



Fundamental Equity | Quantamental Investment | Structured Credit

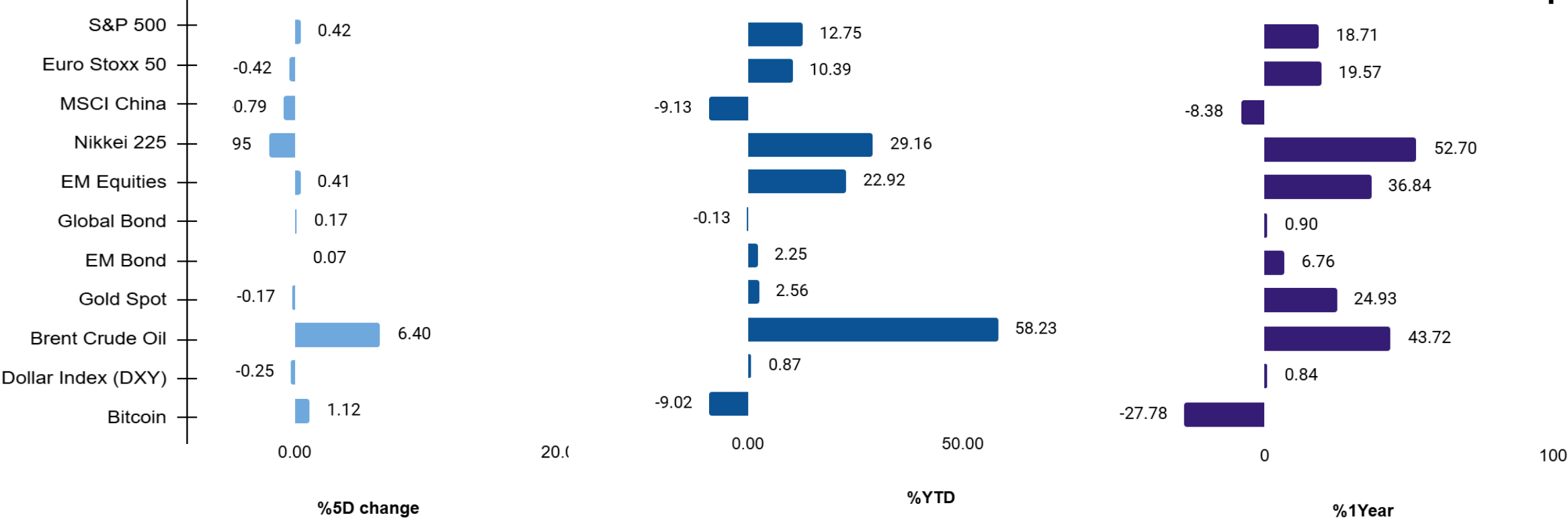
Weekly Market Recap

Turning market dynamics into investment insight



Market Snapshot

07 September 2026



Note: EM Equities - MSCI Emerging Markets Index, Global Bond - Bloomberg Global-Aggregate Total Return Index , EM Bond - JPMorgan EMBI Global Diversified Index Source: Bloomberg, as of 04 September 2026

	Commentary
US Equities	The S&P 500 gained 0.42% over the week despite falling on Friday after stronger-than-expected U.S. employment data revived expectations of tighter Federal Reserve policy. August payrolls increased by 162,000, substantially exceeding consensus, while earlier months were revised higher, reinforcing confidence in underlying economic activity. Stronger labor conditions supported the earnings backdrop but simultaneously increased rate sensitivity, leaving U.S. equities caught between resilient fundamentals and higher discount-rate expectations.
China Equities	MSCI China declined 0.79% as domestic growth concerns remained in focus alongside increasing pressure from elevated global energy costs. China remains particularly exposed to the disruption in Middle Eastern crude supply given its position as the world's largest oil importer, with seaborne crude imports still substantially below levels recorded before the Iran conflict. Higher imported energy costs added another constraint to an economy already dealing with uneven domestic demand and property-sector weakness.
Emerging Markets	EM Equities gained 0.41% despite renewed pressure from higher energy prices and rising global yields. Performance remained differentiated across countries, as commodity exporters benefited from stronger energy prices while oil-importing economies faced greater inflation and external-balance pressure. The modest gain suggests that resilient global growth and selective country-level fundamentals continued to support the asset class, although higher financing costs and energy-driven inflation remained meaningful constraints.
Bonds (Global / EM)	Global Bond gained 0.17%, while EM Bond increased 0.07%, despite substantial volatility across sovereign yield curves. Global bond markets remained focused on persistent inflation, elevated government borrowing and increasingly restrictive central-bank expectations, while long-term yields across several developed markets approached multi-year highs. The positive weekly performance therefore masked considerable underlying rate volatility, with investors balancing stronger economic data against the possibility that additional monetary tightening could ultimately contain inflation expectations.
Gold	Gold slipped 0.17% during the week despite heightened geopolitical uncertainty and rising energy prices. Stronger-than-expected U.S. employment data increased expectations that the Federal Reserve could tighten policy further, raising the opportunity cost of holding non-yielding assets. Gold's relatively limited decline, however, came against persistent concerns surrounding sovereign debt, inflation and geopolitical instability, leaving competing forces from monetary tightening and defensive demand active throughout the week.
Crude Oil	Brent crude surged 6.40%, making energy the week's dominant cross-asset move as renewed U.S.–Iran tensions disrupted flows through the Strait of Hormuz. Shipping through the key energy corridor remained sharply constrained, intensifying concerns around Middle Eastern export availability and pushing crude prices higher.

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Key Driver of the Week

07 September 2026

- **Markets Focused on Central Bank Decisions:** Investors shifted attention to upcoming ECB (10 Sept) and Fed (16 Sept) meetings. On 3rd September, Fed Governor Christopher Waller's relatively dovish comments reduced the probability of an immediate September rate hike from around 68% to about 50%, helping support equity markets later in the week.
- **Renewed Middle East escalation drove another sharp energy shock:** Oil returned to the center of the global macro narrative as escalating U.S.–Iran tensions and disruptions around the Strait of Hormuz tightened expectations for Middle Eastern supply, driving Brent crude 6.40% higher over the week.
- **Global bond markets remained caught between inflation and fiscal pressure:** Sovereign bond markets remained volatile as the combination of higher energy prices, persistent inflation concerns and heavy government borrowing pushed yields toward multi-year highs across several major economies. Japanese long-term yields reached levels not seen for decades, while European and U.S. markets increasingly incorporated the possibility of additional monetary tightening. The broader significance is that bond markets are simultaneously pricing cyclical inflation risk and structural fiscal risk, increasing borrowing costs for governments and companies while placing greater valuation pressure on long-duration financial assets.



Highlight of the Week

Robust U.S. jobs growth reinforced Fed hike expectations. August payrolls rose by 162,000, nearly three times consensus estimates, while unemployment held at 4.1%. The stronger labor-market backdrop strengthened the case for a higher-for-longer Fed stance, prompting markets to increase the odds of further tightening and pressuring equities.

What We Are Watching

Date	Event / Indicator	Last	Consensus	Potential Impact
10-Sep-2026	Core PPI m/m PPI m/m	0.2% 0.0%	0.3% 0.4%	Producer inflation is expected to accelerate, which may signal renewed pricing pressures and support a more cautious Fed stance.
11-Sep-2026	Core CPI m/m CPI m/m	0.2% 0.1%	0.2% 0.4%	Headline inflation is expected to pick up while core inflation remains stable, suggesting inflationary pressures remain elevated and potentially limiting expectations for near-term rate cuts.
11-Sep-2026	Core CPI y/y CPI y/y	2.5% 3.4%	2.4% 3.4%	A slight moderation in core inflation may support the disinflation trend, although sticky headline inflation could keep the Fed cautious.