MARKET INSIGHT WEEK 35

RISEON

INDEX

UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Tuesday, August 25			
AU RBA Meeting Minutes	**02:30**		
JP BoJ Core CPI (YoY)	**06:00**	0.3%	-0.2%
Wednesday, August 26			
US Core PCE Proce Index (YoY) (Jul)	**13:30**	3.3%	3.3%
US GDP (QoQ) (Q2) P	**13:30**	1.5%	1.5%
US Crude Oil Inventories	**15:30**		4.405M
Thursday, August 27			
US Jackson Hole Symposium	**13:30**		
US Initial Jobless Claims	**13:30**	208K	206K
Friday, August 28			
CA GDP (YoY) (Q2)	**13:30**		-0.05%

*US moves forward one hour for daylight saving time.

Weekly Recap – August 17–21, 2026 (W34)

Hawkish Fed Minutes and Rising Oil Prices Challenge the Soft-Landing Narrative

Week 34 delivered a more complex macro backdrop as the FOMC minutes revealed broader support for additional tightening than previously expected. Stronger U.S. and global activity reinforced economic resilience, while rising oil prices increased inflation risks. At the same time, housing weakness and selective consumer spending highlighted the growing impact of restrictive financial conditions.

United States

Hawkish Fed Signals Meet Resilient Activity

The July FOMC minutes revealed broader support for tighter policy.

Key developments:

- Several Fed members supported further tightening.
- U.S. Services PMI rose to 56.8.
- Composite PMI reached 56.0.
- Housing starts fell sharply.
- Manufacturing remained supported by technology investment.

As a result:

- September hike expectations remained alive.
- Long-term Treasury yields stayed elevated.
- USD initially benefited from hawkish expectations.
- Growth remained resilient but increasingly uneven.

Strong services activity challenged recent slowdown concerns, while housing weakness confirmed that high rates are already affecting interest-sensitive sectors.

Geopolitics

Energy Risks Intensify

Middle East tensions continued to drive energy markets.

- U.S.–Iran negotiations showed little progress.
- Supply and shipping concerns persisted.
- Oil extended its recent rally.
- Energy-driven inflation risks increased.

Higher oil prices remained the principal external threat to global disinflation.

Eurozone

Activity Strengthens

Eurozone economic activity improved during August.

- Composite PMI remained in expansion.
- Manufacturing reached its strongest level in several years.
- New orders and employment improved.
- Price pressures remained relatively controlled.

Stronger activity increased expectations that the ECB could maintain a restrictive stance for longer.

United Kingdom

Higher Inflation Reinforces Hawkish BoE Risks

UK inflation accelerated from 2.6% to 2.9%, while services activity strengthened.

- Inflation increased.
- Services PMI improved.
- Retail sales weakened modestly.
- BoE tightening expectations increased.

Sterling benefited from increasingly favourable relative rate expectations.

Asia-Pacific

Inflation Supports BoJ Normalisation

Japanese core inflation increased to 1.8%, strengthening expectations of further BoJ normalisation. China, however, maintained its lending rates despite persistent weakness in domestic demand. Regional conditions therefore remained mixed, with stronger Japanese inflation contrasting with continued structural weakness in China.

Commodities

Gold

- Fiscal and geopolitical concerns supported a strong rally.
- USD weakness provided additional support.
- Gold gained approximately 5.6% despite hawkish Fed signals.

Oil

- Middle East supply risks intensified.
- WTI gained approximately 5.7%.
- Brent gained approximately 6.4%.
- Higher energy prices increased global inflation concerns.

Equities

Higher Yields End the Recent Rally

Equities weakened as hawkish Fed signals, rising yields and higher oil prices pressured valuations.

- S&P 500 fell approximately 1.4%.
- Nasdaq 100 declined approximately 2.4%.
- Technology shares underperformed.
- Higher yields increased valuation pressure.
- Strong economic activity limited broader recession concerns.

Markets increasingly faced the risk that resilient growth and renewed inflation could keep monetary policy restrictive for longer.

Summary

Week 34 challenged expectations of a straightforward transition toward easier monetary policy. Broader Fed support for tightening, resilient economic activity and rising oil prices reopened the September policy debate, while housing and consumer weakness showed that restrictive conditions are already affecting parts of the economy.

Key Takeaway

» Hawkish FOMC minutes kept the possibility of further Fed tightening alive.
» Resilient activity reduced recession concerns but supported higher-for-longer rates.
» Rising oil prices became the principal threat to global disinflation.

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

U.S. Dollar Index

DXY remains under bearish pressure below the key moving averages. The current setup suggests a short-term rebound toward 99.20–99.40, where previous support may act as resistance. The bearish scenario remains valid below this zone, with downside risk toward 97.65–97.70. A recovery above 99.40–99.60 would reduce downside pressure and stabilise the structure.

EUR/USD

EURUSD has strengthened after breaking above the moving averages and reclaiming the previous consolidation area. The current setup favours continuation toward 1.1800, the next major resistance zone. The bullish scenario remains valid above 1.1560–1.1600. A break below this area would weaken momentum and expose 1.1500–1.1450.

GBP/USD

GBPUSD remains in a constructive recovery above the key moving averages. The current setup favours a short-term pullback toward 1.3500–1.3550, where previous resistance may provide support, before another move higher. The bullish scenario remains valid above this zone, with upside potential toward 1.3780. A break below 1.3500 would weaken momentum and expose 1.3400–1.3350.

USD/JPY

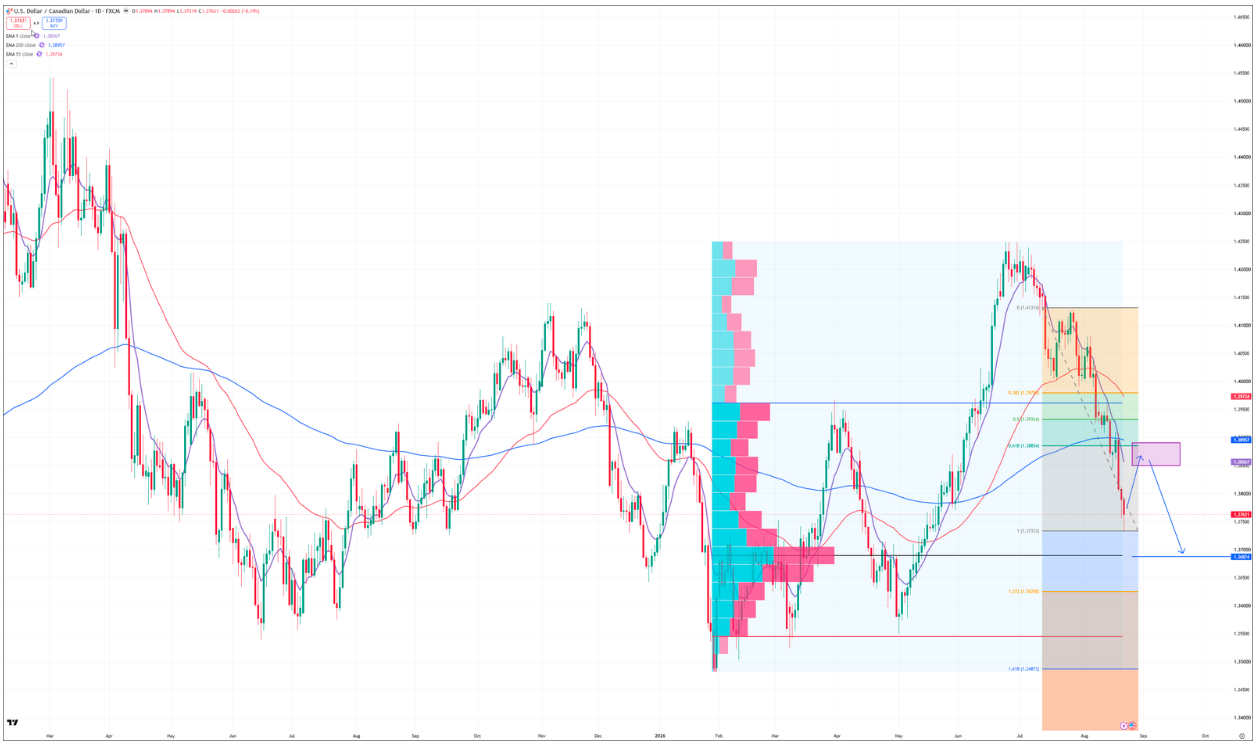
USDJPY remains vulnerable below the 159.70–160.20 resistance area and the 55-day moving average. The current setup favours further downside toward 155.40–155.00, particularly if rising trendline support breaks. As long as price stays below 160.20, rebound attempts may remain limited. A recovery above this level would reduce downside pressure and stabilise the structure.

USD/CHF

USDCHF has broken below the 0.8000–0.8020 support area and is testing the 200-day moving average, confirming weaker momentum. The current setup favours further downside toward 0.7820–0.7840, the next key support zone. As long as price stays below 0.8020–0.8050, rebound attempts may remain limited. A recovery above this area would reduce downside pressure and stabilise the structure.

USD/CAD

USDCAD remains under bearish pressure, trading below the 55-day and 200-day moving averages. The current setup favours a short-term rebound toward 1.3850–1.3890, where previous support may act as resistance. As long as price stays below 1.3890–1.3930, the broader bias remains negative, with downside potential toward 1.3680–1.3700. A recovery above 1.3930 would reduce downside pressure.



AUD/USD

AUDUSD remains in a constructive bullish recovery above the key moving averages. The current setup favours a short-term pullback toward 0.7100–0.7120, where previous resistance may provide support, before another move higher. The bullish scenario remains valid above this zone, with upside potential toward 0.7240–0.7250. A break below 0.7100 would weaken momentum and expose 0.7000–0.6950.

NZD/USD

NZDUSD has broken above recent range resistance, confirming stronger bullish momentum. The current setup favours a short-term pullback toward 0.5920–0.5940, where previous resistance may provide support, before another move higher. The bullish scenario remains valid above this zone, with upside potential toward 0.6030–0.6050. A break below 0.5920 would weaken momentum and expose 0.5860–0.5840.

Gold (XAU/USD)

Gold has broken above the recent consolidation zone and is testing the upper area of the broader corrective channel. The current setup favours a short-term pullback toward 4,500–4,550, where previous resistance may provide support, before another move higher. The recovery remains valid above 4,500, with upside potential toward 4,705–4,825. A clear break above this zone would open the way toward 5,000.

WTI Crude

WTI remains in a recovery phase but is showing rejection from the 86.00–88.00 area. The current setup favours a corrective move toward 80.00–82.00, where the 200-day moving average may provide support. The broader recovery remains valid above 79.50–80.00. A break below this zone would weaken momentum and expose 76.00–74.50.

S&P 500

S&P 500 remains in a broader bullish structure but is correcting from the recent highs. The current setup favours a pullback toward 7,550–7,580, where previous resistance may provide support. The bullish scenario remains valid above this zone, with upside potential toward 7,800–8,000. A break below 7,550 would weaken momentum and expose 7,400–7,360.

EuroStoxx 50

EuroStoxx 50 remains in a strong bullish structure above its key moving averages. The current setup favours renewed upside 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 could trigger a correction toward 6,320–6,300.

Strategic Outlook
Week 35 (August 24–28, 2026)

Jackson Hole, PCE Inflation and Nvidia Test the Fed Hold and AI Growth Narratives

Week 35 shifts the market's focus toward Jackson Hole, PCE inflation and Nvidia earnings. Following hawkish FOMC minutes, resilient services activity and rising oil prices, investors will assess whether the Federal Reserve can maintain a September hold while keeping inflation expectations under control.

The macro framework now stands as follows:

- *The Fed remains divided over further tightening.*
- *Core inflation remains above target.*
- *Housing and some consumer segments are weakening.*
- *Long-term Treasury yields remain elevated.*
- *Oil remains a major inflation risk.*
- *Gold continues to benefit from fiscal uncertainty.*
- *Technology valuations remain sensitive to yields.*
- *Nvidia earnings become a key test for the AI narrative.*

Macro Themes

1.United States

Jackson Hole and PCE Become the Key Catalysts

Markets will focus on Kevin Warsh's Jackson Hole speech alongside July PCE inflation, personal spending and the second estimate of Q2 GDP.

Key Focus

- Jackson Hole speech.
- Core PCE.
- Personal Spending.
- Q2 GDP.
- Durable Goods.
- Treasury yields.

Strategic Scenarios

Balanced Fed / Controlled PCE

- September hold remains favoured.
- USD consolidates.
- Equities stabilise.
- Gold remains supported.

Hawkish Fed / Strong PCE

- Treasury yields rise.
- USD strengthens.
- Gold weakens.
- Technology faces valuation pressure.

Softer Inflation

- September hike expectations decline.
- Treasury yields ease.
- USD weakens.
- Risk appetite improves.

The week's focus is whether Warsh keeps the possibility of further tightening open without signalling an imminent September hike.

USD Bias: Neutral, with direction dependent on PCE and Jackson Hole communication.

2. Geopolitics

Oil Remains the Main Inflation Threat

Middle East tensions continue to influence inflation expectations.

- Oil remains elevated.
- Supply risks persist.
- Shipping disruptions remain a concern.
- Higher energy prices limit central-bank flexibility.

3. Eurozone

Stronger Activity Supports the ECB

Recent PMIs confirmed improving activity across the Eurozone.

- Manufacturing strengthened.
- New orders improved.
- Employment recovered.
- Inflation remains elevated.

EUR could benefit if Warsh avoids signalling further Fed tightening

4.United Kingdom

Relative Rates Continue Supporting Sterling

Sterling remains supported by higher UK inflation and a more hawkish BoE backdrop.

Markets will monitor relative rate expectations and the impact of higher energy prices on future inflation.

5. Asia-Pacific

Australia and Japan Test Regional Policy Expectations

Markets will monitor:

- Australian CPI.
- Tokyo CPI.
- Chinese demand.
- Commodity prices.

Stronger inflation could support AUD and JPY through expectations of more restrictive regional policy.

6. Commodities

Gold and Oil Remain Key Macro Signals

Gold - Supportive factors:

- Fiscal uncertainty.
- Softer USD.
- Geopolitical risk.
- Institutional demand.

A hawkish Warsh speech and stronger PCE would create downside risk.

WTI Crude - Key drivers

- Middle East tensions.
- Supply disruption risks.
- U.S. inventories.
- Global demand.

Oil remains the main external threat to the disinflationary outlook.

7. Equities

Nvidia and Yields Test Market Leadership

Equities face a highly event-driven week as Nvidia earnings, PCE inflation and Jackson Hole converge.

Equity Scenarios

Strong Nvidia / Controlled PCE

- Technology rebounds.
- Broader risk appetite improves.

Strong PCE / Hawkish Fed

- Higher yields pressure valuations.
- Defensive sectors outperform.

Weak Nvidia Guidance

- AI-related shares come under pressure.
- Nasdaq volatility increases.

The sustainability of the rally now depends on inflation remaining controlled, AI earnings validating expectations and long-term yields stabilising.

Summary & Key Risks

Summary
Week 35 shifts the focus toward Jackson Hole, PCE inflation and Nvidia earnings. Markets will assess whether the Federal Reserve can maintain a September hold while inflation remains above target, long-term yields stay elevated and AI-driven growth expectations remain intact.

The base case remains a September hold, but persistent core inflation, elevated oil prices and strong activity keep further tightening on the table. Market direction will depend on whether inflation, Fed communication and corporate earnings support the current constructive outlook.

Key Riskst
a. Hawkish Jackson Hole message → Treasury yields rise, the USD strengthens and equities face pressure.
b. Stronger PCE inflation → September hike expectations increase and gold weakens.
c. Weak Nvidia guidance → technology shares fall and Nasdaq volatility rises.
d. Higher oil prices → inflation risks increase and central-bank flexibility declines.
e. Softer inflation and balanced Fed guidance → September hold expectations strengthen and risk appetite improves.

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