06 NOVEMBER 2025

Weekly Market Snapshot
What to buy in the US ex Tech

Weekly Recap

- US ISM Manufacturing Index came below expectations at 48.7 indicating that the US manufacturing activity continues to contract.
- The US Fed **cut its interest rate by 25bps.** However, Fed Chairman, Jerome Powell, pointed out that another rate cut in December was not yet confirmed.
- The meeting between President Trump and Xi Jin Ping resulted in a **new one-year trade deal** leading to a de-escalation of the conflict between the 2 countries.
- OPEC+ members decided **to delay their increase in production for the first 3 months of 2026 supporting oil prices.**

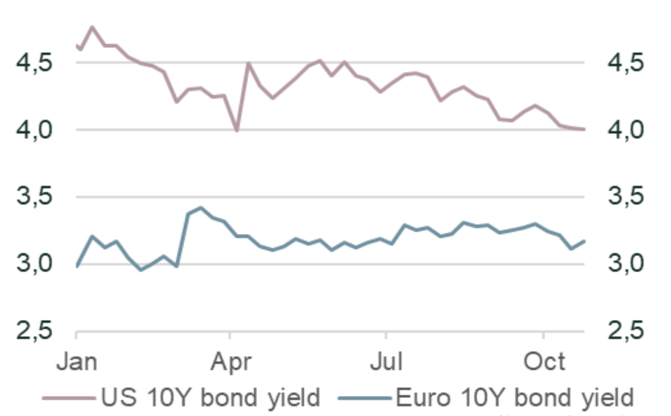
Market	04 November Level	% Chg 1 Wk	Return Trend 1 Month	Return Trend 1 Year
Stocks				
S&P 500	6772	-1,7%	↗	↗
Euro STOXX 50	5632	-1,3%	↘	↗
FTSE 100	9706	-0,5%	↗	↗
Nikkei 225	50212	-0,0%	↗	↗
MSCI EM	1393	-1,6%	↗	↗
Bonds	***Yield***			
US 10Y	4,1	-0,1%	↗	↗
Gm 10Y	2,6	+0,9%	↗	↗
UK 10Y	4,4	+0,7%	↗	↗
Jp 10Y	1,7	+0,5%	→	↘
IG Credit	***Yield***			
US	5,0	+3,5%	→	↗
EU	3,1	+2,3%	↗	↗
UK	5,1	+0,6%	↗	↗
Alternatives				
Gold	3969	+1,0%	↗	↗
Copper	4,9	-6,0%	↘	↗
S&P Global Infra	3471	-0,9%	↘	↗
EU REITs	1623	-1,7%	↗	↗
BBG Hedge Fds	1770	+0,0%	→	↗

Snapshot

Investors would be mistaken in thinking that the Magnificent 7 have been "the only game in town" as far as US stock investing goes. We highlight three US stock themes which have outperformed the S&P 500 and Nasdaq 100 indices over 2025, but which are not dominated by the tech sector. These themes are: i) The US industrial renaissance, ii) US smart grid infrastructure, and iii) the US metals & mining sector.

The reindustrialisation of the US economy is a key political objective of President Trump, reinforced by his import tariff policy and aided by a weaker US dollar and lower US interest rates. The RBA US industrial renaissance index tracking this theme has returned 31% in the year to end-October. The substantial growth in US electricity demand from new data centres has led the Nasdaq Clean Edge Smart Grid Infrastructure index to deliver a 35% 10-month return. Finally, renewed interest in precious and strategic metals has propelled the S&P Metals & Mining index to a 74% gain in 2025.

US 10Y BOND YIELD HAS HIT A YEAR LOW AROUND 4%



Source: BNP Paribas, Bloomberg

Hiba Mouallem
Investment Strategist
BNP Paribas Wealth Management

Edmund Shing, PhD
Global CIO
BNP Paribas Wealth Management

BNP PARIBAS
WEALTH MANAGEMENT

The bank for a changing world

For non-USD investors, US stock performance has been modest

Investors would be mistaken in thinking that the Magnificent 7 have been "the only game in town" as far as US stock investing goes. In euro terms, the benchmark S&P 500 index only returned to a positive return for 2025 to date in mid September. After a 6-month long rally since early April, euro-based investors have only seen a 5% unhedged return from US large-cap equities since January 1.

Foreign equities outperform the S&P 500 and Nasdaq 100 this year: as an example, China, Spain, Italy and Greece have delivered between 36% and 67% in US dollars including dividends since January 1, far outstripping the S&P 500's 18% USD return.

The S&P 500 has become an AI-dominated index

One can argue that the S&P 500 is today an AI-dominated index, given that the Magnificent 7 alone now represent over 36% of the S&P 500. If we add together the IT sector, Consumer Discretionary (dominated by Amazon and Tesla) and Communications (dominated by Meta and Google), we arrive at 58% of the entire S&P 500 index in just these 3 sectors. This is hardly very diversified.

3 suggestions to outperform ex Tech

For those who would like to invest in US stocks but also to diversify away from this record tech concentration, we have three suggestions.

The renaissance in US manufacturing

The reindustrialisation of the US economy is a key political objective of President Trump, reinforced by i) accelerated depreciation on new capital investment, ii) higher import tariffs, iii) a weaker US dollar, and iv) lower US interest rates. The RBA US industrial renaissance index tracking this theme has returned 31% in the year to end-October and has delivered more than double the S&P 500 index return since 2022.

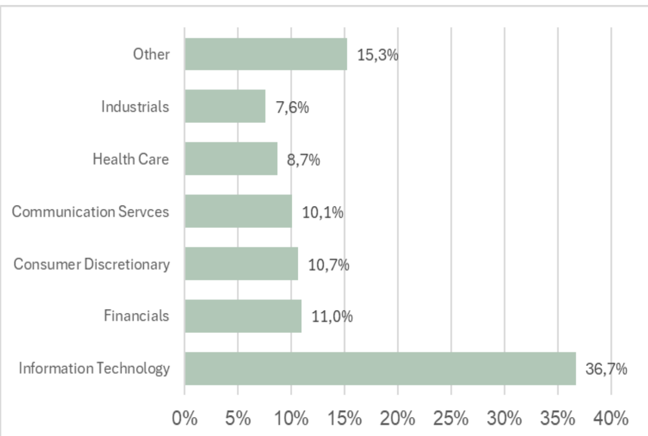
Investing in power demand growth

A well-known fact concerning AI data centres is their very high electricity consumption both to power the servers but also for cooling systems. The Lawrence Berkeley National Laboratory estimate that US data centres will take up between 7% and 12% of all US electricity consumption by 2030. This substantial growth in US electricity demand from new data centres has led the Nasdaq Clean Edge Smart Grid Infrastructure index to deliver a 35% 10-month return.

Metals and mining are back in vogue

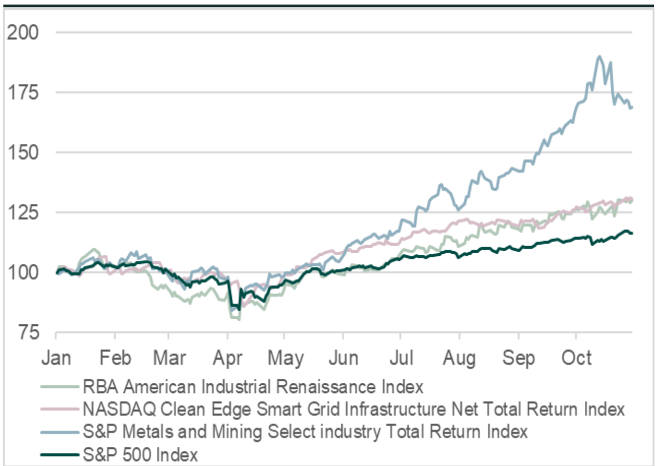
We are witnessing what is potentially a commodities supercycle unfolding, triggered by increasing demand and persistent underinvestment in new global mining capacity. Not only have precious and strategic metals prices hit new highs, but producers in the form of the S&P Metals & Mining index have surged to a 74% gain in 2025.

MORE THAN HALF OF THE S&P INDEX IS COMPOSED OF 3 SECTORS: IT, CONSUMER DISCRETIONARY AND COMMUNICATIONS



Source: Trackinsight, BNP Paribas

S&P 500 WAS NOT THE ONLY OUTPERFORMER IN THE US FOR 2025



Source: BNP Paribas, Bloomberg

CONNECT WITH US

wealthmanagement.bnpparibas

DISCLAIMER

This marketing document is communicated by the Wealth Management Métier of BNP Paribas, a French Société Anonyme, Head Office 16 boulevard des Italiens, 75009 Paris, France, registered under number 662 042 449 RCS Paris, registered in France as a bank with the French Autorité de Contrôle Prudentiel et de résolution (ACPR) and regulated by the French Autorité des Marchés Financiers (AMF). As marketing material, it has not been prepared in accordance with legal and regulatory requirements aimed at ensuring the independence of investment research and is not subject to any prohibition on dealing ahead of its dissemination. It has not been submitted to the AMF or any other market authority.

This document is confidential and intended solely for the use of BNP Paribas SA, BNP Paribas Wealth Management SA or their affiliates ("BNP Paribas") and the persons to whom this document has been delivered. It may not be distributed, published, reproduced or disclosed by any recipient to any other person, nor may it be quoted or referred to in any document, without the prior consent of BNP Paribas.

This document is provided solely for information and shall not constitute an offer or solicitation in any state or jurisdiction in which such an offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer, solicitation or sale. It is not, and under no circumstances is it to be construed as, a prospectus.

Although the information provided herein may have been obtained from published or unpublished sources considered to be reliable and while all reasonable care has been taken in the preparation of this document, BNP Paribas does not make any representation or warranty, express or implied, as to its accuracy or completeness and does not accept responsibility for any inaccuracy, error or omission. BNP Paribas gives no warranty, guarantee or representation as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of any product or transaction. Investors should not place undue reliance on any theoretical historical information regarding such theoretical historical performance. This document may contain or refer to past performance; past performance is no guarantee for future performance.

The information contained in this document has been drafted without prior knowledge of your personal circumstances, including your financial position, risk profile and investment objectives.

Prior to entering into a transaction each investor should fully understand the financial risks, including any market risk associated with the issuer, the merits and the suitability of investing in any product and consult with his or her own legal, tax, financial and accounting advisors before making his or her investment. Investors should be in a position to fully understand the features of the transaction and, in the absence of any provision to the contrary, be financially able to bear a loss of their investment and willing to accept such risk. Investors should always keep in mind that the value of investments and any income from them may go down as well as up and that past performance should not be seen as an indication of future performance. Any investment in a product described herein is subject to the prior reading and understanding of the legal documentation concerning the product, and in particular the one which describes in details the rights and obligations of investors as well as the risks inherent to an investment in the product. Save as otherwise expressly agreed in writing, BNP Paribas is not acting as financial adviser or fiduciary of the investor in any transaction. The information, opinions and projections expressed herein reflect the opinion of their author at the time of writing; they are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by anyone, and are subject to change without notice. Neither BNP Paribas nor any BNP Paribas Group entity accepts any liability whatsoever for any consequences that may arise from the use of information, opinions or projections contained herein.

As distributor of the products described herein, BNP Paribas may receive distribution fees on which you can obtain more information upon specific request. BNP Paribas, their employees or administrators may hold positions in these products or have dealings with their issuers.

By accepting this document, you agree to be bound by the foregoing limitations.

© BNP Paribas (2025). All rights reserved.

Pictures from Getty Images.

BNP PARIBAS
WEALTH MANAGEMENT

The bank
for a changing
world