

MARKET INSIGHT WEEK 33

RISEON

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UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Tuesday, August 11			
<u>AU</u> RBA Interest Rate Decision (Aug)	05:30	4.35%	4.35%
<u>US</u> Existing Home Sales	15:00	4.06M	4.09M
Wednesday, August 12			
<u>US</u> CPI (YoY) (Jul)	13:30	3.4%	3.5%
<u>US</u> Crude Oil Inventories	15:30		2.479M
Thursday, August 13			
<u>GB</u> GDP (MoM) (Jun)	07:00	-0.1%	-0.1%
<u>US</u> Initial Jobless Claims	13:30	202K	199K
Friday, August 14			
<u>US</u> Retail Sales (MoM) (Jun)	13:30	0.2%	0.2%

*US moves forward one hour for daylight saving time.

Weekly Recap - August 3-7, 2026 (W32)

Labour Market Weakness Deepens as Negative NFP Reshapes the September Fed Debate

Week 32 unfolded below expectations as July's U.S. employment report confirmed a sharper slowdown in the labour market. Nonfarm Payrolls unexpectedly fell by 23K, while downward revisions to previous months reinforced signs of weakening hiring. The report significantly reduced expectations of a September Fed rate hike and shifted market attention toward the risk of a broader economic slowdown.

United States

NFP Fundamentally Changes the September Debate

July's employment report came in well below expectations.

Key developments:

- Nonfarm Payrolls fell by 23K.
- May and June payrolls were revised down by 103K.
- Labour-force participation declined further.
- Wage growth moderated.
- Private hiring remained weak.

As a result:

- September hike expectations declined.
- Treasury yields eased.
- USD lost support.
- Markets shifted toward a prolonged Fed hold.

The report suggested labour-market weakness is becoming more persistent, making further Fed tightening increasingly difficult to justify and shifting the policy debate toward the risk of slower economic growth.

Rather than confirming a soft landing, the labour data raised fresh questions about whether restrictive policy is beginning to weigh more broadly on economic activity.

Geopolitics

Energy Risks Remain Elevated

Geopolitical tensions continued to influence markets through energy prices.

- Middle East tensions persisted.
- Oil remained volatile.
- Inflation expectations stayed sensitive.

Labour-market data became the dominant market driver.

Eurozone

Weaker USD Improves the Relative Outlook

The weaker U.S. labour report improved the relative backdrop for the euro.

- Fed tightening expectations declined.
- EUR benefited from softer USD.
- Domestic structural challenges remained.

The euro's performance continues to depend primarily on expectations for U.S. monetary policy rather than stronger Eurozone fundamentals.

United Kingdom

BoE Outlook Becomes More Supportive for GBP

The recent 6-3 BoE vote gained importance after weaker U.S. employment.

- Fed hike expectations declined.
- BoE tightening risk remained.
- Sterling found relative support.

Asia-Pacific

Softer USD Offsets Weak China

Regional markets received support from a weaker USD.

- AUD and NZD benefited.
- China remained weak.
- Regional growth stayed subdued.

Softer U.S. rate expectations improved financial conditions, although China's weak outlook continued to cap regional upside.

Investors remain cautious, as any further deterioration in Chinese demand could quickly offset the positive impact of a weaker U.S. dollar.

Commodities

Gold

- Weak NFP supported prices.
- Lower Fed tightening expectations improved the outlook.
- Gold regained support through lower real-yield expectations.

Oil

- Labour weakness weighed on demand expectations.
- Geopolitical risks continued supporting prices.

Equities

Lower Rate Expectations Meet Growth Concerns

Equities initially benefited from reduced Fed tightening expectations, but weaker labour data raised concerns over future growth.

- Lower rate expectations supported valuations.
- Growth concerns increased.
- Markets became more data dependent.
- The soft-landing narrative faced a tougher test.

Investors now need confirmation that labour-market weakness remains gradual rather than signalling a broader deterioration in economic activity.

The balance between slowing employment and resilient corporate earnings is now likely to determine short-term equity performance.

Summary

Week 32 delivered a much weaker labour-market outcome than expected. July's -23K NFP, combined with substantial downward revisions and softer wage growth, significantly reduced expectations for a September Fed rate hike and shifted the market's focus from persistent inflation toward slowing employment momentum.

Key Takeaway

- » Weak U.S. employment has materially reduced the probability of a September Fed hike.
- » USD support has weakened, while gold benefits from lower real-yield expectations.
- » Markets now focus on whether weaker employment is matched by moderating inflation.

Market Outlook: Key Levels and Trends to Watch Across Major Pairs and Commodities

U.S. Dollar Index

DXY remains under short-term bearish pressure after breaking below its key moving averages. The current setup favours further downside toward 98.90, the next key support area. Selling pressure is likely to persist while price remains below 100.00-100.50. A recovery above this zone would reduce downside pressure and improve the broader outlook.



EUR/USD

EURUSD is breaking above the descending trendline and trading back above the short-term moving average, signalling improving bullish momentum. The current setup favours continuation toward 1.1740-1.1760, the next key resistance area. The bullish scenario remains valid while price holds above 1.1500-1.1480. A break below this zone would weaken momentum and expose 1.1370-1.1350 as the next support.



GBP/USD

GBPUSD is testing the descending trendline resistance around 1.3480-1.3500 after recovering above the moving averages. The current setup favours a breakout toward 1.3570-1.3600 if price confirms above the trendline. The bullish scenario remains valid while price holds above 1.3400-1.3370. A break below this zone would weaken momentum and expose 1.3180-1.3200 as the next support.



USD/JPY

USDJPY has broken below the rising trendline, confirming a weaker short-term structure after the recent correction. The current setup favours further downside toward 154.50-155.00, the next key support area. Selling pressure is likely to persist while price remains below 158.50-159.00. A recovery above this zone would reduce downside pressure and improve the short-term outlook.



USD/CHF

USDCHE is showing short-term weakness after failing to extend above 0.8180-0.8200. The current setup favours a corrective move toward 0.7920-0.7930, where support may emerge. Selling pressure is likely to persist while price remains below 0.8100-0.8120. A break below 0.7920 would weaken the broader recovery structure, while a move above 0.8120 would reduce downside pressure.



USD/CAD

USDCAD has broken below the 1.4000-1.4020 support area, confirming weaker short-term momentum. The current setup favours further downside toward 1.3780-1.3800, the next key support zone. Selling pressure is likely to persist while price remains below 1.4000-1.4020. A recovery above this area would reduce downside pressure and stabilise the broader structure.



AUD/USD

AUDUSD is continuing its bullish recovery, trading above the short-term moving average and approaching 0.7160-0.7180, the next key resistance area. The current setup favours further upside while price holds above 0.7000-0.7020. A break below this zone would weaken momentum and expose 0.6950-0.6900 as the next support.



NZD/USD

NZDUSD continues to recover strongly after moving back above the moving averages. The current setup favours further upside toward 0.5960-0.5980, the next key resistance area. The bullish scenario remains valid while price holds above 0.5840-0.5860. A break below this zone would weaken momentum and expose 0.5800-0.5780 as the next support.



Gold (XAU/USD)

Gold has rebounded strongly from the lower boundary of its bearish corrective channel and is now testing the 4,400–4,450 resistance area. The current setup suggests upside may be limited while price remains below this zone. A rejection could trigger a move back toward 4,170–4,100, while a break above 4,450 would weaken the bearish structure and open the way toward 4,700–4,800.



WTI Crude

WTI is weakening after rejecting the 82.00–83.00 resistance area and falling back below the short-term moving average. The current setup favours further downside toward 68.00–69.00, the next key support zone. Selling pressure is likely to persist while price remains below 79.00–80.00. A recovery above this area would reduce downside pressure and improve the short-term outlook.



S&P 500

S&P 500 remains in a strong bullish structure after breaking above its recent consolidation range and trading firmly above the moving averages. The current setup favours continuation toward 8,000, the next key resistance area. The bullish scenario remains valid while price holds above 7,620-7,650. A break below this zone would weaken momentum and expose 7,450-7,400 as the next support.



EuroStoxx 50

EuroStoxx 50 remains in a strong bullish structure after breaking above its recent consolidation range and trading firmly above the moving averages. The current setup favours continuation toward 6,690-6,700, the next key resistance area. The bullish scenario remains valid while price holds above 6,430-6,450. A break below this zone would weaken momentum and expose the 55-day moving average near 6,240.



Strategic Outlook Week 33 (August 10-14, 2026)

U.S. CPI Takes Centre Stage as Markets Test the Soft-Landing Narrative

Week 33 shifts the market's focus from labour-market weakness to U.S. inflation. Following the weaker July employment report, investors will assess whether the July CPI confirms that inflation continues to moderate without forcing the Federal Reserve back toward a more hawkish stance.

The macro framework now stands as follows:

- Inflation remains above target.
- Labour-market momentum has weakened.
- Treasury yields remain data dependent.
- Fed rate-cut expectations have improved.
- The USD has lost momentum.
- Equities remain supported by the soft-landing narrative.
- Gold continues to react primarily to real yields.
- China remains a structural headwind.

Macro Themes

1. United States

CPI Becomes the Week's Key Catalyst

The July CPI report will dominate market attention, followed by PPI and Retail Sales. Investors will assess whether inflation continues moderating while consumer demand remains resilient.

Key Focus

- CPI Inflation
- Core CPI
- Producer Price Index
- Retail Sales
- Treasury yields
- Fed communication

Strategic Scenarios

Soft CPI

- Treasury yields decline.
- USD weakens.
- Gold strengthens.
- Equities extend gains.

In-Line CPI

- Soft-landing narrative remains intact.
- USD remains broadly stable.
- Risk appetite continues.

Strong CPI

- Treasury yields rise.
- USD strengthens.
- Gold weakens.
- Equities face valuation pressure.

The week's focus is whether inflation validates the current soft-landing narrative.

USD Bias: Neutral to mildly bearish unless inflation surprises to the upside.

2. Geopolitics

Energy Prices Continue Influencing Inflation

Middle East developments remain the principal geopolitical risk.

- Oil prices remain volatile.
- Inflation expectations remain sensitive.
- Supply risks persist.
- Macro data remain the primary market driver.

3. Eurozone

EUR Continues Following the Dollar

Markets will monitor:

- Final CPI.
- Industrial production.
- Economic activity.

EUR performance remains primarily dependent on U.S. inflation and Treasury yields.

A softer U.S. CPI could provide additional support for EUR/USD, while stronger inflation would likely restore dollar strength and limit further gains.

4. United Kingdom

Sterling Remains Driven by Relative Rates

Markets will focus on:

- Inflation expectations.
- Economic activity.
- Relative policy outlook.

GBP continues to trade mainly as a function of U.S. dollar direction.

5. Asia-Pacific

Risk Sentiment Remains the Key Driver

Markets will monitor:

- Chinese activity.
- Regional demand.
- Commodity prices.
- USD direction.

China remains the principal structural constraint for regional assets.

6. Commodities

Gold and Oil React to Inflation

Gold - Supportive factors:

- Softer CPI.
- Lower Treasury yields.
- Weaker USD.

A stronger inflation report would pressure prices through higher real yields.

WTI Crude - Key drivers

- Global demand.
- U.S. Retail Sales.
- Middle East developments.
- U.S. inventories.

Oil remains the principal transmission channel between growth and inflation expectations.

7. Equities

Inflation Becomes the Main Valuation Driver

Equities remain supported by the soft-landing narrative but highly sensitive to Treasury yields.

Equity Scenarios

Soft CPI

- Equities extend gains.
- Technology outperforms.

In-Line CPI

- Risk appetite remains stable.
- Broader participation continues.

Strong CPI

- Higher yields pressure valuations.
- Defensive sectors outperform.

The sustainability of the recent rally will depend on inflation easing without undermining confidence in corporate earnings and economic growth.

Summary & Key Risks

Summary

Week 33 shifts the focus from labour-market weakness to inflation confirmation. Following July's weak employment report, markets will assess whether the U.S. CPI validates expectations that inflation continues to moderate without forcing the Federal Reserve back toward a more hawkish policy stance.

The soft-landing narrative remains intact, but inflation has become the key test for market sentiment. Treasury yields, the USD and risk assets are expected to react primarily to Wednesday's CPI release.

Key Risks

- a. Soft CPI → Treasury yields decline, the USD weakens and equities extend gains.
- b. CPI in line → the soft-landing narrative remains intact and markets maintain a constructive tone.
- c. Strong CPI → Treasury yields rise, the USD strengthens and equities come under pressure.
- d. Weak U.S. Retail Sales → growth concerns return, supporting gold and defensive assets.
- e. Renewed Middle East escalation → oil prices rise, inflation expectations increase and safe-haven demand strengthens.

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