14TH - 18TH SEPTEMBER 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. equities ended the week with mixed results as investors responded to the Federal Reserve's first interest rate increase since 2023, sharp swings in oil prices linked to intensifying Middle East tensions, and changing expectations for monetary policy. The S&P 500 slipped 0.08%, while the Dow fell 1.69%, whereas the Nasdaq advanced 0.94%. Technology shares, particularly those tied to artificial intelligence (AI), recovered despite concerns raised by prominent AI executives about potential safety risks. This helped the technology-heavy Nasdaq Composite outperform the broader market. As widely anticipated, the Federal Reserve increased the federal funds target range by 25 basis points (bps) on Wednesday, taking it to 3.75%–4.00%. A basis point equals 0.01 percentage point. The decision was notable because it received unanimous backing from the Federal Open Market Committee (FOMC), despite expectations among some observers that one or two policymakers might dissent in favour of leaving rates unchanged. The FOMC's latest economic projections indicated that policymakers expect another 25-bps increase before the end of 2026. Oil markets were another major source of volatility. Crude prices jumped at the start of the week after attacks damaged pipeline infrastructure in Saudi Arabia, raising concerns about potential supply disruptions and adding to inflation worries. U.S. diesel prices continued to reach record levels, reinforcing concerns that higher energy costs could complicate the Fed's efforts to contain inflation. However, oil prices reversed sharply on Wednesday. West Texas Intermediate (WTI), the U.S. benchmark, fell more than 3% in its biggest one-day decline in six weeks after reports suggested that the pipeline damage was less extensive than initially feared. Across the Atlantic, the pan European Euro STOXX 600 declined 1.22% over the week. European markets experienced considerable volatility as escalating Middle East tensions pushed oil and natural gas prices higher at the start of the period, increasing inflation concerns and driving government bond yields upward. Technology shares initially came under heavy pressure amid a sharp rotation away from AI-related stocks, but subsequently recovered as fears surrounding AI infrastructure investment moderated. Meanwhile, final figures showed that inflation across the eurozone increased to 3.2% in August, compared with 2.9% in July. The acceleration was largely attributable to a substantial increase in energy prices. Core inflation, which excludes more volatile components, stood at 2.4%. Separately, the Bank of England maintained its policy rate at 3.75%, as expected, although the decision was not unanimous. The Monetary Policy Committee voted 6–3 to keep rates unchanged, with three members preferring an immediate rate increase. Policymakers indicated that further tightening could become necessary if the energy shock leads to more persistent inflation. Moving along to Asia, Japanese equities advanced during the week, with the Nikkei 225 gaining 1.57% and the broader TOPIX rising 1.56%. Notably, the Bank of Japan delivered the widely anticipated interest rate increase, although the decision was split and policymakers provided little explicit guidance regarding the timing or speed of additional tightening. Finally, Chinese equity markets produced mixed results during the week. The CSI 300 slipped 0.06%, while the Shanghai Composite advanced 0.61%.

Data highlights: CAD Inflation Rate YoY (Aug) remained unchanged at 3%, in line with expectations. CAD Core Inflation Rate YoY (Aug) rose more than expected, +10bps, from 2.3% to 2.4%, analysts wrongly assumed it would remain the same att 2.3%. USD Fed Interest Rate Decision rose +25bps, from 3.75% to 4%, in line with expectations. GBP Unemployment Rate (Jul) stayed the same at 4.9%, against expectations for an increase to 5.3%. GBP Inflation Rate YoY (Aug) rose +20bps, from 2.9% to 3.1%, in line with expectations. GBP Core Inflation Rate YoY (Aug) stayed the same at 2.6%, in line with consensus. GBP BoE Interest Rate Decision stayed the same at 3.75%, as expected. GBP Retail Sales YoY (Aug) rose +120bps, from 1.2% to 2.4%, expectations were for a softer increase to 1.9%. CNY Unemployment Rate (Aug) rose more than expected, +10bps, from 5.2% to 5.3%, against expectations for an unchanged print. JPY Inflation Rate YoY (Aug) stayed the same at 1.9%, expectations wrongly pencilled in an increase to 2.1%. JPY Core Inflation Rate YoY (Aug) fell -10bps, from 1.8% to 1.7%, against expectations for an unchanged print. JPY BoJ Interest Rate Decision rose +25bps, from 1% to 1.25%, in line with expectations.

Week ahead: ZAR Inflation Rate YoY (Aug) – Wednesday | AUD Unemployment Rate (Aug), CHF SNB Interest Rate Decision, CAD Retail Sales YoY (Jul) - Thursday

Global Markets Overview

Treasury yields: The yield on the US 10-year Treasury note edged up to 5%, recovering from an 8bps decline in Thursday's session as investors digested a more hawkish Federal Reserve and reassessed the outlook for monetary policy. The Fed raised the federal funds target range by 25bps to 3.75%-4%, as expected, while signalling at least one further rate hike this year. Fed Chair Warsh also reaffirmed the central bank's commitment to bringing inflation under control, helping reinforce confidence in its policy stance and credibility. The benchmark yield had climbed above 5.04% ahead of the FOMC decision, reaching its highest level since 2007 amid concerns over the Fed's ability to contain inflation and persistently elevated oil prices. In Europe, Germany's 10-year Bund yield ended the week at 3.52%, after touching 3.57% on Tuesday, its highest level since June 2009, as markets absorbed the Fed's more hawkish tone and its potential implications for global monetary policy.

Bond Yields	Close	% W/W	% YTD
US 10Y	5.00	0.59	19.90
Bund 10Y	3.52	0.43	23.26
Gilt 10Y	5.30	-0.90	18.22
Japan 10Y	2.99	0.07	44.68

Equities: US equities ended Friday's session mixed as Treasury yields rebounded, reviving concerns over a deteriorating macroeconomic backdrop and its implications for corporate earnings. The S&P 500 slipped 0.08%, while the Dow fell 1.69%, whereas the Nasdaq advanced 0.94%. Credit-sensitive sectors came under pressure, with banks and asset managers among the notable decliners; Bank of America fell 7.91%, while Goldman Sachs dropped 8.47%. AI hyperscalers also largely traded lower amid an accelerating wave of debt issuance to finance capital expenditure, with Meta edging down 0.08% and Oracle declining 1.78%. European equities followed the broader global risk-off tone, ending sharply lower as the deteriorating macroeconomic outlook raised concerns over corporate earnings. The Euro STOXX 50 fell 1.41% to 6,236, its lowest level in nearly two months, while the STOXX Europe 600 declined 1.22% to 659. Against the broader weakness, AI infrastructure stocks provided some respite, with ASML rising 2.72% and Infineon gaining 2.40%.

Indices	Close	% W/W	% YTD
S&P 500	7651	-0.08	11.76
EU Stoxx 600	659	-1.22	7.70
FTSE 100	10659	0.08	7.33
Nikkei 225	65019	1.57	29.16

Currencies: The dollar index climbed to 100.22, its highest level in one-and-a-half months, extending its weekly advance to nearly 1.11% as the latest FOMC decision and a weaker yen continued to support the greenback. The Federal Reserve raised the federal funds target range by 25bps to 3.75%-4%, as widely expected, while signalling at least one further rate increase this year. Meanwhile, the Bank of Japan raised borrowing costs by 25bps as anticipated, although two policymakers dissented, signalling that further tightening could proceed more slowly than initially expected and putting additional pressure on the yen. Sterling was little changed at $1.3395, remaining close to its weakest level since late July as investors assessed stronger-than-expected UK retail sales alongside this week's central-bank decisions where the Bank of England kept rates unchanged and announced that it would halt sales of very long-dated gilts under its quantitative-tightening programme.

Currencies	Close	% W/W	% YTD
EURUSD	1.1486	-0.97	-2.21
GBPUSD	1.3395	-0.95	-0.59
USDJPY	156.88	2.13	0.11
USD Index	100.22	1.11	1.93

Commodities: Crude oil prices edged up to $100.3 a barrel but surrendered earlier gains following another volatile session, marking a third consecutive daily decline and leaving prices 0.25% higher on the week. Market concerns over Saudi Arabia's key pipeline disruption have eased, with expectations that the impact on global supplies will be less severe than initially feared. Satellite imagery indicates that Saudi Arabia moved 2.8 million bpd through the Strait of Hormuz over the past six days, a sharp increase from just 700,000 bpd in August. Nevertheless, only four commodity vessels were detected transiting Hormuz on Thursday, with most of the available volumes being absorbed by refiners in China and South Korea. Brent crude likewise extended its decline for a third consecutive session as easing concerns over Saudi supply disruptions outweighed fears of a broader escalation in the Middle East conflict. Meanwhile, silver climbed to $66.2593 an ounce on Friday, its highest level in more than a week, as softer oil prices helped ease concerns over persistent inflationary pressures.

Commodities	Close	% W/W	% YTD
Gold	4379	0.68	1.37
Copper	661.50	2.25	16.42
WTI Crude	100.30	0.25	74.68
Wheat	714.25	-1.52	26.47

Performance of Major Global Financial Assets

% Change.

GOV. BOND YIELDS

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y
W/W	0.6	0.4	-0.9	0.1	-1.9	1.9
MTD	5.2	5.9	4.6	1.1	3.4	6.8
YTD	19.9	23.3	18.2	44.7	11.1	24.9

EQUITY INDICES

	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG
W/W	-0.1	0.9	-1.4	-1.0	0.1	1.6	-0.2
MTD	-0.5	0.6	-2.9	-3.6	-1.5	-1.9	-3.2
YTD	11.8	17.4	7.7	3.3	7.3	29.2	-3.4

CURRENCIES

	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR
W/W	1.1	-1.0	-1.0	2.1	-0.1	0.7
MTD	0.8	-1.1	-1.1	-1.8	-0.3	0.9
YTD	1.9	-2.2	-0.6	0.1	-4.2	-1.9

COMMODITIES

	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	0.2	0.7	2.2	-1.8	-1.5
MTD	17.0	-1.3	0.3	-10.0	-7.7
YTD	74.7	1.4	16.4	-10.8	26.5

KEY: *-100%* *+100%*

Data Sources: Bloomberg, Investing.com, Trading Economics, T. Rowe Price, Standard Investment Bank

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