



THE WEEK'S BIG THEMES

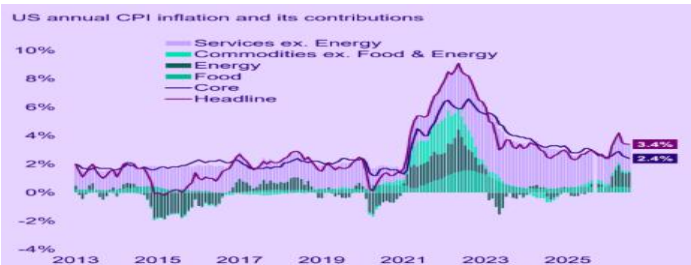
ECONOMY

- UNITED STATES** – Persistent inflation ahead of the September 16 meeting: CPI idata were broadly in line with consensus, with headline inflation at 3,4% YoY and core inflation at 2,4%, August producer-price inflation also firmed, driven by a sharp increase in energy costs, with headline and core PPI rising to 5,4% and 4,6% YoY, highlighting continued underlying price pressures. **Pst Trump pledged to send every American adult \$5.000**, if Republican retained control of the House of Representatives and the Senate after mid-term elections. Meanwhile, **labor-market conditions remained broadly stable**, with initial jobless claims edging down to 206K in the week to September 5 and continuing claims holding near 1.77 million. While **sentiment deteriorated for the second month in a row** according to the preliminary reading of the University of Michigan's September Index, **one-year inflation expectations rose sharply to 4.6%**, from 4.0% the previous month, their highest reading since June. **Small business optimism fell** according to the NFIB's latest survey, with both capital expenditure and hiring intentions softening.
- EURO AREA** – The ECB raised rate by 25bps to 2,25%, as widely expected, amid persistent inflation risk. Pst C. Lagarde highlighted upside risks to inflation (inflation projections: 3,0%) and downside risks to economic growth (eurozone GDP forecast: 0,9%). **Euro-area GDP expanded by 0,6% in Q2**.
- UNITED KINGDOM** – Monthly GDP grew by 0.4%, exceeding consensus expectations for stagnation, supported by strong activity in technology-related industries and specialised digital services.
- JAPAN** - The economy remained resilient, with **GDP growth revised up to 1,4% YoY**, albeit below the 1,9% recorded in Q1. Real wages increased for a seventh consecutive month, rising 2,4% YoY. **Corporate-goods price pointed to continued upstream inflationary pressures**, climbing 7,6% YoY in August.
- CHINA** – Exports remained increasingly the main growth driver, increasing 25% YoY, on strong shipments of technology products. Trade surplus reached \$ 806bn for the year. **August consumer prices rose 0,8% YoY**, and **producer prices rebounded 3,8%**, amid escalating energy costs. Fodd price sremained in deflation. **Beijing announced a Rmb 360bn recapitalisation package** to strengthen major state banks and insurers.

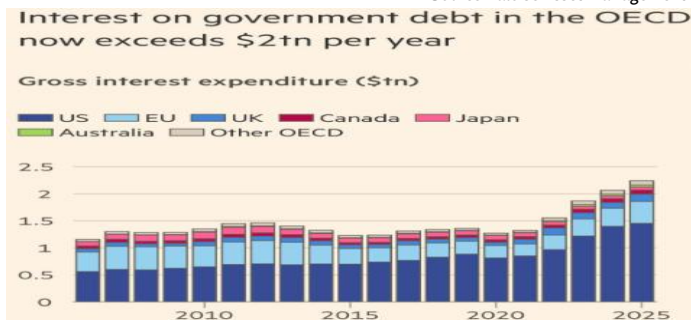
GEOPOLITICAL TENSION

- Tensions broadened in the Middle East**: direct engagements between the US and Iran continued whereas the Houthis intensified strikes, inducing disruptions across both Bab el_Mandeb and the Strait of Hormuz. Attacks on Saudi energy infrastructure heightened concerns about energy disruptions.
- The Ukraine-Russia conflict re-escalated last week** following the expiry of a short, U.S.-facilitated pause in strikes on the two capitals.

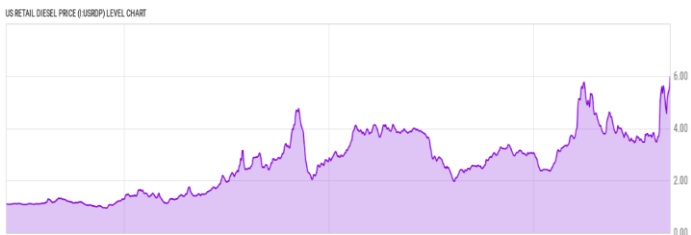
CHARTS OF THE WEEK



Source Baloise Asset Management



Source Financial Times



Source YCharts

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
- Industrial production (JP) - Inflation (CA, IN)	- Industrial pro., Retail sales (CN) - Unemployment data (UK) - ZEW eco. Sentiment index (EA) - NY Empire State Manuf. (US)	- Balance of Trade (JP) - Inflation, PPI (UK) - Industrial prod., Labor cost (EA) Fed rate decision, Retail sales, EIA stocks (US)	- Inflation (EA) BoE rate decision (UK) - Philly Fed index (US)	BoJ rate decision, inflation (JP) - Industrial pro, Manufacturing prod. (US)

MARKET'S REACTION

EQUITY

- Global equities edged lower as geopolitical developments drove markets sentiment. The MSCI World index declined by 0,8%, while the MSCI Emerging Markets lost 0,5%.
- Major U.S. equity indices ended the holiday-shortened week lower. Amid escalating conflict in Middle East and rising oil prices, the S&P 500 and the technology-heavy Nasdaq fell 0,8% and 0,6%, respectively. The small caps index largely underperformed, declining 2,4%. Oracle's latest release confirmed that enterprise demand for cloud infrastructure and AI compute capacity remains strong. Global equity funds experienced-\$15.5bn of net redemptions, the largest weekly outflow since March, while large-cap US equity funds alone recorded \$40,4bn in withdrawals.
- European equities declined. The Stoxx 600 fell by 1,7%, while Germany's Dax and France's CAC 40 dropped by 1,8% and 1,2%, respectively, amid higher energy prices. The UK's Footsie lost 1,7%.
- Asian equity markets delivered negative returns. Japanese stocks declined over the week, with the Nikkei falling by 1,6%, amid a stronger yen and growing expectations for a BoJ tightening. Mainland China equities weakened amid regional sell-off, with the CSI and Shanghai indices down 0,8% and 1,1% respectively, while Hong Kong equities underperformed the mainland, losing 3,3%, with some listed AI developers falling sharply amid intensifying price competitions.

FIXED INCOME

- Sovereign bond yields continued to sell off worldwide amid surging oil prices and hawkish central banks guidance. The US 10-year Treasury yield approached 5% and the 30-year tenor exceeded 5,30%, as the size of the US Treasury's buyback operation disappointed. The policy-sensitive 2-year yield rose 28bps to above 4,60%. Benchmark sovereign yields reached multi-decade highs in Europe, with the German 10-year breaching the 3,50% threshold, the highest level since 2009. Expectations of a Fed rate hike for September 16 meeting rose to over 80%, while markets are currently pricing another hike by year-end from the ECB. The Japanese 10-year yield rose to 2,98% while market participants are currently pricing a 25bps rate hike for September 18 meeting. Board member K. Masu warned the BoJ could rise rates more rapidly if inflation accelerated.
- Corporate bonds delivered negative returns, as higher sovereign yields weighed on investment grade credit. Credit spreads held stable. High-beta bonds outperformed although elevated yields continued to pressure weaker borrowers. Emerging debt posted negative returns. Supply was led by a wave of deals from US companies, including Amazon and Uber, making debut sales in GBP and EUR, respectively.

COMMODITIES

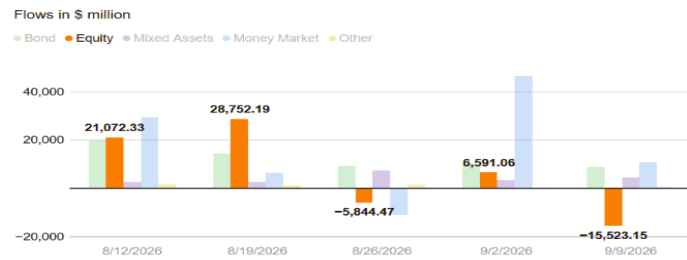
- Oil prices spiked following escalations in the Middle East, briefly topping \$100 a barrel. WTI and Brent gained 9,4% and 8,7%, respectively, while US diesel crossed \$6 a gallon, setting fresh records, fueling inflation concerns.
- Precious metals finished lower after a volatile week. Gold declined by 1,4%, while silver fell by 2,3%.

CURRENCIES & CRYPTO

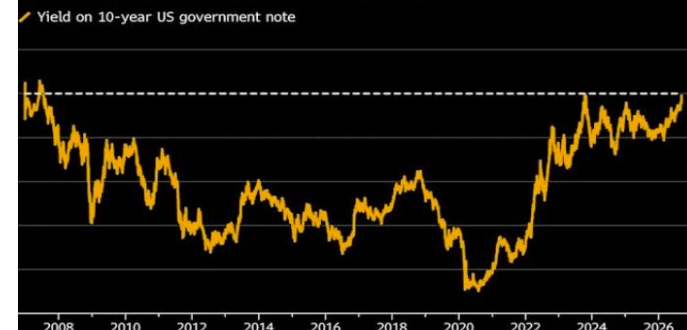
- The US Dollar Index remained flat against its currencies basket. The yen strengthened sharply by X%, reflecting growing expectations for a BoJ hike. U.S. Treasury Secretary S. Bessent added to the bullish case for the yen, voicing confidence in Japan's policy stance and suggesting that authorities could push back against speculative short positions in the currency.
- Cryptocurrency markets ended the week mixed, with Bitcoin and Ripple declining by 3,1%, while the Ethereum gained 2,4%.

CHARTS OF THE WEEK

Fund flows: Global equities, bonds and money markets

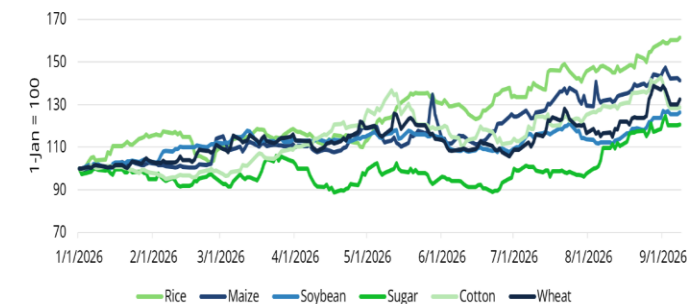


Source: Global Markets Investor, LSEG

Benchmark US Treasury Yields Approach 5%
Rise in long-term borrowing costs comes ahead of inflation data


Source: Global Markets Investor

Most Agricultural Prices are Rising



Source: Clearstead



WEEKLY MARKET INSIGHTS

04 September 2026 – 11 September 2026

WEEKLY MARKETS REVIEW (As of 04 September 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-0.8%	-1.2%	+12.1%
MSCI Emerging (USD)	-0.5%	+0.6%	+24.8%
S&P 500 (USD)	-0.8%	-0.7%	+11.9%
NASDAQ 100 (USD)	-0.6%	-0.2%	+16.3%
RUSSELL 2000 (USD)	-2.4%	-2.3%	+17.0%
STOXX 600 (EUR)	-1.7%	-2.5%	+7.8%
DAX (EUR)	-1.8%	-3.8%	+4.4%
CAC 40 (EUR)	-1.2%	-2.6%	+0.4%
FTSE 100 (GBP)	-1.7%	-1.6%	+7.2%
NIKKEI (JPY)	-1.6%	-3.6%	+27.2%
SSE (CNY)	-1.1%	-1.6%	-2.0%
BOVESPA (BRL)	+1.1%	+6.6%	+16.2%
HANG SENG (HKD)	-3.3%	-3.0%	-3.2%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.9%	-0.9%	-0.8%
Global Aggregate EUR (Hedged)	-0.8%	-1.0%	-1.9%
US Investment Grade	-1.1%	-1.5%	-2.4%
US High Yield	-0.7%	-0.9%	+1.5%
EU Investment Grade	-0.9%	-1.1%	-0.9%
EU High Yield	-0.6%	-0.9%	+0.8%
EM Local Ccy. Gov (Unhedged)	-0.6%	-0.0%	+2.3%
EM Hard Ccy. Aggregate (Unhedged)	-0.9%	-1.2%	+0.4%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-3.1%	-0.8%	-11.8%
Ethereum	+2.4%	+3.0%	-15.2%
Ripple	-3.1%	-2.0%	-26.3%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-1.4%	-2.5%	+0.9%
WTI Crude	+9.4%	+20.0%	+74.2%
Brent Crude	+8.7%	+17.1%	+71.9%
Silver	-2.3%	-3.6%	-8.0%
Natural Gas	-4.8%	-2.0%	-23.2%
Copper	-1.9%	-1.4%	+14.9%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	-0.0%	-0.6%	+0.9%
EURUSD	-0.2%	-0.4%	-1.2%
GBPUSD	-0.2%	-0.6%	+0.3%
AUDUSD	-0.6%	-0.5%	+6.8%
USDCHF	+0.7%	+1.2%	+2.7%
USDJPY	-0.8%	-3.0%	-1.2%

Source: Yahoo Finance

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