Last Week at a Glance

Global markets sold off last week as higher long-term yields weighed on sentiment. Concerns over fiscal deficits, persistent inflation, and tighter-for-longer policy pressured duration-sensitive assets, even as August data pointed to resilient growth.

- US long-term yields remained under pressure, with the 30-year Treasury ending the week around 5.3%, near its highest level since 2007. That came despite a surprise Treasury announcement doubling buybacks of ten- to 30-year bonds, extending the shift to shorter-dated issuance as US public debt surpassed $40 trillion.
- The July FOMC minutes reinforced a higher-for-longer message. Most participants supported holding rates steady, but several said further tightening may be needed if inflation does not ease. Fed funds futures imply about 50 bps of tightening over the next year.
- Higher energy prices remain a risk. Brent crude rose 6.3% last week to $95 per barrel amid no progress on reopening the Strait of Hormuz. Headline CPI rose in Europe in June, driven by energy, while core inflation was little changed in the United Kingdom at 2.6% and the euro area at 2.5%, suggesting limited second-round effects so far.
- August S&P Global data showed business activity strengthening across major developed markets, as concerns fade over tariffs and the conflict in the Middle East.
- US-Canada trade tensions escalated over the weekend after the United States imposed 50% tariffs on some Canadian goods and Canada announced retaliatory tariffs to take effect after Labor Day.

Market Performance

As of August 23, 2026 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	-1.1	2.3	14.4
Developed Markets	-1.3	2.3	13.1
United States	-1.4	2.6	12.6
Euro Area	-1.5	1.6	13.6
United Kingdom	0.7	0.1	11.9
Japan	-3.4	1.6	20.7
Emerging Markets	0.5	2.3	24.1
Fixed Income			
US Aggregate	-0.1	0.4	-0.3
US Treasuries	-0.1	0.3	-0.5
US Corporate IG	-0.2	0.2	-0.6
US Corporate HY	-0.1	0.7	2.4
Real Assets			
Global Equity REITs	-0.8	-0.4	13.6
Global Natural Resources	5.7	9.4	30.8
Gold Bullion	4.6	13.5	6.3
Currencies			
EUR/USD	0.8	1.5	-0.6
GBP/USD	0.6	1.2	1.3
USD/JPY	-0.1	-0.2	1.4

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 23, 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.