



THE FUTURE IS YOURS

AIP

24th October 2025

A healthy correction in gold

The view on 3-month and 12-month gold forecasts to USD 4,300/oz and USD 4,500/oz, respectively. Bullish on gold, given geopolitical uncertainty and concerns about fiscal policy, the Fed's independence and de-dollarisation. The latest pullback could be seen as an overdue, healthy correction after a record-breaking rally. Gold's pullback could continue near term towards USD 3,945-4,060/oz. Investors with low allocation to gold and gold miner equity sector should consider averaging in. Meanwhile, recent concerns about select areas of US credit markets as idiosyncratic. Hence a tactical opportunity to add exposure to US short-term high yield bonds. Cautious approach on US financial sector equities, though, and prefer to focus on the higher quality technology sector.

Equities & Bonds

The impact on equity and bond markets from the recent US credit challenges?

Limited systemic contagion risk from recent US credit issues. Opportunistic bullish idea on short-duration US high yield (HY) bonds, which is expected to deliver good risk-adjusted returns. Investors should also consider adding to high quality technology sector equities on pullbacks.

Bonds

With Sanae Takaichi elected as Japan's new prime minister, outlook on Japanese equities?

While positive sentiment towards Japan equities may linger in the near-term following Takaichi's election, expect structural headwinds and policy uncertainties to limit further upside on a 6-12-month horizon. Rotating excessive exposure from Japan equities to other preferred markets in Asia, especially China.

Currencies

There is still room for the BoE to cut rates further, as weak economic data supports lower borrowing costs in 2026. GBP/USD to face further downside on lower-than-expected inflation as the government may reduce taxes on home energy costs. There is an immediate support for GBP/USD at 1.3140.

DISCLAIMER

Information provided in this document is indicative and has no contractual value. It is subject to frequent changes, especially due to evolutions in the legislative and regulatory environment. This information does not constitute an investment, legal, accounting or tax advice. Before any implementation the recipient of this document must consult an independent professional advisor in order to determine if his objectives are compatible with proposed operations and to obtain all financial accounting legal and tax information necessary to allow him to appreciate characteristics risks and suitability of each intended operation and cannot be held responsible for any consequences especially financial as the result of operations which would be realized based on this only document.

Information provided in this document are coming from the best sources. Nevertheless, Arabian International Partners LLC (AIP), its subsidiaries and employees, cannot be held responsible for any financial or other consequences that may arise from the use or distribution of this document.

This confidential document is exclusively intended for the person to whom it is given and may not be communicated to third parties (except for external advisers under the condition they respect this confidentiality undertaking) and may not be reproduced, copied or circulated without prior authorization of Arabian International Partners LLC (AIP).

©AIP, 1006 , Al Hawai Tower, Sheikh Zayed Road , Dubai, United Arab Emirates.

THE FUTURE IS YOURS  AIP

Corporate Finance
Structured Debt
Debt Capital Markets
Financial Sponsor Coverage
Advisory

arabianipl.com