

EXHIBIT 2

Oil, gas and freight benchmarks, 30 October 2026 close

BENCHMARK	LEVEL	OCTOBER MOVE	MAIN DRIVER
Brent, Jan-27 front month ($/bbl)	113.43	+13.6%	Hormuz attacks, stalled US–Iran talks
Brent, Dec-26 at expiry ($/bbl)	117.64	Month high	Prompt scarcity; ~$4 premium to January
WTI, Dec-26 ($/bbl)	104.12	~+12%	Same, plus US stock draws
TTF front month (€/MWh)	102.78	~+39%	Record-low storage, no Qatari LNG
EU gas storage (% full)	~75%	vs ~89% avg	Lowest for the season since 2011
Henry Hub ($/MMBtu)	2.91	~−2%	US gas insulated from the shock
VLCC, US Gulf / W. Africa to China	–	−27% / −32%	Atlantic demand cooling, ships repositioning
Baltic Dry Index (pts)	2,714	~−12%	Capesize recovering, panamax at six-month low

Note: Brent is shown for the January 2027 contract, which became the front month when the December 2026 contract expired on 30 October 2026, and for the December contract at expiry. VLCC moves are from each route's October peak.
Source: Admirals, Breakwave Advisors, CNBC, InstaForex, Trading Economics [20, 22–26].

Gulf supply data were noisy, and that noise was itself a source of risk premium. Kpler put Gulf crude exports (crude only, excluding products) at about 8.5 mb/d in the week to 19 October, down from over 20 mb/d a week earlier [27], yet its broader October count of Middle East crude and condensate was 16.7 mb/d, against 15.4 mb/d from Vortexa and at least 18.5 mb/d before the war [28]. Refined products were tighter still: under 0.7 mb/d crossed Hormuz in late September against 3.6 mb/d pre-war, which is why diesel and jet outpaced crude [29].

Escalation and diplomacy ran side by side. Iran extended its tanker blockade to the Gulf of Oman on 27 October and claimed mine strikes on four tankers on 29 and 30 October, which US Central Command disputed [30, 31]. Brent still fell 2.2% on 29 October when Tehran floated a seven-day plan to reopen the strait, a measure of how much of the price is

diplomacy. OPEC+ was a bystander: the core seven held targets for November and, on 1 November, for December, but with Gulf output still about 5 mb/d below February those quotas sit largely on paper [32, 33].

The US midterms on 3 November were the pivot priced at month-end. Before the vote, Washington leaned towards lower prices: it completed a 174 million-barrel SPR release, leaving the reserve at its lowest since 1982, and said it would not strike Iran before election day, with gasoline near $4.25/gal [34–36].

Natural gas: Europe enters winter with the thinnest cushion on record. The December TTF contract rose to €102.78/MWh on 30 October, a near four-year high. EU storage was about 75% full, the lowest for the season since records began in 2011. Qatari LNG is largely shut in by the Hormuz disruption, so Europe and Asia compete directly for US cargoes, while Henry Hub closed at $2.91/MMBtu, leaving an extreme transatlantic spread [23, 37].

Shipping: correcting from extraordinary to exceptional, not to normal. The Middle East Gulf-to-China benchmark broke $1m/day for the first time in the third quarter, and Clarksons put average VLCC earnings at a record level in mid-October [38, 39]. By 30 October, VLCC rates from the US Gulf and West Africa were down about 27% and 32% from their peaks [22]. The cause is demand destruction from freight itself: moving Atlantic crude to Asia on a VLCC now costs about $8/bbl more than on a suezmax, versus $1.50/bbl a year ago [40]. With Brent near $114, freight is roughly a fifth to a quarter of the delivered cost of a long-haul barrel.

2.2 Market implications

EXHIBIT 3

Winners and losers from the oil, gas and freight shock

GROUP	VERDICT	WHY
Non-Gulf upstream (US shale, North Sea, Brazil)	Winner	War-level prices without Hormuz transit risk.
US LNG exporters	Winner	Record TTF–Henry Hub spread; flexible cargoes go to the highest bidder in Europe or Asia.
Crude tanker owners (Frontline, DHT)	Winner, volatile	Rates off the peak but far above pre-war; Frontline rose about 133% over the year to early October. Spot exposure makes them the most sensitive to peace headlines.
Gulf exporters selling into Asia	Winner	Short voyages give a freight advantage worth several dollars a barrel over Atlantic crude.
Atlantic crude sellers into Asia	Loser	Moving Atlantic crude to Asia on a VLCC costs about $8/bbl more than on a suezmax, against $1.50/bbl a year ago.
European refiners and gas-intensive industry	Loser	Paying record feedstock, power and freight costs at the same time.

Note: Verdicts reflect market conditions at the end of October 2026.
Source: Breakwave Advisors, Stake [22, 41].

2.3 What to watch

EXHIBIT 4

Oil, gas and shipping catalysts

DATE	EVENT	WHY IT MATTERS
Ongoing	US–Iran talks and Hormuz transit terms	Largest single swing factor for Brent, TTF and tanker rates.
Daily	EU storage (GIE AGSI+) and weather forecasts	Sustained withdrawals or an early cold snap drive TTF.
Weekly (Wed)	EIA petroleum status report	US stock draws support WTI and the backwardation.
29 Nov	OPEC+ core-seven meeting	January targets and the first signals on 2027 quotas.
9 Dec / 17 Dec	Fed and ECB decisions (Section 01)	A pause would ease pressure on rate-sensitive energy assets.

Gas is also the thread into the next section. Because the most expensive plant on the system is usually gas-fired, a €100 TTF is as much a power-market story as a gas one, and Section 03 picks it up there.

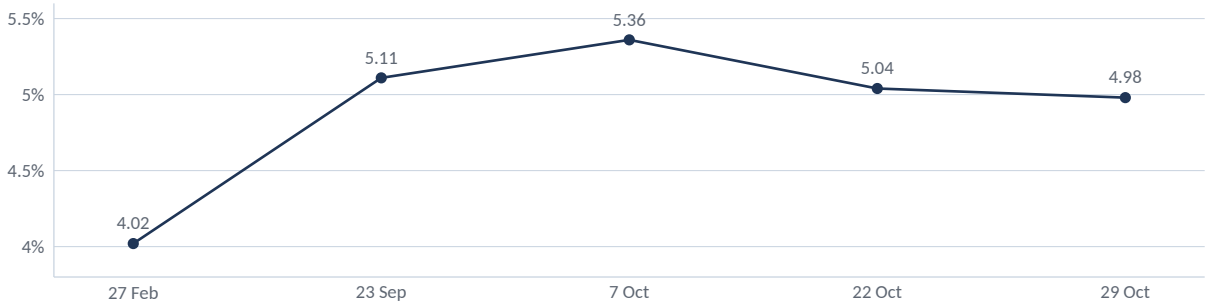
03 Power & Utilities

3.1 Recent market developments

US utilities fell 12.4% in the third quarter, the worst of the eleven S&P 500 sectors, when the S&P 500 rose 2.3% [42, 43]. Profits were not the issue, because analysts expected the sector's earnings to grow 7.0% [44]. The problem was bond yields. Utilities pay steady dividends and are valued like bonds, so when the 10-year Treasury yield rose from 4.02% in late February, when utilities hit a record, to 5.36% on 7 October, the shares had to fall to stay competitive with Treasuries. The sector dropped more than 17% from its record to a low on 28 September, then recovered a little over 9% as yields eased, which leaves it about 10.5% below its record [45].

EXHIBIT 5

US 10-year Treasury yield climbed into early October, then eased



Note: Closing yield on each date shown. The points are not evenly spaced in time: the first gap is seven months, the others one to two weeks.
Source: rallies.ai, Top1Markets, YCharts [45–47].

Yields eased because attention briefly moved elsewhere. In the week of 19 October, doubts about AI spending hit technology shares and investors moved into Treasuries, and on 22 October the 10-year yield fell 19 basis points, the largest one-day fall since March 2023 [46]. The relief has been partial, because the forces that pushed yields up are still in place.

The Fed is the first of those forces. It held its target range at 3.75–4.00% on 28 October, the statement described growth as strong and inflation as elevated, and futures now price a December hike at about 85%. Third-quarter GDP grew at 3.4% annualized against 3.1% expected, and September PCE inflation, the Fed's preferred gauge, was 3.6% against a 2% target [48]. Strong growth with inflation that far above target keeps a central bank hiking. The ECB held its deposit rate at 2.50% on 29 October only after debating a hike [49], and the 10-year Treasury yield still closed that day at 4.98%.

Energy prices sit behind inflation. Brent crude settled at $114.88 on 29 October, and the Dutch TTF gas benchmark touched €100 per MWh on 28 October, the first time since December 2022 [50]. Oil and gas feed inflation, which keeps central banks hawkish and yields high, and in Europe gas also sets the price of electricity. European gas storage is near 75%, the lowest for the time of year since 2011, leaving little cushion for a cold winter [51].

3.2 Market implications

The same energy shock reaches the two regions through different channels. In the United States, the channel is the discount rate. A regulated utility earns a return set by regulators, pays out a large share as dividends, and is treated by investors as a substitute for a bond. With a dividend yield of about 3%, the gap to the 10-year yield was about 1.0 percentage point in February and about 2.4 points at the October peak, so utilities had to become cheaper to keep attracting buyers. A simple example shows the size of the effect. Assume cash flows grow 3% a year and investors

demand 3 points above the 10-year yield (assumptions, not market data). At a 4.02% yield the discount rate is 7.02% and the stock is worth about 25 times next year's cash flow; at 5.36% the rate is 8.36% and the multiple is about 18.7, a fall of 25%. The sector's actual fall was smaller because earnings kept growing, but the mechanism is the same.

In Europe, the channel is gas. The most expensive plant needed to meet demand sets the wholesale price for every producer, and that plant is very often gas-fired. An efficient gas plant turns about 55% of its fuel into electricity, so each extra €10 per MWh of gas adds about €18 per MWh to its fuel cost. TTF rose from about €45 per MWh in June to €100 on 28 October, which on those numbers lifts the fuel cost of a gas-fired megawatt-hour by about €100. A wind farm, hydro dam or nuclear plant sells at the same higher price without any rise in its own costs, and the difference is extra profit. Generators with cheap output therefore benefit from the shock, while pure networks and retailers do not.

EXHIBIT 6

Winners and losers from the energy and rates shock

GROUP	VERDICT	WHY
European generators with cheap output (RWE, Engie, Enel)	Winner	They sell at a gas-set price but do not pay gas prices, so higher TTF is extra margin. Engie and RWE are BofA's top two utility picks for 2026. Hedging can hold back the gain.
US independent power producers (Vistra, Constellation, Talen)	Winner, capped	They sell power at market prices, so are less tied to rates, with the fastest expected earnings growth at 14%. The limit is policy: PJM's July capacity auction cleared at the price cap again while still falling 6,831 MW short of its reliability target.
Energy producers and refiners	Winner	They earn directly from the oil price rise feeding inflation and yields. Energy rose 17.2% in the third quarter while utilities fell; refiner shares are up about 160% this year against about 40% for the majors.
US regulated utilities (NextEra, Southern)	Mixed	Fundamentals are fine; valuation is the problem. NextEra beat consensus by about 5% ($1.24 vs $1.18) yet fell because it is valued most like a bond. Most to recover if yields ease.
European networks (National Grid, E.ON, Iberdrola)	Loser	Valued like bonds and already expensive: in February MSCI Europe Utilities traded at 9.0× forward EV/EBITDA against a 6.7–8.8× range. Capex 30–35% above 2023–24 supports earnings only if regulators allow a return.

Source: First Trust, FactSet Insight, BlackRock Investment Institute, Gabelli, Il Sole 24 Ore, Investing.com, Milano Finanza, News From The States, NextEra Energy [42, 44, 51–57].

Policy decides how much of the gain shareholders keep. Italy and the European Commission reached a preliminary agreement on a temporary cap near €60 per MWh on the gas used in thermal power plants, likely to apply only from 2027. Against TTF at €100 it would cut the price-setting gas cost by €40, or about €73 per MWh of electricity at 55% efficiency (an illustration, not a forecast), which would shrink the spread cheap generators earn. Jefferies does not expect an impact on Enel, which has hedged much of its 2027 output below that level [53]. In the United States the pressure comes from voters: residential electricity prices are nearly 40% above their 2019 level [58], and state regulators decide how much of a utility's investment it may recover and at what return, so rising bills before the midterms make rate increases harder to win.

3.3 Outlook and key catalysts

Will the Fed signal that it is done? (9 Dec, FOMC). A hike is priced at about 85%, so the hike itself will not surprise anyone. The guidance will set the 10-year yield: a signal that it is done helps utilities, and a hike with more to follow hurts them most.

Is the energy shock spreading into core inflation? (4 Nov, euro area flash inflation). Core prices show whether higher energy costs are spreading to the rest of the economy, which decides how likely a December ECB hike is [59].

Will politics cap the gains? (3 Nov, US midterms; 12 Nov, Enel results). The midterms test how far voters will tolerate rising bills, which matters for US rate cases, and Enel's results will show how much hedging and the gas cap discussion limit its upside [60].

Will data-centre demand hold? (6 Nov, Vistra results). Vistra's results show merchant power prices and PJM policy risk [60]. Alphabet fell 12.6% on 29 October, its worst day on record [48], and a lasting retreat in AI investment would weaken the demand behind US earnings growth.

The outlook depends on three scenarios. In *de-escalation*, the war-risk premium that Goldman Sachs puts at nearly $25 a barrel unwinds, Brent falls towards the bank's December forecast of $90 [61], the Fed signals it has finished hiking and yields ease; US regulated utilities recover most, while European generators lose part of their price advantage. In a *stalemate*, with Brent between $105 and $117 and a December hike, US utilities stay range-bound and European generators keep their earnings momentum as policy risk rises. In an *escalation*, TTF holds above €100 through a cold winter, yields and gas rise together, and the risk of intervention climbs sharply in Europe.

Power prices do not move alone. Gas-fired plants pay for carbon permits on top of their fuel, so the price of carbon is part of the marginal cost of electricity, and the grid, storage and data-centre build-out behind utility earnings depends on metals such as copper and aluminium. The next section picks up that thread.

04 Carbon & Metals

October was a split month. Carbon prices rose with Europe's energy crunch, precious metals had their worst stretch in months, and base metals ended slightly lower after hitting new records. Nearly all of it traced back to the Middle East: disruption around the Strait of Hormuz pushed up gas and oil prices, which helped carbon but revived inflation fears, and those fears weighed on gold and silver for most of the month.

4.1 Carbon: weak start, strong finish

EU carbon started October weakly. On 5 October the December contract fell to €82.40, its lowest since August [62], as the annual compliance deadline had just passed and with it the usual rush of buying. Prices recovered quickly: on 12 October they reached €88.3, the highest since the end of January, as buying picked up while EU environment ministers discussed reform of the ETS in Brussels, helped by higher gas prices and optimism ahead of the EU–UK summit [63].

Politics took over mid-month. Ahead of the European Council on 15 and 16 October, Italy and Czechia pushed to cut or suspend the roughly 190 million allowances due to move into the Market Stability Reserve between September 2026 and August 2027 [63]. Leaders did not go that far; instead they asked lawmakers to speed up work on the reserve to calm sharp price swings. A deal followed on 20 October, when the Council and Parliament agreed to raise the reserve's cap from 400 million to 700 million allowances [64, 65]. In practice, fewer surplus permits will be cancelled, so the EU keeps a bigger buffer it can release if prices spike: supply stays tight for now, but the market knows Brussels is ready to step in.

In the last week, gas drove the market again. EU gas storage was only 74.6% full on 25 October, about 14 points below the usual level, and gas went above €100/MWh for the first time since December 2022. When gas is that expensive, power plants switch to coal, which emits more CO_2 and so needs more allowances. On 28 October carbon closed at €89.10/t, a nine-month high [66]. Over the month it rose about 3.8% [67].

4.2 Precious metals: a month of selling

For the first half of October, gold was calm, trading between roughly $4,130 and $4,200. That changed in the week of 19 October: a stronger dollar and 10-year US Treasury yields above 5.1% began pushing it down, and midweek new Houthi strikes on Saudi oil facilities sent Brent above $112 a barrel [68]. Expensive oil means higher inflation, and higher inflation means the Fed is unlikely to cut rates, which is bad for gold because it pays no interest. Normally a drop in stocks would help gold, but this time it hurt: as tech stocks fell, investors sold gold and other liquid assets to cover losses and margin calls. On 23 October gold fell below $4,000 and ended its worst week in more than four months, down about 4.6%. The Fed did not help: it held rates but two members voted for a hike, read by many as a hawkish hold [69]. By 30 October gold was at $3,995, down about 4.4% for the month and almost 29% below its record of $5,595 from 28 January [70].

Analysts are still fairly optimistic: a Reuters poll of 30 analysts on 27 October put the median 2026 forecast at $4,495. But Standard Chartered estimates that at least 270 tonnes of gold held in ETFs were bought above $4,250 and are now at a loss, which could bring more selling if prices keep falling [70]. The smaller precious metals did worse: silver was the month's worst performer at $50.04 on 30 October, down about 18.6% and less than half its January record of $121.64, while platinum lost about 16.6% and palladium about 18% [71].

4.3 Industrial metals: records, then a small pullback

Copper started well. When China returned from its holiday the Yangshan premium reached a four-year high of $135 a tonne, and copper hit a record $14,822 a tonne on the LME on 12 October [72, 73]. Then it got shakier: much of copper's bull case rests on demand from AI data centres, so when tech stocks fell copper went with them. By 30 October it was at $14,227, on track for a 1% monthly fall, its first since June [74]. Even so, very little copper was available, mainly because traders kept shipping metal to the US ahead of possible tariffs: COMEX warehouses now hold a record 711,609 tonnes, around 70% of all exchange-held copper, and by 28 October the Yangshan premium was $205 a tonne, the highest in more than a decade. That may not last: the International Copper Study Group expects a surplus of about 104,000 tonnes in 2026 and about 368,000 in 2027 [75]. Aluminium went the other way, giving up its war premium and closing below $3,000 on 14 and 15 October before finishing the month at around $3,077 [72, 74].

EXHIBIT 7

Carbon and metals prices, end of October 2026

ASSET	END OF OCTOBER	MONTHLY MOVE
EU carbon (Dec-26)	€89.10/t	+3.8%
EU gas (TTF)	€102.78/MWh	+39%
Gold	~$3,995/oz	−4.4%
Silver	~$50/oz	−18.6%
Platinum	~$1,440/oz	−16.6%
Palladium	~$965/oz	−18%
Copper (LME 3M)	$14,227/t	about −1%
Aluminium (LME 3M)	~$3,077/t	below $3,000 mid-month, then recovered

Source: Emba Power, Investing.com, Discovery Alert, Trading Economics, Business Recorder [66, 67, 70, 71, 74].

Winners and losers. October's winners were the assets tied to Europe's energy squeeze: EU gas rose about 39% and carbon about 3.8%, ending at a nine-month high. The losers were the precious metals, hit by higher yields, a hawkish Fed and forced selling during the tech sell-off: silver fell about 18.6%, palladium 18%, platinum 16.6% and gold 4.4%. Base metals ended in the middle: copper set a record and still finished about 1% lower, while aluminium dropped below $3,000 mid-month before recovering.

05 Conclusion

October showed that energy was setting the course across every market we cover. The shock that lifted producers' revenues also raised the cost of capital, so assets that profit from scarcity gained while those valued as bonds lost. Contract structure decided which side of that line an asset fell on: market-price sellers gained, though policy and hedging limited how much they kept; fixed-price and long-dated assets carried the cost; and regulated networks were only partly protected.

Into year-end, three things will decide whether that split holds: the US–Iran talks over Hormuz, Europe's winter weather and the central banks' December guidance. The risks are two-sided. A credible deal could unwind the war premium within days and favour the rate-sensitive assets that fell furthest. A breakdown, or a cold winter, would keep energy, inflation and yields high together. With the outcome this open, how resilient a position is to either case matters as much as which way the market moves next.

***Disclaimer**: This recap describes market conditions for educational purposes. It is not investment advice or a recommendation to buy or sell any security.*

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