The Week Ahead

October 27- October 31 2025

China doubles down on manufacturing & self-reliance

China is signalling a renewed commitment to its industrial and technological autonomy, placing manufacturing, clean energy, and advanced technology at the centre of its upcoming 2026–2030 Five-Year Plan. According to reports from the Financial Times and Reuters, the plan emphasises green energy transition, electric vehicles, semiconductors, and biopharmaceuticals, industries considered essential for long-term strategic resilience. he move comes as Beijing faces slowing domestic consumption and persistent property-sector distress, prompting policymakers to shift focus from debt-driven growth toward productivity and innovation. This reorientation aligns with President Xi Jinping's doctrine of "self-reliance through science and technology," aimed at reducing dependence on Western imports and insulating the economy from external shocks such as trade restrictions and tariff escalations.

However, analysts caution that this self-reliance drive could deepen global trade fragmentation, particularly as China's rivals respond with their own industrial-policy incentives. The strategy mirrors elements of U.S. initiatives like the CHIPS Act and Europe's Green Industrial Plan, but China's scale and state coordination give it unique momentum. Economists warn that while investment in high-tech manufacturing may stabilise growth, it risks overcapacity if global demand falters. Still, the broader implications are clear: China is doubling down on a vision of economic sovereignty that could reshape global supply chains and redefine the balance of technological power in the coming decade.

Economic Calendar

Monday
- CA: Wholesale Sales (MoM) (Sep)
- US: 2 Year Note Auction
- DE:German Ifo Business Climate Index

Tuesday
- FR: Jobseekers Total (Sep)
- JA: BoJ Core CPI (YoY)
- US: CB Consumer Confidence (Oct)

Wednesday
- SP: GDP (QoQ) (Q3)
- CA: BoC Interest Rate Decision

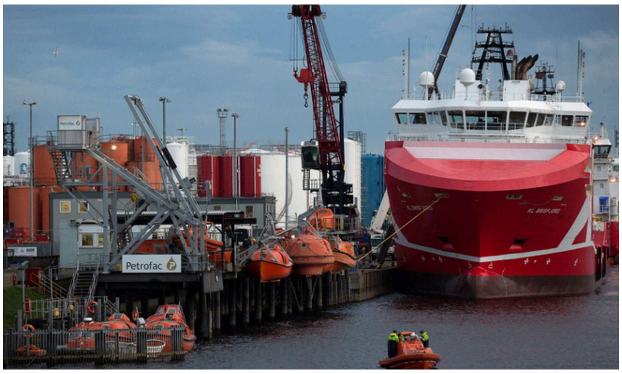
Thursday
- DE: GDP (QoQ) (Q3)
- EU: Unemployment Rate
- CH: Manufacturing PMI (Oct)
- AU: PPI (YoY) (Q3)

Friday
- EU: CPI (YoY) (Oct)
- US: Core PCE Price Index
- BR: Gross Debt-to-GDP ratio (MoM)

Importance Level: Low ● Medium ● High ●

Petrofac Collapse Exposes Deepening Strains in the Energy Sector

The energy sector is facing renewed turbulence as Petrofac, one of the UK's leading oil and gas service companies, entered administration this week, placing more than 2,000 jobs at risk. The company's financial collapse comes after months of mounting debt, delayed project payments, and tightening credit conditions. Once a global engineering powerhouse, Petrofac's decline highlights the broader strain across the fossil-fuel services industry, where firms are grappling with shrinking margins and investor pressure to decarbonise. Industry analysts suggest that Petrofac's failure could have ripple effects across the North Sea supply chain, affecting smaller contractors and regional economies already weakened by subdued investment in new exploration projects.



Petrofac's collapse signals a deeper structural shift in the energy sector, where financial fragility is emerging as a key barrier to the energy transition. Its restructuring was rendered "no longer deliverable" after TenneT terminated a major offshore wind contract, removing the possibility of a solvent outcome and leaving thousands of jobs at risk. This failure highlights how rising borrowing costs, strict delivery expectations, and investor pressure to shift away from fossil fuels are reshaping the competitive landscape faster than some established contractors can adapt. Petrofac's situation suggests that mid-tier firms across oil services may be vulnerable to similar insolvencies, leaving fewer, larger players. While stock markets celebrated global trade optimism, the Petrofac collapse underscores a more sobering reality: energy transition and volatile commodity prices are reshaping the sector faster than many companies can adapt. Rising financing costs and shifting investor priorities toward renewables have made it harder for traditional energy contractors to refinance debt or win new projects. Thee projects potentially triggering a wave of consolidation or further insolvencies if energy prices soften again. As The Times noted, the episode is a reminder that even amid global market rallies, the real economy; particularly labor-intensive sectors like energy, remains vulnerable to structural shocks.

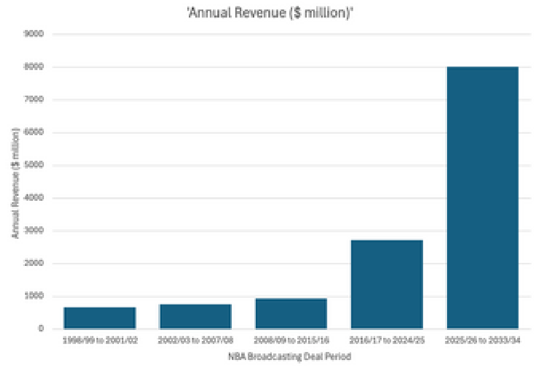
Written by Ben McGartland AP Capital Research

The Week Prior

October 20 - October 26. 2025

Integrity at Risk: How Legalized Betting Exposes the NBA's Business Model

The NBA's integrity crisis is unfolding at a time when the league's financial stakes have never been higher. Teams generated roughly $12.25 billion in 2024–25 revenue, with 38% coming from centrally controlled sources such as national media and leaguewide sponsorships and a new 11-year, $76 billion media deal will soon drive per-team TV distributions from about $103 million to $143 million and eventually toward $281 million. Against that backdrop of booming commercial value, federal prosecutors have unveiled two sweeping cases that threaten the league's reputation: an alleged insider-information betting ring that targeted player-prop markets in seven games across 2023 and 2024 by using non-public injury or performance plans to place fraudulent wagers, and a second scheme that allegedly rigged high-stakes poker games across the country using hidden cameras, altered shuffling machines and X-ray tables to steal millions from victims lured by the chance to play alongside former NBA figures. Both cases are described by investigators as a "mind-boggling" criminal enterprise involving tens of millions of dollars in ill-gotten gains and even ties to major organised crime families.



From an economic perspective, the alleged insider-betting scheme reflects a classic case of information arbitrage, where non-public details about injuries or game participation were used to exploit player-prop betting lines for profit without needing to alter overall game outcomes. These schemes emerged in an environment where legalised sports betting has created deep, easily accessible digital markets that allow quick wagers and cash-outs, giving insiders an opportunity to monetise even small performance shifts before sportsbooks adjust their odds.

The NBA's partnerships with the gambling industry has normalised betting in the fan experience, creating mixed incentives for those inside the game. Because player availability changes quickly, prop bets are especially vulnerable, since a single unexpected substitution or injury can shift outcomes significantly. The financial stakes are real: sponsorships worth about $1.7 billion a year, with some teams nearing $200 million, rely on trust and could be undermined by integrity concerns, while media deals that currently make up 38 percent of revenue could face tighter clauses if reputational harm grows. Fan engagement may also fall if gambling appears to damage authenticity, and tighter regulation would raise league compliance costs. At the core is a principal-agent problem: insiders see lucrative opportunities and may take the risk if the expected penalty feels low, meaning strong enforcement must raise the cost of cheating to protect the league's economic future.

Gold's Rally and the Cost of Global Instability

After nine consecutive weeks of gains that pushed gold to repeated record highs, the metal has finally reversed course. Gold has fallen more than 5% in recent days, making this the largest weekly drop in months and its steepest single day decline in years. This pullback follows an extraordinary rally driven by investor anxiety over inflation, political uncertainty and rising geopolitical tensions which rose the price to an all time high. Even a week after a correction period, gold remains significantly high for the year. This highlights both the strength of the safe-haven demand that fuelled the surge and the fragility of markets where fear has become a primary driver of price movements, however it could also mandate that profitable investors sought an opportunity to pull their investments for large profits.

The Economist notes that central bank gold allocations have risen to their highest share in more than 20 years, driven by concerns that foreign currency reserves can be frozen during geopolitical conflicts, as seen after Russia's invasion of Ukraine. Economically, the rise in gold demand is linked to deteriorating confidence in fiat currencies, rising global debt burdens, and interest-rate expectations. Lower interest rates reduce the opportunity cost of holding a non-yielding asset like gold, which is why weaker-than-expected inflation data boosted demand even during sell-offs. Gold's renewed appeal reveals not optimism, but distrust: investors are preparing for scenarios where conventional financial assets fail to protect wealth.

Asset	Price (USD/oz)	Day Change	Day %	Month %	Year %	Date
Gold	4111.89	-14.22	-0.34%	9.66%	49.65%	24-Oct

Most anticipated earnings release

For the week beginning

October 27- October 31. 2025

Monday	Tuesday	Wednesday	Thursday	Friday

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