MARKET INSIGHT WEEK 36

RISEON

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UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Monday, August 31			
GB Bank Holiday			
Tuesday, September 1			
EU CPI (YoY)(Aug) P	10:00	3.3%	2.9%
US S&P Global Manufacturing PMI (Aug)	14:45	53.2	53.2
US ISM Manufacturing PMI (Aug)	15:00	55.2	55.6
Wednesday, September 2			
NZ RBNZ Interest Rate Decision	03:00	2.75%	2.50%
US ADP Nonfarm Employment Change (Aug)	13:15	47K	44k
CA BoC Interest Rate Decision	14:45	2.25%	2.25%
US Crude Oil Inventoires	15:30		0.0095M
Thursday, September 3			
US Initial Jobless Claims	13:30	205K	203K
Friday, September 4			
US Nonfarm Payrolls (Aug)	13:30	58K	-23k
US Unemployment Rate (Aug)	13:30	4.1%	4.1%

*US moves forward one hour for daylight saving time.

Weekly Recap – August 24–28, 2026 (W35)

Warsh Reopens the September Rate-Hike Debate as Inflation Remains Persistent

Week 35 shifted toward a more hawkish backdrop as PCE inflation remained above target and resilient domestic demand reinforced concerns that price pressures may persist. Nvidia's strong results supported the AI investment narrative, but Kevin Warsh's Jackson Hole remarks reopened the possibility of further Fed tightening. The USD and short-term yields strengthened, while gold reversed sharply and equities gave back part of their earlier gains.

United States

Persistent Inflation and Warsh Reopen the September Debate

July PCE provided limited evidence of further disinflation.

Key developments:

- Headline PCE remained at 3.7%.
- Core PCE held at 3.3%.
- Real consumer spending was virtually unchanged.
- Q2 GDP remained at 1.5%, but domestic demand was revised higher.
- Corporate profits increased substantially.
- Durable-goods orders exceeded expectations.

As a result:

- September hike expectations increased.
- Short-term Treasury yields rose.
- USD strengthened following Jackson Hole.
- Fed policy expectations became more hawkish.

Warsh's inflation-focused message indicated that further tightening remains possible unless inflation moves more convincingly toward target.

Geopolitics

Energy Risks Ease Moderately

Middle East tensions remained elevated, but improving Gulf supply flows reduced immediate pressure on energy markets.

- Oil Oil prices declined as Hormuz shipping flows improved.
- Geopolitical risks remained elevated.
- Lower oil prices provided some relief to the inflation outlook.

Eurozone

Relative Policy Support Remains

Eurozone activity remained resilient following stronger August PMIs.

- Manufacturing continued to recover.
- ECB expectations remained relatively hawkish.

The euro faced renewed pressure as Jackson Hole restored monetary-policy support for the USD.

United Kingdom

Inflation Keeps BoE Tightening Risk Alive

Recent inflation and activity data continued to support a restrictive BoE stance.

- Inflation remained elevated.
- Services activity stayed resilient.
- BoE tightening expectations persisted.
- Sterling remained sensitive to relative rate expectations.

The stronger USD following Jackson Hole limited GBP upside.

Asia-Pacific

Regional Policy Divergence Continues

Japanese inflation continued to support expectations of further BoJ normalisation, while Australian and Chinese conditions remained more mixed. A stronger USD created additional pressure across regional currencies, although expectations of tighter Japanese policy continued to support JPY.

Commodities

Gold

- Gold initially remained supported by fiscal and geopolitical concerns.
- Warsh's hawkish message triggered a sharp reversal.
- Higher yields and a stronger USD pressured prices.
- Gold recorded its first weekly decline in four weeks.

Oil

- Gulf supply flows improved.
- WTI and Brent ended the week lower.
- Immediate Hormuz disruption concerns eased.
- Lower prices reduced near-term energy-driven inflation pressure.

Equities

Nvidia Strength Meets Renewed Fed Risk

Equities remained supported by exceptional AI-related earnings, but Jackson Hole reversed part of the week's advance.

- Nvidia delivered stronger-than-expected results and guidance.
- Technology shares initially rallied.
- Higher yields pressured valuations after Warsh's speech.
- S&P 500 and Nasdaq still finished the week moderately higher.
- Small caps underperformed as borrowing-cost concerns persisted.

Markets now face a renewed tension between resilient corporate earnings and the possibility of additional Fed tightening.

Summary

Week 35 reinforced the tension between persistent inflation and resilient economic activity. Strong domestic demand, corporate profits and Nvidia's results supported the growth outlook, while Warsh's Jackson Hole remarks reopened the possibility of another Fed increase and triggered a sharp repricing across the USD, yields and gold.

Key Takeaway

» Persistent PCE inflation and Warsh's hawkish message revived September hike expectations.
» Strong domestic demand and AI investment reinforced U.S. economic resilience.
» August NFP will determine whether the labour market can withstand further Fed tightening.

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

U.S. Dollar Index

DXY is rebounding sharply but is testing key resistance around 99.80–100.00, where the broken trendline and 55-day moving average converge. The current setup favours rejection toward 98.90–99.00. As long as DXY stays below 100.00, the short-term structure remains vulnerable. A break above 100.00–100.30 would reduce downside pressure and expose 100.80–101.00.



EUR/USD

EURUSD is pulling back after rejecting the 1.1660–1.1670 resistance area and is approaching key support around 1.1540–1.1570, near the 55-day and 200-day moving averages. The broader recovery remains valid above 1.1540–1.1560, with upside potential back toward 1.1660–1.1670. A break below 1.1540 would weaken momentum and expose 1.1450–1.1400.



GBP/USD

GBPUSD is pulling back after rejecting the 1.3620–1.3650 resistance area and is approaching key support around 1.3480–1.3520. The broader recovery remains valid above 1.3480, supported by the 55-day and 200-day moving averages, with upside potential back toward 1.3620–1.3650. A break below 1.3480 would weaken momentum and expose 1.3420–1.3400.



USD/JPY

USDJPY is testing the 160.00–160.30 resistance zone, where the 55-day moving average is limiting the rebound. The current setup favours rejection toward 158.00–158.50, near the rising trendline and 200-day moving average. As long as price stays below 160.30, upside remains limited. A break above this zone would reduce downside pressure and expose 161.00–162.00.



USD/CHF

USDCHF is rebounding from the 0.8000 area, where the 200-day moving average is providing short-term support. However, the recovery faces resistance around 0.8100–0.8120. The current setup favours rejection toward 0.8000, followed by 0.7920–0.7840 if selling pressure returns. A break above 0.8120 would reduce downside pressure and improve the recovery outlook.



USD/CAD

USDCAD is rebounding from recent lows but is testing key resistance around 1.3900–1.3950, where the 55-day and 200-day moving averages may limit the recovery. The current setup favours rejection toward 1.3760–1.3770. As long as price stays below 1.3950, the broader bias remains vulnerable. A break above this zone would reduce downside pressure and expose 1.4050–1.4100.



AUD/USD

AUDUSD remains in a constructive bullish structure but is pulling back after rejecting the 0.7200–0.7220 resistance area. The current setup favours a retest of 0.7120–0.7150, where buyers may defend the recent breakout. As long as price holds above this zone, the bullish scenario remains valid, with upside potential toward 0.7220. A break below 0.7120 would weaken momentum and expose 0.7060–0.7050.



NZD/USD

NZDUSD is pulling back after rejecting the 0.5980–0.6000 resistance area and is approaching key support around 0.5880–0.5900. The broader recovery remains valid above 0.5880, supported by the 55-day and 200-day moving averages, with upside potential back toward 0.5980–0.6000. A break below 0.5880 would weaken momentum and expose 0.5860–0.5840.



Gold (XAU/USD)

Gold is pulling back sharply after rejecting the 4,700–4,705 supply zone, confirming major resistance. The current setup favours a correction toward 4,330–4,350, near the 55-day moving average and previous breakout area. The broader recovery remains valid above 4,330, while a break below would expose 4,200–4,100. A recovery above 4,705 would reopen upside toward 4,840 and 5,000.



WTI Crude

WTI remains in a constructive recovery, holding above the 200-day moving average and consolidating around 82.00–84.00. The current setup favours another upside attempt toward 90.00–90.20, the next key resistance zone. The bullish scenario remains valid above 79.50–80.00. A break below this area would weaken momentum and expose 75.00–74.50.



S&P 500

S&P 500 remains in a strong bullish structure above the key moving averages after recovering from the recent pullback. The current setup favours continuation toward 7,850–7,900, with 8,000 as the broader upside target. The bullish scenario remains valid above 7,690–7,700. A break below this zone would weaken momentum and expose 7,550–7,560.



EuroStoxx 50

EuroStoxx 50 remains in a constructive bullish structure above the key moving averages, recovering from support around 6,430–6,450. The current setup favours another upside attempt toward 6,580–6,590, with a break above this zone confirming renewed bullish momentum. The outlook remains positive above 6,430. A break below would weaken momentum and expose 6,340–6,300.



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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