

MARKET INSIGHT WEEK 34

RISEON

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UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Monday, August 17			
JP GDP (QoQ) (Q2) P	00:50	0.5%	0.5%
CA CPI (MoM)/Jul	13:30	0.4%	-0.4%
Wednesday, August 19			
GB CPI (YoY) (Jul)	07:00	2.5%	2.6%
EU CPI (YoY) (Jul)	10:00	2.9%	2.9%
US Crude Oil Inventories	15:30		17.423M
US FOMC Meeting Minutes	19:00		
Thursday, August 20			
US Philadelphia Fed Manufacturing Index (Aug)	13:30	24.3	41.4
US Initial Jobless Claims	13:30	210K	209K
Friday, August 21			
US S&P Global Manufacturing PMI (Aug) P	14:45	54.0	53.9

*US moves forward one hour for daylight saving time.

Weekly Recap - August 10-14, 2026 (W33)

Inflation Remains Controlled, but Weak Consumer Spending Complicates the Soft-Landing Narrative

Week 33 broadly validated the constructive outlook as U.S. inflation remained contained and producer-price pressures moderated. However, weaker retail sales raised concerns over consumer demand, while renewed Middle East tensions pushed oil prices higher. The soft-landing narrative remained intact, but markets ended the week balancing moderating inflation against softer consumption and renewed energy-price risks.

United States

Inflation Moderates as Consumer Demand Weakens
July CPI broadly confirmed the expected disinflationary trend.

Key developments:

- Headline CPI rose 0.1%, with annual inflation easing to 3.4%.
- Core CPI remained controlled at 0.2% MoM and 2.5% YoY.
- Producer prices were unchanged and weaker than expected.
- Retail sales unexpectedly contracted by 0.6%.
- Consumer sentiment deteriorated.

As a result:

- September hike expectations declined.
- USD weakened.
- Fed policy expectations became less hawkish.
- Growth concerns increased.
- The soft-landing narrative remained intact.

Inflation provided little justification for further tightening, but weaker consumption shifted attention toward whether domestic demand is beginning to slow more significantly.

Geopolitics

Energy Risks Return to Focus

Middle East tensions intensified during the week.

- U.S.-Iran negotiations showed limited progress.
- Supply concerns increased.
- Oil prices rose sharply.
- Inflation expectations became more sensitive to energy risks.

Higher oil prices emerged as the main external threat to continued disinflation.

Eurozone

Softer USD Supports EUR

The relative backdrop for the euro improved as U.S. rate-hike expectations declined.

- USD weakened.
- U.S. inflation remained contained.
- Fed tightening expectations eased.
- European fundamentals remained mixed.

EUR continued to benefit primarily from changing U.S. monetary expectations rather than stronger domestic fundamentals.

United Kingdom

Sterling Benefits from Relative Rate Expectations

Sterling found support as expectations for additional Fed tightening declined.

- USD weakness supported GBP.
 - BoE tightening risk remained present.
 - Relative rate expectations became more favourable.
- Domestic growth limitations continued to constrain stronger GBP appreciation.

Asia-Pacific

Softer USD Supports Regional Assets

Regional markets benefited from improving global financial conditions.

- AUD and NZD found support.
- USD weakness improved sentiment.
- Lower Fed tightening expectations helped risk assets.
- China remained a structural constraint.

Regional upside remained limited by weak Chinese demand.

Commodities

Gold

- Softer inflation supported prices.
- Lower Fed hike expectations reduced yield pressure.
- USD weakness and geopolitical uncertainty provided support.

Oil

- Middle East tensions increased supply risks.
- WTI and Brent rose sharply.
- Higher prices renewed inflation concerns.

Equities

Lower Fed Risk Supports Record Highs

Equities remained constructive as inflation moderated and expectations for further tightening declined.

- S&P 500 reached a new record.
- Nasdaq 100 outperformed.
- Technology and AI-related shares remained supported.
- Lower Fed hike expectations supported valuations.
- Weak retail sales introduced new growth concerns.

Markets continued to view moderate cooling positively, although further consumer weakness could challenge earnings expectations.

Summary

Week 33 confirmed that U.S. inflation remains controlled, reducing expectations for another Fed rate increase. However, weaker retail sales and consumer sentiment raised concerns about domestic demand, while higher oil prices introduced renewed inflation risk.

Key Takeaway

- » Moderating inflation strengthened expectations for a prolonged Fed hold
- » Weaker consumption shifted attention toward emerging U.S. growth risks.
- » Higher oil prices remain the main threat to the disinflationary outlook.

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

U.S. Dollar Index

DXY has broken below the rising trendline and key moving averages, confirming a weaker short-term structure. The current setup favours further downside toward 98.00 while price stays below 99.90-100.30. A recovery above this zone would reduce downside pressure and help stabilise the structure.



EUR/USD

EURUSD is testing the 1.1550-1.1580 breakout area, where the descending trendline and moving averages may provide support. The current setup favours continuation toward 1.1740-1.1760 while price holds above 1.1500-1.1520. A break below 1.1500 would weaken the bullish structure and expose 1.1370-1.1350.



GBPUSD has broken above the descending trendline and is holding the 1.3450-1.3500 breakout area. The current setup favours continuation toward 1.3620-1.3650 while price holds above 1.3400-1.3380. A break below this zone would weaken the bullish structure and expose 1.3180-1.3200.

USD/CHF

USDCHE is showing short-term rejection after failing near 0.8180-0.8200. The current setup favours a corrective move toward 0.7920-0.7950, where support may emerge. As long as price stays below 0.8150-0.8180, upside remains limited. A recovery above this zone would reduce downside pressure and restore bullish momentum.



USD/CAD

USDCAD remains under bearish pressure after breaking below 1.4000 and the 200-day moving average. The current setup favours further downside toward 1.3780-1.3800 while price stays below 1.3950-1.4000. A recovery above this zone would reduce downside pressure and help stabilise the structure.



AUD/USD

AUDUSD remains in a constructive bullish recovery, trading above the key short-term moving averages. The current setup favours further upside toward 0.7160-0.7180 while price holds above 0.7000-0.7020. A break below this zone would weaken momentum and expose the 200-day moving average near 0.6970.



NZD/USD

NZDUSD remains in a constructive recovery, holding above the key moving averages. The current setup favours further upside toward 0.5960-0.5980 while price holds above 0.5840-0.5860. A break below this zone would weaken momentum and expose 0.5800-0.5780.



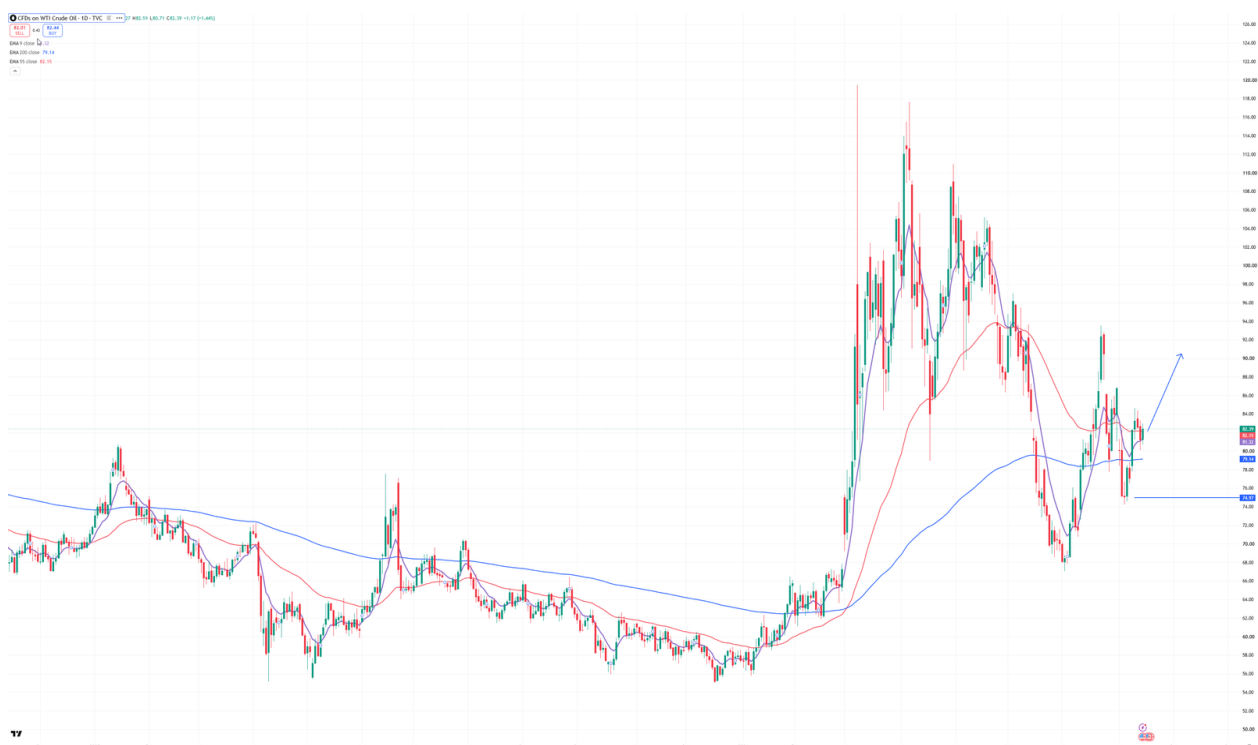
Gold (XAU/USD)

Gold remains in a broad bearish corrective structure, testing resistance around 4,350-4,400. The current setup favours rejection toward 4,000 while price stays below 4,400-4,450, with 3,700-3,650 as the next downside area. A break above 4,450 would reduce bearish pressure and improve the recovery outlook.



WTI Crude

WTI is stabilising above the 74.50-75.00 support area and showing signs of renewed momentum. The current setup favours a bullish recovery toward 90.00-91.00 while price holds above 75.00. A break below this zone would weaken the recovery and expose 70.00-68.00.



S&P 500

S&P 500 remains in a strong bullish structure, trading above its key moving averages. The current setup favours continuation toward 8,000 while price holds above 7,720–7,700. A break below this zone would weaken short-term momentum and expose 7,500–7,450, while the broader trend remains positive.



EuroStoxx 50

EuroStoxx 50 remains in a strong bullish structure, trading firmly above its key moving averages. The current setup favours continuation toward 6,690–6,700 while price holds above 6,430–6,450. A break below this zone would weaken short-term momentum and expose the 55-day moving average near 6,240.



Strategic Outlook Week 34 (August 17-21, 2026)

FOMC Minutes Test Whether Markets Can Continue Pricing a September Hold

Week 34 shifts the market's focus from inflation confirmation to Federal Reserve interpretation. Following softer employment, controlled inflation and weaker retail sales, investors will assess whether the July FOMC minutes support expectations that rates will remain unchanged in September.

The macro framework now stands as follows:

- U.S. inflation is moderating but remains above target.
- Employment and consumer spending are cooling.
- September hike expectations have declined.
- Long-term Treasury yields remain elevated.
- Oil prices are creating renewed inflation risk.
- Equities remain close to record highs.

Macro Themes

1. United States

FOMC Minutes Become the Week's Key Catalyst

The July FOMC minutes will dominate market attention after the meeting produced a 9-3 vote, with three policymakers supporting an immediate hike. Markets will assess whether those dissenters reflected broader concerns or remained relatively isolated.

Key Focus

- FOMC Minutes
- Housing Starts
- Industrial Production Flash PMIs
- Treasury yields

Strategic Scenarios

Hawkish Minutes

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

Balanced Minutes

- September hold expectations remain intact.
- USD consolidates.
- Risk appetite remains constructive.

Growth Weakens

- Treasury yields decline.
- USD softens.
- Growth concerns increase.

The week's focus is whether the Fed's July hawkish debate still reflects current economic conditions.

USD Bias: Neutral unless the minutes reveal broader support for additional tightening.

2. Geopolitics

Oil Remains the Main External Inflation Risk

Middle East developments continue to influence markets through energy prices.

- Oil prices remain elevated.
- Supply risks persist.
- Inflation expectations remain sensitive.

Macro data and Fed expectations remain the primary market drivers.

3. Eurozone

Global Activity Tests the Growth Outlook

Markets will monitor preliminary August PMIs for evidence that recent economic improvement is continuing.

- Services activity.
- Manufacturing momentum.
- Input-price pressures.

EUR performance remains highly dependent on U.S. yields and dollar direction.

4. United Kingdom

CPI Tests the BoE's Hawkish Shift

UK inflation will determine whether the recent 6-3 BoE vote gains further significance.

Markets will monitor:

- Headline CPI.
- Core and services inflation.
- Retail Sales.

Stronger inflation could support GBP, while softer data would weaken expectations for further tightening.

5. Asia-Pacific

Inflation and China Policy Drive Regional Markets

Markets will monitor:

- Japanese CPI.
- China Loan Prime Rates.
- Commodity prices.

A stronger Japanese CPI could support JPY, while disappointing Chinese policy support would weigh on AUD and NZD.

6. Commodities

Gold and Oil Remain Policy Sensitive

Gold - Supportive factors:

- Reduced September hike expectations.
- Softer USD.
- Geopolitical uncertainty.

A hawkish FOMC interpretation and higher real yields would pressure prices.

WTI Crude - Key drivers

- Middle East tensions.
- Supply disruption risks.
- Global demand.

Oil remains the main external threat to the recent disinflationary trend.

7. Equities

Record Valuations Face a More Complex Macro Test

Equities remain supported by strong earnings and lower Fed tightening expectations but are increasingly sensitive to long-term yields and consumer weakness.

Equity Scenarios

Balanced Fed / Stable Growth

- Equities remain supported.
- Technology maintains leadership.

Hawkish Fed

- Higher yields pressure valuations.
- Defensive sectors outperform.

Growth Weakens

- Earnings concerns increase.
- Volatility rises.

The sustainability of the rally now depends on inflation remaining controlled while consumer demand and corporate earnings stay resilient.

Summary & Key Risks

Summary

Week 34 shifts the focus from inflation confirmation to Federal Reserve interpretation. With recent data showing moderating inflation, weaker employment and softer consumer demand, markets will assess whether the July FOMC minutes still support the case for further tightening.

The base case remains an extended Fed hold, but elevated long-term yields and rising oil prices keep the outlook fragile. Markets must determine whether the economy is experiencing a controlled slowdown or moving toward weaker growth with renewed inflation

Key Riskst

- a. Hawkish FOMC minutes → Treasury yields rise, the USD strengthens and equities face pressure.
- b. Balanced Fed debate → September hold expectations remain intact and risk appetite stays constructive.
- c. Weak U.S. activity data → growth concerns increase, supporting gold and lower yields.
- d. Higher oil prices → inflation expectations rise and central-bank flexibility decreases.
- e. Weak global PMIs → slowdown concerns intensify and equities face renewed volatility.

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