14 August 2026 – 21 August 2026

WEEKLY
MARKET INSIGHTS

THE WEEK'S BIG THEMES

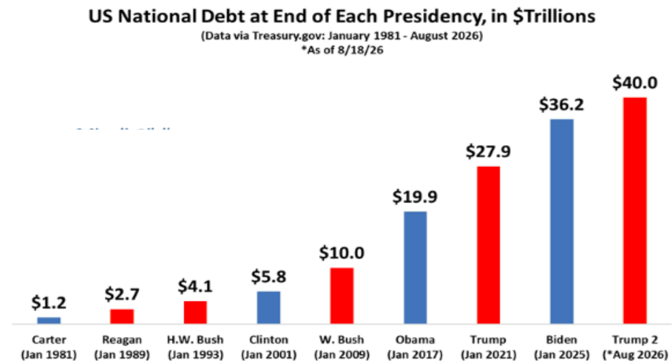
ECONOMY

- **UNITED STATES – The July FOMC minutes revealed continued uncertainty surrounding the inflation outlook,** with risks still tilted to the upside. **Business activity accelarated in August,** with the Composite PMI rising to 56 from 54,5, its highest level since April 2022. The Flash service PMI reached a 20-month high of 56,8, up from 54,6, supported by stronger hiring and consumption. Manufacturing PMI eased to 53,2 from 53,9. **Initial jobless claims came in lower than expected**. Reports continued to highlight **weakness in the housing market,** amid elevated interest rates and high prices. Meanwhile, reports from leading U.S. retailers offered a mixed assessment of consumer health: household spending remains relatively resilient, but mounting pressures are increasingly weighing on consumers.
- **EURO AREA – Broader business activity improved in August,** with the composite PMI rising to 52,1, above expectations. New orders and exports returned to growth for the first time in five years. **German economic confidence improved notably,** supported by decent corporate earnings, planned government infrastructure spending, and resilient export. **German manufacturing activity surged**, offseting weakness in services. **In France, industrial confidence strenghtened**, with the manufacturing business-climate index reaching its highest level in seven months.
- **UNITED KINGDOM – The labour market showed signs of cooling:** although the unemployment rate held steady at 4,9% in June, the number of payroll employees declined for a sixth consecutive month. While stronger services activity continued to support growth, **inflation rates accelerated to 2,9% YoY from 2,6%**, in line with expectations.
- **JAPAN - Economic growth slowed unexpectedly in Q2,** with GDP expanding by 1,1% YoY versus consensus expectations of 2%, Robust exports were insufficient to offset domestic weakness, while Q1 growth was revised down at 1,9%. **Consumer inflation accelarated for a second consecutive month in July**, with the nationwide core index rising 1,8% YoY, up from 1,6% in June. **The trade deficit widened sharply** as imports surged 27,8% YoY, partly reflecting higher energy costs. Exports remained robust, increasing 23,2% on strong shipments of automobiles , semiconductors, and other electronic components.
- **CHINA – July activity indicators dissappointed across the board,** with year-on-year industrial production growth slowing to 4,5%. **Retail sales and fixed-asset investment also underperformed amid continued weakness in the property sector.** Against this backdrop, **the PoBC left its key loan prime rates unchanged** at 3% and 3,5%.

GEOPOLITICAL TENSION

- **Tensions continued to escalate in the Middle East.** President Trump warned that Oman could face military action if it obstructed the U.S. blockade of the Strait of Hormuz, while Israeli forces launched an attack on Lebanon.
- **US-Canada trade talks broke down**, prompting the US to impose new 50% tariffs on various Canadian goods. **China agreed to eliminate nearly all tariffs on Swiss exports**.

CHARTS OF THE WEEK



Source C. Bilello

Source Edwardjones

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
• GDP (MX) • Chicago Fed National Activity index, Treasury Secretary Bessent speech (US)	• Coincident index, Leading economic index (JP) • IFO (GE) • Building permits, House prices, Richmond Fed indices (US)	• Inflation (AU) • Core PCE, Durable goods orders, GDP growth rate QoQ 2nd estimate, Personal income (US)	• Industrial profit (CN) • Initial Jobless claims, Kansas Fed index, Jackson Hole Symposium (US)	• Consumer confidence, Consumer inflation expectations (EA) • Chicago PMI, Michigan indices (US)

WEEKLY MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- **Global equities retreated from record highs last week, pressured by renewed tensions in Middle East and the hawkish tone of the US Fed Minutes.** The MSCI World index declined by 1%, while the MSCI Emerging Markets index gained 1%.
- **Major U.S. equity indices fell during the week despite generally solid earnings.** The S&P 500 declined 1,5% while the technology-heavy Nasdaq and the small caps index lost 2,5% and 1,6% respectively, amid weakness across the global technology and industrial sectors.
- **European equities also moved lower**. The Stoxx 600 fell by 0,6%, marking a seconde consecutive weekly decline, as higher energy prices and volatility in global bond market outweighed resilient corporate earnings. Among the major markets, Germany's Dax declined by 1,1%, France's CAC 40 fell by 1,8%, while the UK's Footsie rose by 0,6%.
- **Asian equity markets delivered a mixed performance.** Japanese stocks declined over the week, with the Nikkei falling by 3,9%. Chinese equities diverged: the SSE fell by 0,6%, while Hong Kong stocks surged by 3,6%, driven by strength from health care stocks. Humanoid-robot manufacturer Unitree Robotics rose 460% on its trading debut in Shanghai.

FIXED INCOME

- **Sovereign bond yieds climbed to multi decade highs**. US Treasuries yields ended the week higher, with the 10-year benchmark up 4bps to 4,73%, following the Treasury's announcement that it would double buybacks in the 10- and 30-year segment of the curve. Although modest in absolute terms, the move is significant because it signals how much higher the current administration may be willing to let bond yields rise. Weakness remained concentrated at the long end of the curve, largely reflecting higher real yields . European yields also moved higher, with the German 10-year up 5 bps to 3,26% (a 15-year high) and the UK Gilt up 2 bps to 5,06%. The US 30-year yield closed the week at 5,30%, their highest since 2007, amid persistent supply and inflation concerns. Japanese bond yields reached 30-year high of around 2,93% on the 10-year benchmark before retreating to close the week at 2,88%, broadly unchanged from the previous Friday.
- **Corporate bonds delivered slightly negative returns across the board.** Although spreads were broadly unchanged over the week, the rise in sovereign bond yields weighed on performance. European credit modestly outperformed US credit. Emerging local currency debt benefited from the weaker US Dollar. Alphabet diversified its funding sources by issuing AUD 5.5bn bond (c. USD 3.9bn), marking Australia's largest non-financial corporate bond offering.

COMMODITIES

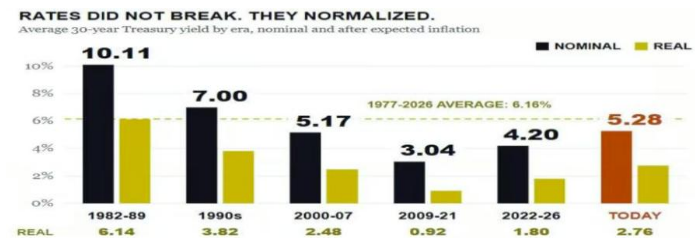
- **Oil prices surged amid persistent geopolitical risks**. WTI and Brent rose by 5,7% and 6,6%, respectively, prompting a rebound in inflation expectations, particularly in Europe.
- **Precious metals also advanced following the US Treasury's decision**. Gold gained 5,6%, while silver rose by 6,9%. Gold ETFs recorded significant inflows for the first time in six months.

CURRENCIES & CRYTO

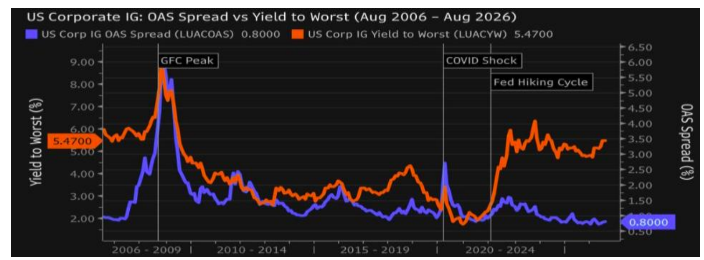
- **The US Dollar Index declined by 0,9% to** a three month low, following the decision of the Treasury to increase its buybacks at the long end of the curve. The euro and sterling were supported by better business activity data, with sterling reaching its highest level in more than six months against the US dollar. The yen remained weak against the Dollar, but slightly outperformed.
- **Cryptocurrency markets ral,lied sharply,** with Bitcoin up 24,4%, Ethereum up 33,7%, and Ripple up 45,7%.

CHARTS OF THE WEEK

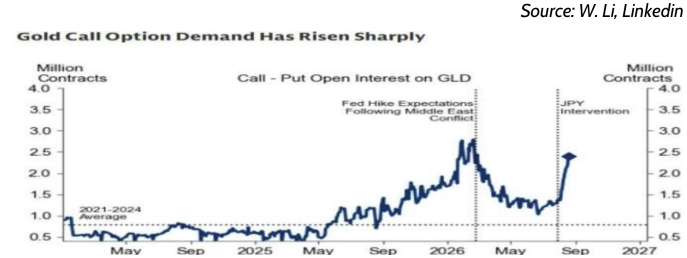
Source: E. Gorgeon, Linkedin



Source: C.H. Monchau, Linkedin



Source: W. Li, Linkedin



Source: Zerohedge, Goldman Sachs

WEEKLY MARKET INSIGHTS

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WEEKLY MARKETS REVIEW (As of 21 August 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-1.0%	+3.1%	+12.4%
MSCI Emerging (USD)	+1.0%	+3.3%	+21.3%
S&P 500 (USD)	-1.4%	+2.2%	+11.8%
NASDAQ 100 (USD)	-2.5%	+2.6%	+14.9%
RUSSELL 2000 (USD)	-1.6%	+2.2%	+20.7%
STOXX 600 (EUR)	-0.6%	+0.8%	+10.4%
DAX (EUR)	-1.1%	+1.9%	+6.6%
CAC 40 (EUR)	-1.8%	-0.7%	+3.7%
FTSE 100 (GBP)	+0.6%	-0.1%	+9.3%
NIKKEI (JPY)	-3.9%	+1.8%	+30.2%
SSE (CNY)	-0.6%	+1.3%	-2.2%
BOVESPA (BRL)	+2.5%	-3.4%	+6.7%
HANG SENG (HKD)	+3.6%	-1.4%	-0.4%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.1%	+0.4%	+0.2%
Global Aggregate EUR (Hedged)	-0.2%	+0.3%	-0.9%
US Investment Grade	-0.2%	+0.4%	-1.0%
US High Yield	-0.1%	+0.8%	+2.3%
EU Investment Grade	-0.1%	+0.0%	+0.3%
EU High Yield	-0.2%	+0.5%	+1.7%
EM Local Ccy. Gov (Unhedged)	+0.8%	+2.1%	+3.2%
EM Hard Ccy. Aggregate (Unhedged)	-0.4%	+0.9%	+1.3%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	+24.4%	+25.7%	-9.8%
Ethereum	+33.7%	+33.4%	-16.4%
Ripple	+45.7%	+39.5%	-19.6%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	+5.6%	+14.6%	+7.3%
WTI Crude	+5.7%	+0.4%	+48.0%
Brent Crude	+6.6%	+2.3%	+51.5%
Silver	+6.9%	+19.0%	-2.3%
Natural Gas	+1.5%	+1.3%	-24.5%
Copper	-0.3%	+2.5%	+17.2%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	-0.9%	-0.8%	+0.7%
EURUSD	+1.3%	+1.4%	-0.6%
GBPUSD	+1.1%	+1.4%	+1.4%
AUDUSD	+0.8%	+2.1%	+7.1%
USDCHF	-1.8%	-0.6%	+1.1%
USDJPY	-0.3%	-0.8%	+1.6%

Source: Yahoo Finance

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E53, Avenue De La Cannelle, Ebene, Mauritius

heritagewealth.mu

+(230) 408 4130

info@heritagewealth.mu

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