24TH - 28TH AUGUST 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. equities ended the week mixed, with the S&P 500 and Nasdaq Composite gaining modestly amid relatively light trading. Smaller- and mid-cap stocks, however, declined. For the week, the S&P 500 gained 0.49%, while the Dow added 282 points and the Nasdaq 100 rose 0.53% with both indices notching a fourth week of gains out of the past five weeks. Fed Chair Kevin Warsh adopted a notably hawkish tone in his Jackson Hole remarks, emphasizing that the U.S. economy remains resilient and that financial conditions are not sufficiently restrictive. He argued that underlying inflation has not fallen enough to declare victory and reaffirmed the Fed's 2% PCE inflation objective as a firm target. Notably, the headline PCE price index increased 0.2% in July and was 3.7% higher than a year earlier, with both readings slightly above economists' forecasts. Warsh indicated that additional monetary tightening could be necessary if inflation does not move toward the target clearly and quickly enough. He also called for a more restrained approach to forward guidance, arguing that a "quieter Fed" would retain greater flexibility in responding to changing economic conditions. At the same time, he pointed to AI-related investment and productivity gains as potential drivers of stronger long-term economic growth. Following his comments, the Treasury yield curve flattened with the two-year yields moving higher as investors increased the probability of a near-term Fed rate hike. Meanwhile, technology shares received a significant boost from NVIDIA. The semiconductor giant ended a seven-session losing streak ahead of its earnings announcement and subsequently reported another exceptionally strong quarter. NVIDIA also indicated that spending on AI infrastructure is likely to remain strong. Moving across the Atlantic, European equities were relatively muted during the week, with the pan European Euro STOXX 600 gaining 0.33%. Investors balanced mixed economic indicators and corporate developments against geopolitical risks linked to the U.S.-Iran conflict and uncertainty surrounding the Strait of Hormuz. Expectations of a potential agreement that could facilitate shipping through the strait helped push oil prices lower during the week. On a similarly positive note, economic sentiment across the eurozone strengthened for a fourth consecutive month in August, reaching its highest level since January and exceeding expectations. In contrast, UK consumer conditions remained weak. The Confederation of British Industry's retail survey showed a sharp deterioration in trading conditions during August, with the index falling to -48 from -26 in July and significantly below the expected -24. In Asia, Japanese equities recovered during the week as falling oil prices helped improve investor sentiment. The Nikkei 225 rose 0.59%, while the broader TOPIX gained 1.95%. Expectations for additional Bank of Japan tightening remained elevated. BoJ Deputy Governor Ryozo Himino emphasized the importance of adjusting monetary policy when necessary and highlighted upside risks to inflation, reinforcing expectations of further rate increases without explicitly committing to a September hike. Meanwhile, Chinese equities delivered mixed results, with mainland markets outperforming Hong Kong. Semiconductor and AI-related stocks rallied during the middle of the week, although concerns about weakening economic growth continued to weigh on mainland markets. Notably, Alibaba completed a HKD 80 billion – approximately USD 10.21 billion - placement on Wednesday and said the proceeds would fund computing infrastructure, large-scale AI data centers, and upgrades to its cloud platform.

Data highlights: CAD GDP Growth Rate QoQ (Q2) rose +70bps, from 0.1% to 0.8%, in line with expectations. CAD GDP Growth Rate Annualized (Q2) rose +300bps, from 0.3% to 3.3%, against expectations for an increase from 0.3% to 3.4%. USD GDP Growth Rate QoQ (Q2) fell -60bps, from 2.1% to 1.5%, in line with consensus. USD Core PCE Price Index YoY (Jul) remained unchanged at 3.3%, as expected. JPY Unemployment Rate (Jul) fell -10bps, from 2.5% to 2.4%, analysts expected the rate would remain unchanged at 2.5%. AUD Inflation Rate YoY (Jul) fell -30bps, from 3.8% to 3.5%, expectations were for a -50bps decrease, from 3.8% to 3.3%.

Week ahead: EUR Inflation Rate YoY (Aug), EUR Core Inflation Rate YoY (Aug), EUR Unemployment Rate YoY (Jul), USD JOLTs Job Openings (Jul), USD ISM Manufacturing PMI (Aug) - Tuesday | AUD GDP Growth Rate QoQ (Q2), AUD GDP Growth Rate YoY (Q2), NZD RBNZ Interest Rate Decision, CAD BoC Interest Rate Decision - Wednesday | CHF Inflation Rate YoY (Aug), CHF GDP Growth Rate YoY (Q2) - Thursday | EUR Retail Sales YoY (Jul), CAD Unemployment Rate (Aug), USD Unemployment Rate (Aug), USD Non-Farm Payrolls (Aug) - Friday

Global Markets Overview

Bond Yields	Close	% W/W	% YTD
US 10Y	4.72	-0.34	13.22
Bund 10Y	3.28	0.64	14.85
Gilt 10Y	5.06	0.06	13.04
Japan 10Y	2.93	1.49	41.87

Treasury yields: The 10-year US Treasury yield edged down to 4.72% for the week, despite a hawkish message from Federal Reserve Chair Kevin Warsh that reinforced expectations of tighter monetary policy. In his first major speech since taking the chair in May, Warsh stressed that the Fed's 2% inflation target remains a firm and fixed objective and warned that policymakers may still have "work to do" to bring underlying price pressures under control. His remarks provided greater clarity on his approach following concerns over limited communication since assuming the role, with money markets subsequently pricing in a near 50% probability of a September rate hike, according to CME FedWatch. In Europe, German 10-year Bund yields climbed to 3.28%, their highest level since March 2011, as persistent inflation concerns outweighed the recent decline in oil prices. Fresh inflation data from France and Spain showed renewed price pressures in August, strengthening expectations that the European Central Bank could resume tightening at its September meeting.

Indices	Close	% W/W	% YTD
S&P 500	7712	0.49	12.65
EU Stoxx 600	681	0.33	11.27
FTSE 100	10824	0.07	8.99
Nikkei 225	66406	0.59	31.92

Equities: US stocks closed modestly higher as broader sectors advanced while technology shares surrendered part of Thursday's rally. The S&P 500 gained 0.49%, while the Dow added 282 points and the Nasdaq 100 rose 0.53%. Chipmakers and AI infrastructure stocks nevertheless retained most of their weekly gains after Nvidia indicated that demand for computing capacity is expected to remain strong over the coming quarters. Meanwhile, the FTSE 100 edged 0.07% higher, participating in a broader European recovery after Fed Chair Kevin Warsh adopted a cautious stance on inflation at Jackson Hole. Financial stocks were among the strongest performers, with HSBC and Standard Chartered gaining 1.53% and 0.69%, respectively, while Barclays also advanced. Shell edged lower, while defence stocks BAE Systems and Babcock International came under notable pressure. Despite the late-week recovery, the FTSE 100 finished August 0.4% lower, ending a four-month winning streak.

Currencies	Close	% W/W	% YTD
EURUSD	1.1585	-0.80	-1.37
GBPUSD	1.3538	-0.78	0.47
USDJPY	160.09	0.72	2.16
USD Index	99.70	0.91	1.40

Currencies: The US dollar index rose to 99.70, extending its rebound from the three-month low of 98.80 recorded on August 21, as short-term Treasury yields climbed following a firmer inflation stance from Federal Reserve Chair Kevin Warsh. Warsh said underlying inflation had not declined significantly in recent months and indicated that the labour market appeared to be operating near full employment, reinforcing expectations that monetary policy may need to remain restrictive. However, signs of renewed inflationary pressure in the Eurozone strengthened expectations for further ECB tightening, limiting the dollar's advance. Meanwhile, the Swiss franc weakened to $0.99, its lowest level since August 19, as the more hawkish Fed outlook increased demand for the greenback. The Swiss National Bank maintained its policy rate at 0% and is expected to keep it unchanged through 2027, while continuing to favour foreign-exchange intervention to prevent excessive franc appreciation.

Commodities	Close	% W/W	% YTD
Gold	4455	-3.21	3.14
Copper	656.20	-0.38	15.49
WTI Crude	83.40	-4.20	45.25
Wheat	784.00	12.12	38.82

Commodities: Crude oil fell to $83.40 per barrel, extending its weekly decline to 4.2%, as markets increasingly viewed the Iran situation as an economic and sanctions confrontation rather than an immediate threat to physical oil supplies. Improving tanker flows through the Strait of Hormuz, together with the proposed Iran–Oman corridor, further reduced the perceived risk of a major supply disruption. Goldman Sachs estimated that Persian Gulf oil exports had recovered to around 15–16 million barrels per day, significantly above the March low of approximately 5–6 million barrels, although still well below pre-conflict levels of 22–24 million barrels per day. Iran and Oman also agreed on a revenue-sharing framework for the strait, although Tehran stressed that the arrangement did not amount to an immediate reopening. Meanwhile, gold declined to $4,455 per ounce, its lowest level in a week, as investors digested hawkish comments from Federal Reserve Chair Kevin Warsh. Markets subsequently raised the probability of a September Fed rate hike to nearly 50%, according to CME FedWatch, weighing on gold as expectations for higher interest rates increased.

Performance of Major Global Financial Assets

% Change.

GOV. BOND YIELDS

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y
W/W	-0.3	0.6	0.1	1.5	0.8	0.4
MTD	-0.4	2.3	0.3	4.5	3.5	2.0
YTD	13.2	14.9	13.0	41.9	7.5	15.4

EQUITY INDICES

	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG
W/W	0.5	0.4	0.4	1.7	0.1	0.6	-1.6
MTD	3.0	4.1	2.0	3.7	-0.4	3.2	-1.2
YTD	12.7	16.6	12.0	8.5	9.0	31.9	-0.2

CURRENCIES

	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR
W/W	0.9	-0.8	-0.8	0.7	0.1	1.0
MTD	-0.2	0.5	0.4	1.7	-0.3	-2.2
YTD	1.4	-1.4	0.5	2.2	-3.7	-2.4

COMMODITIES

	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	-4.2	-3.2	-0.4	-3.0	12.1
MTD	-1.5	10.1	1.5	-0.6	19.2
YTD	45.2	3.1	15.5	-0.5	38.8

KEY: -100% → +100%

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

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