MONTHLY
MARKET INSIGHTS

Heritage wealth

THE MONTH'S BIG THEMES

ECONOMY:

- **Global context – Resilient growth, persistent inflation risks:** Global economic growth remained robust, supported by improving services activity and solid industrial momentum. Central banks remained vigilent, with inflation still their primary focus and market expectations for higher policy rates increasing.
- **US – Labour data dissapointed:** The US economy continued to demonstrate notable resilience, although inflation remained the principal concern. July headline PCE inflation held at 3,7% YoY, while core PCE was unchanged at 3,3%, leaving both measures well above the Fed's 2% target. In his first Jackson Hole speech, Fed Chair K. Warsh adopted a hawkish tone, noting that inflation had remained above the 2% target for 65 consecutive months. Labour market conditions weakened over the summer: unemployment stood at 4,1%, while weekly jobless claims remained comparatively low despite the weak July payrolls release. US Public debt exceeded $40tr for the first time in August.
- **Eurozone – Economic data remained resilient:** Manufacturing activity accelerated, supported by demand linked to AI infrastructure, defence spending and Germany's fiscal expansion, which helped offset lacklustre services activity in Germany and France. Q2 economic growth was confirmed at 0,4%, following flat growth in Q1. Inflationary pressures remained uneven across the region, with Spanish inflation accelerating to 4,3% YoY and French inflation rising to 2,4% in August
- **UK – Signs of labour market cooling:** Although the unemployment rate remained stable at 4,9% in June, the number of payroll employees declined for a sixth consecutive month. Inflation accelerated to 2,9% YoY from 2,6% previously. Consumer momentum remained weak, with retail activity deteriorating further in August.
- **China –Broad-based slowdown:** The growth outlook remained uncertain amid persistently subdued domestic demand and continued pressure in the property market. Exports remained the main driver of growth, supporting manufacturing activity. China remained in a low-inflation environment, with headline consumer price inflation hovering close to zero. Policymakers signalled additional fiscal support to prevent growth from weakening further .
- **Japan – Solid economic momentum:** Economic growth slowed unexpectedly in Q2, with GDP expanding by 1,1% YoY. Strong 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, from 1,6% in June

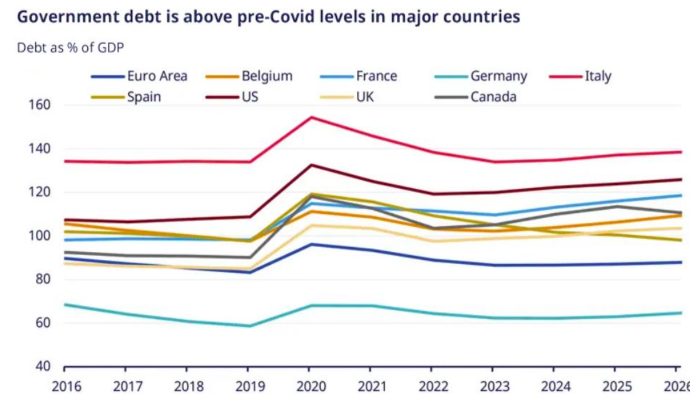
GEOPOLITICAL TENSION:

- **Tensions persisted in the Middle East**, with Iran and Oman discussing a shipping agreement governing navigation though the Strait of Hormuz, despite threats from the United States.
- **Trade tensions remained elevated.** US-Canada trade talks broke down, prompting Washington to impose new 50% tariffs on selected Canadian goods. China agreed to eliminate nearly all tariffs on Swiss exports, while the US was reportedly considering imposing 7,5% tariffs on Chinese goods. Separately, the US and Venezuela reportedly signed an agreement intended to give the US control over 65bn barrels of Venezuela's oil reserves.
- **Moscow stated it could target British military facilities** in response to Ukrainian attacks on targets inside Russia involving British-supplied missiles.

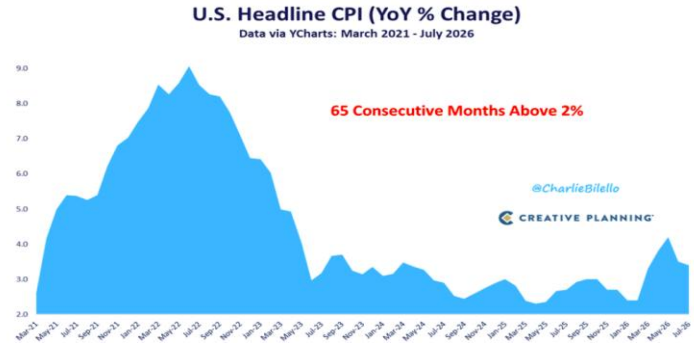
EARNINGS

- US companies delivered exceptional profit growth in Q2, led by technology and AI-related businesses. European results also exceeded expectations and pointed to a meaningful recovery in corporate profitability, although regional and sector performance remained uneven.

CHARTS OF THE MONTH



Source: Amundi



Source: C. Bilello

Source: Focus-economics.com

August 2026

MONTHLY
MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- **Global equities – Broad based gains:** Global equity markets advanced in August, supported by strong corporate earnings and renewed enthousiam for AI, despite persistent geopolitical uncertainty. The MSCI World index rose 4,1%, while emerging market equities gained 5,6%.
- **US equities – AI leadership continued:** US equities moved higher, with technology stocks remaining at the center of investor attention. The Nasdaq gained 4,1%, while the S&P 500 recorded its strongest August since 2021, rising 3%. Nvidia's results concluded a particularly strong Q2 earnings season, with quarterly revenue up 106% YoY and data-centre revenue up 117%,both ahead of market expectations. Small- and mid-caps stocks also advanced, gaining 1,4%.
- **European equities – Divergent regional performance**. European markets delivered mixed results. The Stoxx 600 rose 0,9%, supported by encouraging corporate results. The UK Footsie declined 0,4% after four consecutive monthly gain, weighted down by its limited technology exposure, mixed corporate earnings, and a stronger pound. Germany's export-oriented Dax outperformed, rising 3,7%, while the French CAC 40 fell 1,3% amid renewed fiscal concerns ahead of next year's budget and elections.
- **Asian equities – Mixed regional trend:** Japanese equities extended their advance, with the technology-heavy Nikkei rising 3,2%, reinforcing Japan's strategic position in the wider AI investment cycle. Chinese markets were mixed: the Shanghai index gained 3,1% while Hong Kong equities declined 1,2%. Taiwan outperformed across emerging markets, whereas Korea lagged.
- **Brazil – Political and earnings pressures:** Brazilian equities declined 1,3%, as electoral uncertainty and weak Q2 earnings prompted further investor outflows.

FIXED INCOME

- **Sovereign bond – Mixed performance.** Persistent inflation concerns, widening fiscal imbalances and changing expectations for central-bank policy pushed long-dated yields to multi-year highs. The US Treasury's announcement that it would at least double the pace of longer-dated bond buybacks from September helped ease pressure on the long end of the US curve, while short-term yields moved higher amid renewed inflation concerns. US Treasuries and UK Gilts posted positive returns, whereas euro-area bonds declined amid hawkish ECB commentary and renewed concerns over France's fiscal position. Japanese yields rose sharply to multi-decade highs against a backdrop of looser fiscal policy and renewed inflationary pressure.
- **Credit – Spreads tightened:** credit markets recovered in August, with invetsment grade and high yield bonds both posting gains despite substantial new issuance. Spreads tightened in higher beta segment, while remaining broadly stable across investment grade markets. Emerging-market debt also outperformed, supported by a weaker US dollar.

COMMODITIES

- **Oil – Masrginally lower:** WTI and Brent declined 1,5% and 0,9%, respectively. However, renewed US-Iran military activity in the final days of August pushed Brent crude above $90 per barrel.
- **Precious metals – Decent gains:** gold rose 10,6% and silver gained 16,3%, with the US Treasury's announcement of a bond buyback programme reviving investor interest in the so-called "debasement trade".

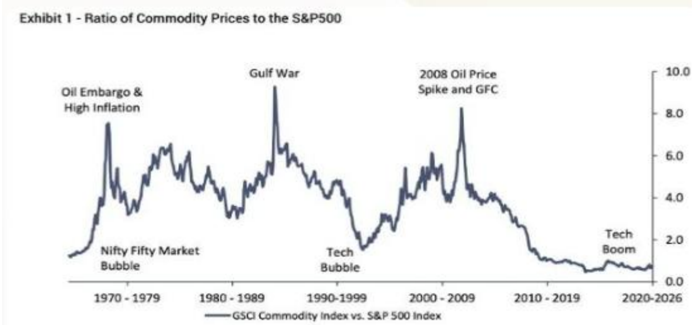
CURRENCIES & CRYPTO

- **Currencies – Dollar broadly stable:** The US dollar declined 0,1% in August. The euro gained 1,2%, sterling rose 1%, the Australian dollar advanced 2,4% and the Japanese yen strengthened 0,5%.
- **Cryptocurrency – Rebound continued:** Bitcoin gained 23,9%, Ethereum 31,3%, and the Ripple 30,4%.

CHARTS OF THE MONTH

Index	GBP	USD	JPY	EUR	LOC
Equities (MSCI)					
MSCI World Index	1.8	2.6	2.9	1.6	2.4
MSCI USA	2.0	2.8	3.1	1.8	2.8
MSCI Europe ex-UK	0.9	1.6	1.9	0.7	0.9
MSCI United Kingdom	0.0	0.7	1.0	-0.2	0.0
MSCI Japan	2.6	3.4	3.7	2.4	3.7
MSCI AC Asia ex-JP	2.5	3.3	3.6	2.3	1.6
MSCI EM Latin America	-1.3	-0.6	-0.3	-1.5	0.0
MSCI EM (Emerging Markets)	2.6	3.4	3.7	2.4	1.9
Bonds					
Bloomberg Global Aggregate	-0.3	0.5	0.8	-0.5	
Bloomberg US Aggregate	-0.4	0.4	0.7	-0.6	0.4
Bloomberg Japan Aggregate	-1.8	-1.0	-0.8	-2.0	-0.8
Bloomberg UK Aggregate	0.1	0.9	1.2	-0.1	0.1
Bloomberg Euro Aggregate	-0.3	0.5	0.8	-0.5	-0.5
Currencies					
Sterling		0.7	1.9	-0.3	
US dollar	-0.7		0.3	-1.0	
Yen	-1.8	-0.3		-1.2	
Euro	0.3	1.0	1.3		

Source: JP Morgan



Source: Necker Finance, Linkedin

Source: C Bilello

MONTHLY MARKET INSIGHTS

August 2026

MONTHLY MARKETS REVIEW (As of August 2026, 31st)

EQUITY MARKETS

	MTD	YTD
MSCI World (USD)	+4.1%	+13.5%
MSCI Emerging (USD)	+5.6%	+24.0%
S&P 500 (USD)	+3.0%	+12.7%
NASDAQ 100 (USD)	+4.1%	+16.6%
RUSSELL 2000 (USD)	+1.4%	+19.8%
STOXX 600 (EUR)	+0.9%	+10.5%
DAX (EUR)	+3.7%	+8.5%
CAC 40 (EUR)	-1.3%	+3.1%
FTSE 100 (GBP)	-0.4%	+9.0%
NIKKEI (JPY)	+3.2%	+31.9%
SSE (CNY)	+3.1%	-0.4%
BOVESPA (BRL)	-1.3%	+9.0%
HANG SENG (HKD)	-1.2%	-0.2%

FIXED INCOME MARKETS

	MTD	YTD
Global Aggregate USD (Hedged)	+0.3%	+0.2%
Global Aggregate EUR (Hedged)	+0.2%	-0.9%
US Investment Grade	+0.5%	-0.9%
US High Yield	+0.8%	+2.4%
EU Investment Grade	-0.0%	+0.2%
EU High Yield	+0.5%	+1.7%
EM Local Ccy. Gov (Unhedged)	+1.3%	+2.4%
EM Hard Ccy. Aggregate (Unhedged)	+1.1%	+1.6%

CRYPTO CURRENCY MARKETS

	MTD	YTD
Bitcoin	+23.9%	-11.1%
Ethereum	+31.3%	-17.7%
Ripple	+30.4%	-24.8%

COMMODITY MARKETS

	MTD	YTD
Gold	+10.6%	+3.5%
WTI Crude	-1.5%	+45.2%
Brent Crude	-0.9%	+46.8%
Silver	+16.3%	-4.5%
Natural Gas	+5.1%	-21.6%
Copper	+2.0%	+16.6%

CURRENCY MARKETS

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

Source: Yahoofinance.com

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