WEEKLY MARKET INSIGHTS

THE WEEK'S BIG THEMES

ECONOMY

- **UNITED STATES – Fed Chair K. Warsh delivered a hawkish message at Jackson Hole,** noting that inflation has remained above the 2% target for 65 consecutuive months and signalling that further rate hikes remain possible if underlying price pressures fail to improve. The Fed will continue favouring less explicit forward guidance to preserve policy flexibility. Positively, he sees AI-related investment and productivity gains as a potential sources of stronger long-term growth. **July headline PCE inflation remained elevated at 3,7% YoY** with core data at 3,3%, in line with expectations. Nevertheless, **consumer surveys continued to highlight concerns about inflation**. Meanwhile, **personal income and spending rose** by 0.4% MoM and 0.2% MoM in July, respectively, with real spending being flat. **US Public debt crossed the $40tr** for the first time in August.
- **EURO AREA – Eurozone economic sentiment improved in August** for a fourth consecutive month, with confidence stregthening across businesses and regions. While **French GDP stagnated in Q2,** following flat growth in Q1, while **Germany's growth outlook continued to improve:** i/ Q2 GDP growth was revised up to 0,3% QoQ, and ii/ the IFO business climate reached its highest level in a year, supported by improvment in both current conditions and expectations. **Inflationary pressures remained uneven across the region**:, with Spanish inflation accelerating to 4,3% YoY and French inflation rising to 2,4% in August.
- **UNITED KINGDOM – Consumer momentum remained weak,** with retail activity deteriorating further in August.
- **JAPAN - Signs of persistent inflation continued to emerge. T**okyo inflation accelerated to 1,8% YoY in August, from 1,7% the prvious month, while the services producer price index rose 3,6% YoY in July, from 3,4**%. Fiscal policy also remained in focu**s, as the Prime Minister pledged to maintain borrowing discipline despite plans for higher spending, while uncertainty persists over the financing of a proposed cut in the food consumption tax.
- **CHINA – Industrial profit growth slowed for a third consecutive month in July,** easing to 11,2% YoY from 15,1% in June. **The recovery remained uneven**, with technology and export related industries continuing to perform well, while sectors exposed to domestic demand remained under pressure.

GEOPOLITICAL TENSION

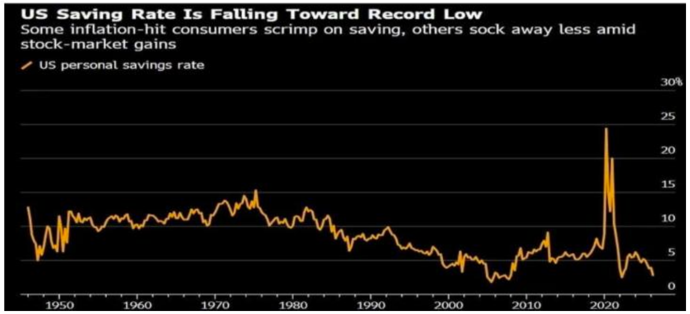
- **Oman and Iran resumed talks** on an interim arrangement governing navigation through the Strait of Hormuz
- **Moscow could target British military facilities** in response to Ukrainian attacks on targets inside Russia using British-supplied missiles.
- **The US and Venezuela reportedly signed an agreement** aimed to give the US control over 65bn barrels of Venezuela's oil reserves. **US is also reportedly considering imposing a 7,5% tariff on Chinese goods**

CHARTS OF THE WEEK

Franco-German divergence

Source Zurich

Source nchstats.com



Source R. Lemand, LinkedIn

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
• Industrial prod., retail sales (JP) • CPI (GE) • GDP growth (IN) • Dallas Fed Manufacturing index (US)	• Manuf PMI, Consumer confidence (JP) • Inflation (ID) • **Inflation, Unemployment rate (EA)**	• GDP (AU) • MBA Mortgage applications , Factory orders, EIA stocks (US)	• Final PMI (AU, JP, EA, US) • RatingDog PMI (CN) • PPI (EA) • Balance of trade, ISM Services (US)	• Coincident index, Leading index (JP) • Retail sales (EA) • **Nonfarm payroll, Unemployment rate (US)**

21 August 2026 – 28 August 2026

WEEKLY
MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- **Global equities edged modestly higher, supported by exceptionally strong technology earnings.** The MSCI World index gained 0,3%, while the MSCI Emerging Markets index rose 0,4%.
- **Major U.S. equity indices advanced.** The S&P 500 gained 0,5% and the technology-heavy Nasdaq 0,4%, as market absorbed FedChair K. Warsh's hawkish message at Jackson Hole. Performance was weaker among mid-and small- cap stocks, with the Russell 2000 falling 1,5%. Nvidia reported outstanding results, with fiscal Q2 revenue surging 106% from a year earlier. Its third quarter guidance exceeded market expectations, pointing to continued momentum in AI-infrastructure investment.
- **European equities edged higher**. The Stoxx 600 gained 0,1%. Among the major markets, Germany's Dax rose 1,7%, while France's CAC 40 declined 1%, amid concerns over the country's fiscal outlook ahead of 2027's election. The UK's Footsie gained 0,1%.
- **Asian equity markets delivered mixed returns.** Japanese stocks advanced over the week, with the Nikkei gaining 0,6%, supported by enthousiam surrounding AI. Chinese markets diverged: mainland equities remained resilient, with the CSI and Shangai indices rising 0,2% and 1,2% respectively, while Hong Kong underperformed, falling 1,6% amid weakness in several large internet and consumer companies. Alibaba plans to use its HKD 80 billion equity placement to expand computing capacity, develop hyperscale AI data centres, and upgrade its cloud infrastructure. South Korean equities declined 1,8% on concerns over new US tariffs on semiconductors.

FIXED INCOME

- **Sovereign bond yieds rose**. The market reaction to the Fed chair's speech was most pronounced at the short end of the curve, with the 2-year tenor yield up to 4,35%, reflecting expectations of a possible interest rate hike on September 16. The 10-year German Bund yield increased to 3,28%, its highest level since May 2011, amid concerns over France's fiscal outlook. Growing expectations for further BoJ policy tightening pushed yields higher, with the 10-year tenor rising to 2,93% (+5bps).
- **Corporate bonds delivered mixed returns,** although spreads generally tightened over the week. US Investment Grade bonds outperformed their euro-area counterparts. High Yield bonds generated slightly positive returns but experienced outflows on both side of the Atlantics. Lower-quality segments remained under pressure, with the weakest borrowers particularly vulnerable to further increase in sovereign bond yields. Emerging market hard currency debt outperformed US credit, while local currency emerging debt posted a negative return as the US dollar stregthened.

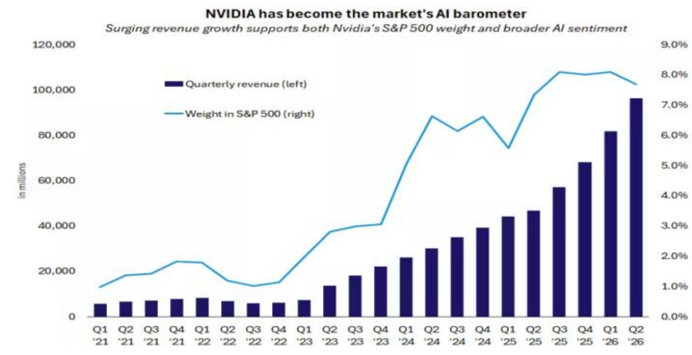
COMMODITIES

- **Oil prices declined after Oman and Iran resumed discussions on managing navigation through the Strait of Hormuz**. WTI and Brent fell by 4,2% and 5,4%, respectively. Ukrainien strikes on Russian oil facilities continued to pushed European natural gas prices higher.
- **Precious metals also retraced amid renewed inflation concerns**. After reaching a three month high of $4 651 on concerns over US fiscal policy, Gold ended the week down 3,2%, while silver declined 3,6%.

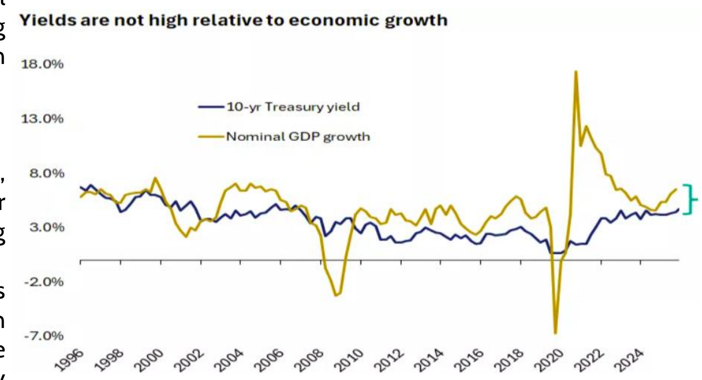
CURRENCIES & CRYTO

- **The US Dollar Index rose 0,9% against its currencies basket follwing the Fed chair's speech.** The yen weakened slightly despite the BoJ Deputy Governor highlighting the case for timely monetary policy normalisation, citing upside risks to inflation. The euro declined 0,3%.
- **Cryptocurrency markets ended the week lower,** with Bitcoin down 0,6%, Ethereum down 2,9%, and Ripple down 4,9%.s

CHARTS OF THE WEEK



Source: Edwardjones



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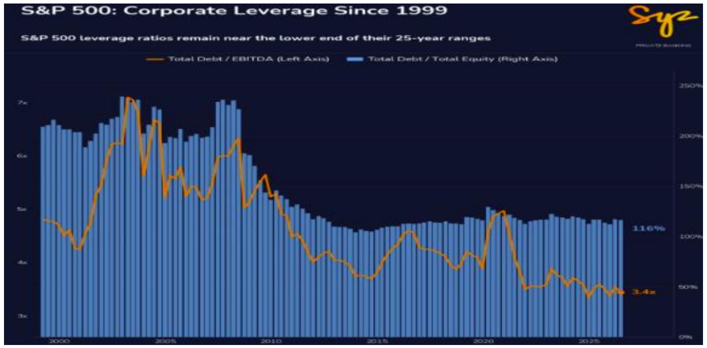

Source: F. Marini, LinkIn

WEEKLY MARKET INSIGHTS

21 August 2026 –28 August 2026

WEEKLY MARKETS REVIEW (As of 28 August 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	+0.3%	+3.7%	+13.0%
MSCI Emerging (USD)	+0.4%	+5.6%	+23.9%
S&P 500 (USD)	+0.5%	+3.0%	+12.7%
NASDAQ 100 (USD)	+0.4%	+4.1%	+16.6%
RUSSELL 2000 (USD)	-1.5%	+1.4%	+19.8%
STOXX 600 (EUR)	+0.1%	+0.9%	+10.5%
DAX (EUR)	+1.7%	+3.7%	+8.5%
CAC 40 (EUR)	-1.0%	-1.3%	+3.1%
FTSE 100 (GBP)	+0.1%	-0.4%	+9.0%
NIKKEI (JPY)	+0.6%	+3.2%	+31.9%
SSE (CNY)	+1.2%	+3.1%	-0.4%
BOVESPA (BRL)	+2.7%	-1.3%	+9.0%
HANG SENG (HKD)	-1.6%	-1.2%	-0.2%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	+0.3%	+0.5%	+0.3%
Global Aggregate EUR (Hedged)	+0.3%	+0.4%	-0.8%
US Investment Grade	+0.4%	+0.5%	-0.9%
US High Yield	+0.2%	+0.8%	+2.4%
EU Investment Grade	-0.1%	+0.1%	+0.3%
EU High Yield	+0.2%	+0.6%	+1.8%
EM Local Ccy. Gov (Unhedged)	-0.2%	+2.0%	+3.0%
EM Hard Ccy. Aggregate (Unhedged)	+0.5%	+1.3%	+1.7%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-0.6%	+23.9%	-11.1%
Ethereum	-2.9%	+31.3%	-17.7%
Ripple	-4.9%	+30.4%	-24.8%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-3.2%	+10.6%	+3.5%
WTI Crude	-4.2%	-1.5%	+45.2%
Brent Crude	-5.4%	-0.9%	+46.8%
Silver	-3.6%	+16.3%	-4.5%
Natural Gas	+4.1%	+5.1%	-21.6%
Copper	-0.3%	+2.0%	+16.6%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+0.9%	-0.1%	+1.4%
EURUSD	-0.3%	+1.2%	-0.8%
GBPUSD	-0.3%	+1.0%	+1.0%
AUDUSD	+1.1%	+2.4%	+7.4%
USDCHF	+0.5%	-0.2%	+1.5%
USDJPY	+0.3%	-0.5%	+1.9%

Source: Yahoo Finance

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