



THE WEEK'S BIG THEMES

ECONOMY

- UNITED STATES** – The Fed raised its policy rate by 25bps to a range of 3,75%-4,00%, marking its first rate hike since 2023. The decision was unanimous, while policymakers' projections pointed to one additional hike by year-end. The statement described economic activity as solid, supported by resilient domestic demand despite elevated geopolitical uncertainty. **Retail sales showed strength in US consumer**, raising 1,2% MoM, the largest increase in five months. Meanwhile, **Industrial production stagnated** in August and the **housing market remained under pressure**, although **labour market conditions stayed firm**. Indeed, the weekly jobless claims fell to one of their lowest levels since the late 1960s.
- EURO AREA** – Final inflation accelerated to 3,2% in August, from 2,9% in July, driven primarily by higher energy prices. One-year consumer inflation expectations also rose to 3%. Meanwhile, **Germany's ZEW survey showed an improvement in sentiment regarding current economic conditions in September**, although confidence in the recovery remained cautious.
- UNITED KINGDOM** – The BoE kept policy rates unchanged at 3,75% by a 6-3 vote. The tone of the meeting nevertheless pointed to mounting inflation concerns amid rising energy prices. **Inflation increased to 3,1% in August** from 2,9% in July, reflecting higher energy costs. **Unemployment rate was unchanged at 4,9%** in the three months to July 2026.
- JAPAN** - The BoJ raised its policy rate by 25bps to 1,25% in a 7-2 vote, taking it to its highest level since 1995. **Nationwide consumer inflation eased to 1,7% YoY in August**, from 1,8% in July, while core inflation remained at 1,9%. Against a backdrop of higher energy prices imports rose 28% YoY, outpacing a 19,3% increase in exports.
- CHINA** – August activity data continued to point to weak domestic demand (retail sales: +0,4%) despite firmer industrial production (+5,2% YoY), supported by higher value-added manufacturing. **Real estate investment fell 19,9%**, while **fixed asset investment declined 7,2%** during the first eight months of the year compared with the same period in 2025. The PoBC Governor signalled that the period of rapid credit expansion was coming to an end, as China pursued a structural shift away from reliance on the real estate sector.
- Others** – Brazil's central bank cut its Selic rate by 25bps to 13,75%, marking its fifth consecutive reduction, as activity in the agricultural and industrial sectors contracted.

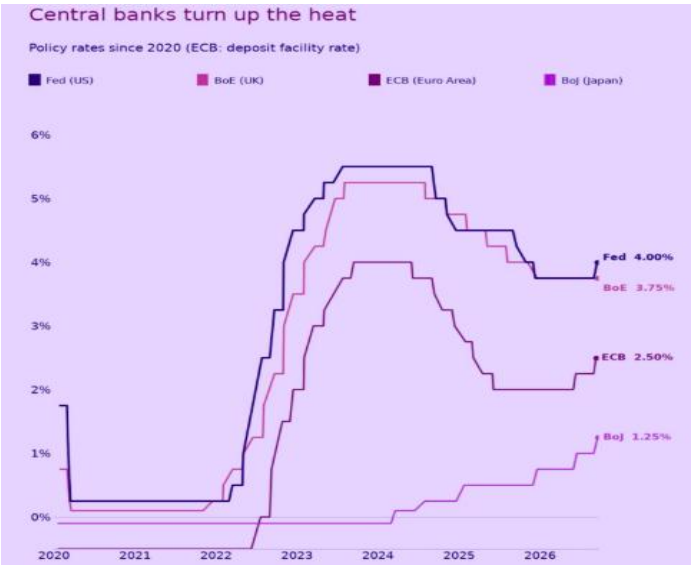
GEOPOLITICAL TENSION

- Tensions broadened in the Middle East** following attacks on pipeline infrastructure in Saudi Arabia. However, a report published on Friday suggested that the damage may be less severe as initially feared. The closure of the East-West pipeline nevertheless heightened concerns about possible disruption to oil flows through the Strait of Hormuz.
- The Ukraine-Russia conflict escalated again last week**, as Ukraine launched its largest long-range drone-and-missile campaign against strategic targets in Russia, including Moscow Oblast. Russian responded by threatening to intensify strikes on Kyiv and other Ukrainian cities

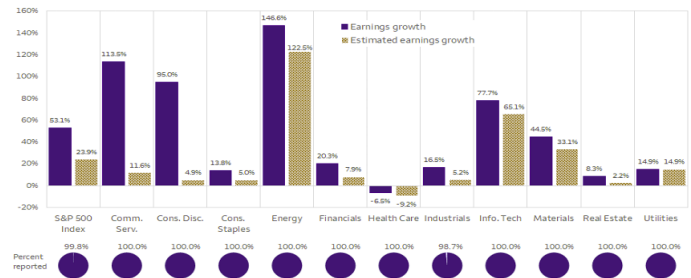
ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Chicago Fed National Activity index (US)	- ADP, Richmond Fed index (US) - Retail sales (MX)	- PMIs (AU, IN, EA, UK, US) - MBA Mortgage Applications, EIA stocks (US)	- PMIs (JP) - Unemployment data (AU) - Jobless claims, Building permits, New home sales (US)	- M3 (EA) - GDP (ES) - Durable goods orders, Michigan index (US)

CHARTS OF THE WEEK



Source Baloise Asset Management
Second quarter (Q2) earnings surprises are higher for all but one sector with most companies reporting



Source Wellsfargoadvisors.com



MARKET'S REACTION

EQUITY

- Global equities edged lower, as geopolitical developments and calls from major technology companies for a slower pace of AI model development weighed on markets sentiment.** The MSCI World index declined by 0,9%, while the MSCI Emerging Markets fell by 1,9%.
- Major U.S. equity indices ended the week mixed.** The technology-heavy Nasdaq advanced by 0,9%, while the S&P 500 declined by 0,1%. Small caps significantly underperformed, declining by 1,5%. OpenAi disclosed six new reports involving «unexpected or concerning» behavior in artificial-intelligence models. The CEOs of Anthropic and OpenAI, together with Elon Musk, called for a slower pace of development to better adress social-safety risks, while Nvidia's CEO adopted a more supportive stance.
- European equities declined.** Tensions in the Middle East reinforced inflation concerns, weighing on sentiment. The Stoxx 600 fell 0,6%, while Germany's Dax and France's CAC 40 declined by 1,0% and 1,4%, respectively. The UK's Footsie lost 1,7%.
- Asian equity markets were mixed.** Japanese stocks rose over the week, with the Nikkei gaining 1,6%, while exporters benefited from a weaker yen. In China, weak domestic activity data reinforced concerns about economic growth. Mainland equities were mixed, with the CSI 300 declining by 0,1% and the Shanghai index gaining 0,6%. Hong Kong equities underperformed mainland markets, falling by 0,2%.

FIXED INCOME

- Sovereign bond yieds eased from their weekly highs.** The 10-year Treasury yield briefly broke above 5% during the week, before retreating following the Fed's rate hike. In the UK, the BoE announced significant changes to its bond sales program, including the suspension of sales of its longest-dated government bonds. The 10-year tenor ended the week at approx. 5,4%. In Japan, the 10-year government bond yield edged back below 3% following the BoJ rate hike. Meanwhile, a weakening fiscal and political backdrop continued to weigh on euro-area sovereign bonds, with the German 10-year yield rising to levels last seen in 2009.
- Corporate bonds delivered mixed returns,** with investment-grade credit outperforming global government bonds. High-yield bonds remained under pressure, weighed down by rising Treasury yields, oil-driven inflation concerns, and expectations of further rate hikes, which intensified strains on lower-rated credit. New investment-grade issues were broadly oversubscribed, underscoring robust underlying demand from investors.

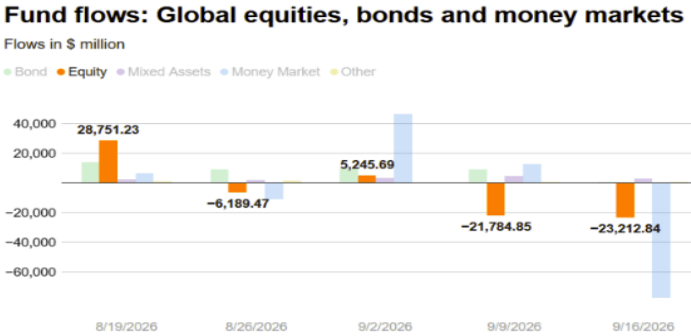
COMMODITIES

- Oil prices were mixed.** Driven by developments in the Middle East, crude prices were volatile, rising above \$106 per barrel before retreating below \$100. WTI gained 0,2%, while the brent declined 0,7%. US diesel fuel prices continued to rise, reaching record highs.
- Precious metals finished higher.** Gold rose by 0,4%, while silver by 3,1%. Gold is continuing to decorrelate from real rate moves.

CURRENCIES & CRYPTO

- The US Dollar stenghtened versus its currencies basket (+1,1%),** with the euro and the Japanese yen under pressure. The renminbi strengthened to its highest level in more than four years
- Cryptocurrency markets ended the week higher,** as the Fed's widely expected rate increase removed a key policy uncertainty, while renewed ETF inflows and short covering supported a rebound after the previous week's weakness. Bitcoin was up 4,8%, Ethereum rose 3,8%, and Ripple edged up 2,9%. The Clarity Act failed to pass the Senate once again.

CHARTS OF THE WEEK





WEEKLY MARKET INSIGHTS

11 September 2026 – 18
September 2026

WEEKLY MARKETS REVIEW (As of 18 September 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-0.9%	-2.1%	+11.1%
MSCI Emerging (USD)	-1.9%	-1.3%	+22.4%
S&P 500 (USD)	-0.1%	-0.8%	+11.8%
NASDAQ 100 (USD)	+0.9%	+0.7%	+17.4%
RUSSELL 2000 (USD)	-1.5%	-3.8%	+15.2%
STOXX 600 (EUR)	-0.6%	-3.0%	+7.2%
DAX (EUR)	-1.0%	-4.8%	+3.3%
CAC 40 (EUR)	-1.4%	-4.0%	-1.0%
FTSE 100 (GBP)	+0.1%	-1.5%	+7.3%
NIKKEI (JPY)	+1.6%	-2.1%	+29.2%
SSE (CNY)	+0.6%	-1.0%	-1.4%
BOVESPA (BRL)	-1.1%	+5.4%	+15.0%
HANG SENG (HKD)	-0.2%	-3.3%	-3.4%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.1%	-1.0%	-0.9%
Global Aggregate EUR (Hedged)	-0.1%	-1.1%	-2.0%
US Investment Grade	+0.4%	-1.1%	-2.0%
US High Yield	-0.1%	-1.0%	+1.4%
EU Investment Grade	-0.2%	-1.3%	-1.1%
EU High Yield	+0.1%	-0.8%	+0.8%
EM Local Ccy. Gov (Unhedged)	-1.3%	-1.4%	+1.0%
EM Hard Ccy. Aggregate (Unhedged)	-0.2%	-1.4%	+0.2%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	+4.8%	+3.9%	-7.6%
Ethereum	+3.8%	+6.9%	-12.0%
Ripple	+2.9%	+0.9%	-24.1%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	+0.4%	-2.3%	+1.9%
WTI Crude	+0.2%	+20.3%	+74.7%
Brent Crude	-0.7%	+16.3%	+70.7%
Silver	+3.1%	-0.7%	-5.1%
Natural Gas	+2.9%	+0.8%	-21.0%
Copper	+2.2%	+0.8%	+17.5%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+1.1%	+0.5%	+2.0%
EURUSD	-1.2%	-1.5%	-2.3%
GBPUSD	-1.1%	-1.8%	-0.8%
AUDUSD	-0.6%	-1.1%	+6.2%
USDCHF	+1.4%	+2.6%	+4.2%
USDJPY	+1.1%	-2.0%	-0.2%

Source: Yahoo Finance

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