Last Week at a Glance

Global markets edged higher last week, but the underlying tone was mixed. Softer US inflation data and strong AI-linked earnings supported risk sentiment, while weaker retail sales and renewed uncertainty around the Strait of Hormuz kept growth and inflation concerns in focus.

- US markets were pulled in two directions by softer inflation and weaker demand data. July CPI and PPI both came in at or below expectations, extending the recent easing trend in headline and core inflation. However, a sharp downside surprise in retail sales and a drop in consumer sentiment brought consumer resilience back into question.
- Rates markets reflected a less hawkish Fed outlook but lingering inflation risk. Treasury yields rose early in the week with oil, then fell after the inflation reports. Short-term yields ended lower as markets scaled back expectations for near-term tightening, while longer-term yields edged up, leaving curves modestly steeper.
- Oil was a key macro driver. WTI rose 5.4% and Brent 5.9% as hopes for a near-term resolution around the Strait of Hormuz faded. Prices remained below recent peaks, but the move revived concern that energy could complicate the disinflation story.
- Equity gains remained selective and earnings-driven. Semiconductor and data storage stocks outperformed on continued AI hardware demand, while Japan benefited from strong tech results, corporate buybacks, and a weaker yen.

Market Performance

As of August 16, 2026 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	0.7	3.4	15.6
Developed Markets	0.5	3.6	14.7
United States	0.4	4.1	14.3
Euro Area	0.5	3.1	15.3
United Kingdom	-1.1	-0.7	11.1
Japan	3.3	5.1	24.9
Emerging Markets	2.5	1.8	23.5
Fixed Income			
US Aggregate	-0.1	0.5	-0.2
US Treasuries	-0.1	0.4	-0.5
US Corporate IG	-0.3	0.4	-0.5
US Corporate HY	0.1	0.9	2.6
Real Assets			
Global Equity REITs	0.4	0.3	14.5
Global Natural Resources	1.7	3.6	23.8
Gold Bullion	0.9	8.2	1.3
Currencies			
EUR/USD	0.2	0.7	-1.4
GBP/USD	0.4	0.7	0.7
USD/JPY	0.7	-0.1	1.5

Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: This edition was prepared on August 16, 2026, and it reviews developments of the prior week. The equity data are total returns net of dividend taxes of MSCI indexes in local currency. Global natural resources equities are represented by the MSCI All Country World Commodity Producers Index. The fixed income data are total returns for Bloomberg indexes. Gold Bullion uses near-month gold futures contracts, as traded on the COMEX, to determine performance. Currency performance is based on Reuters data.