GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

THURSDAY, AUGUST 27, 2026

LEAD EDITOR: TIMOTHY CHU

- **Nvidia's 2028 outlook convinces, though earnings beat more modest** (link)
- **The yen seeks direction as investors weigh on its outlook** (link)
- **China's industrial profit growth slowed to the weakest pace this year** (link)
- **Analysts suggest money and credit data give ECB further room to hike** (link)
- **Brazil's annual inflation slowed more than expected to 4.24%** (link)

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Markets Receive Boost from Strong Tech Earnings; Jackson Hole Speech Looms

Global markets received a boost overnight from Nvidia's 2028 outlook but now look to Chair Warsh's much-anticipated Jackson Hole speech tomorrow. S&P500 futures indicate a +0.4% open and Nasdaq futures are up ~1% after Nvidia's bullish 2028 revenue outlook yesterday (+70%). Strong results from Salesforce and CrowdStrike reinforced AI durability, with Marvell still to report. Positive tech sentiment lifted some Asian indices, notably Korea's KOSPI, though regional markets were mixed. Asian central banks stayed hawkish: amid AI-fueled export growth and elevated inflation, the Bank of Korea raised its benchmark rate, while the Philippines also hiked overnight as inflation runs hot. Markets now imply an 80% probability of a BOJ hike in September, with a move fully priced by October, after comments from Deputy Governor Himino. European markets were more muted overnight, with the Stoxx 600 moderately lower after failing to capitalize on the AI-led rally. Global yields were meanwhile little changed, with oil steady. US Treasury yields rose by +4bps yesterday after US PCE showed sticky underlying inflation and robust consumer spending and business investment, leading markets to price a full Fed hike by December. Investors now turn to Jackson Hole for more clarity on the Fed's new communication framework and reaction function; disappointment on Friday could trigger volatility according to some analysts.

Key Global Financial Indicators

Last updated: 8/27/26 8:43 AM	Level: Last 12m	Level: Latest	Change from Market Close: 1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		7676	0.0	0	4	18	12
Eurostoxx 50		6458	-0.2	1	3	20	12
Nikkei 225		66132	-0.2	0	6	54	31
MSCI EM		67	-0.1	2	6	35	23
Yields and Spreads					bps		
US 10y Yield		4.66	1.4	-4	1	43	49
Germany 10y Yield		3.25	1.5	-1	12	55	39
EMBIG Sovereign Spread		242	-2	-3	-2	-54	-11
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		46.5	-0.3	0	0	2	0
Dollar index, (+) = $ appreciation		99.2	0.0	0	-2	1	1
Brent Crude Oil ($/barrel)		88.3	0.5	-6	0	30	45
VIX Index (%, change in pp)		15.0	-0.3	-1	-4	0	0

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Key Global Inflation and Energy Indicators

Last updated: 8/27/26 8:43 AM	Level Last 12m	Level Latest	Change from Market Close 1 Day	7 Days	30 Days	12 M	YTD
Oil and Gas					%		%
Brent Crude Oil ($/barrel)		88	0.5	-6	0	30	45
WTI Crude Oil ($/barrel)		82	0.2	-6	0	28	44
Natural Gas (Netherlands TTF)		67	2	2	16	102	149
Breakeven Inflation		%			bps		
USD: 2Y		2.4	3.5	3	22	-64	15
USD: 5Y		2.5	1.7	-1	16	-23	16
USD: 5Y5Y		2.4	1	-3	9	-5	-1
EUR: 2Y		2.5	1.1	-4	14	57	78
EUR: 5Y		2.2	1	-1	9	34	46
EUR: 5Y5Y		2.1	1	0	3	5	7

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Mature Markets

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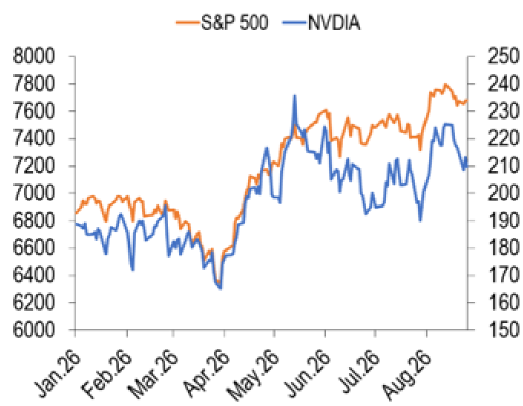
United States

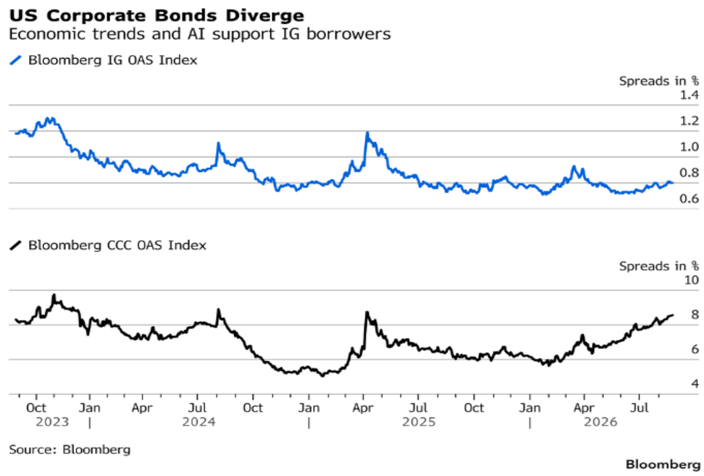
This morning's initial jobless claims print was 203k, slightly below expectations (consensus 208k, revised prior 207k) while continuing claims came in at 1,778k (consensus 1,792k, revised prior 1,796k). Market reaction was muted at 8:35am, with little change from broadly positive pre-market trading driven by NVDIA's overnight earnings.



Source: IMF Staff, Bloomberg L.P.

NVIDIA 2028 outlook convinces investors, though earnings fell shy of the highest expectations. During NVIDIA's earnings call, the CFO remarked that the company expects revenue to grow by 70% in fiscal 2028, sending the stock soaring by up to 6% in pre-market trading. Despite the positive outlook, many investors continued to question the momentum of AI spending and Nvidia's investment arrangements with other companies in the sector during post-results market commentary. Before the call, Nvidia's stronger-than-expected revenue outlook failed to impress investors amid elevated expectations for AI-related growth. The company projected revenue of $108 billion, plus or minus 2%, for the current quarter, above the $105.2 billion analyst consensus, and forecast a gross margin of around 74%, slightly below investors' expectations. Some estimates exceeded $110 billion, and the shares fell by 1–2% in the initial moments of after-hours trading.

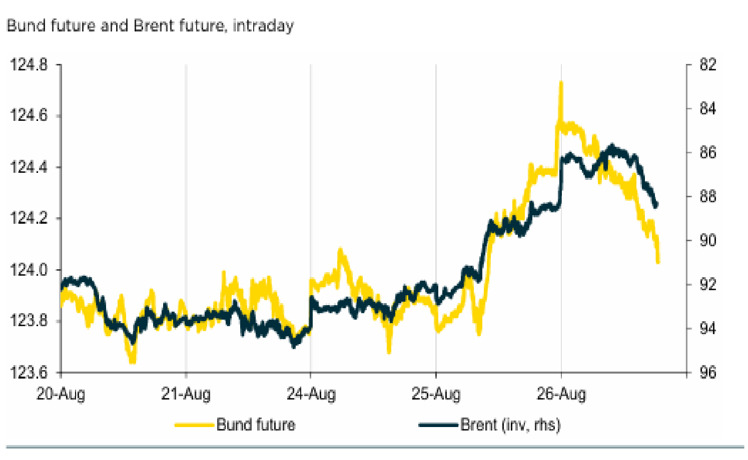
US corporate bond yields diverge based on rating. While US investment-grade bonds have benefited from very tight spreads, CCC-rated borrowers have seen their spreads widen significantly in recent months. US investment-grade bond yields have remained tight despite a large increase in issuance during 2026. At the other end of the ratings spectrum, CCC-rated bond spreads have surpassed 800 bps this summer. Bloomberg analysts attribute this to a steady string of idiosyncratic bankruptcies and negative sentiment stemming from struggles in private credit, as CCC ratings are heavily skewed toward software firms.



Euro Area

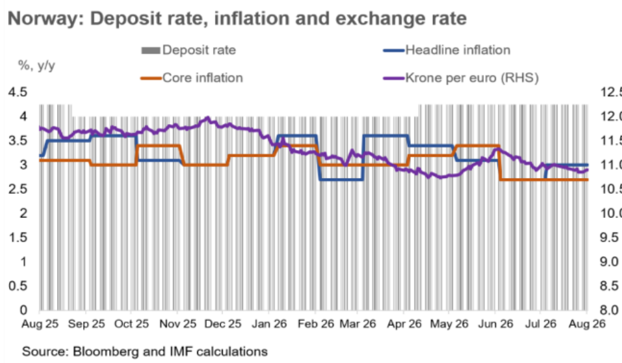
European stocks fell this morning, as declines in most sectors overshadowed an advance in tech shares fueled by Nvidia Corp.'s results in the US. The Stoxx 600 index was down 0.4%, dragged lower by the consumer staples sector (-1.2%), while banks also underperformed (-1%), led by French lenders, as BNP and Crédit Agricole shares fell by about 4% and Société Générale by 3%. Tech stocks were the best performers (+1.8%) after Nvidia gave a bullish sales outlook in the US, easing concerns that AI spending is losing momentum. All regional bourses traded in the red, with the CAC 40 underperforming in France (-1%). **The euro was flat against the dollar ($1.1643/€), while European government bonds (EGBs) were also little changed.** Bund yields rose marginally (~+2 bps) across tenors (2yr: 2.85%, 10yr: 3.24%), while Southern spreads were unchanged (10yr OAT-Bund, BTP-Bund spreads: 85 bps, 82 bps).

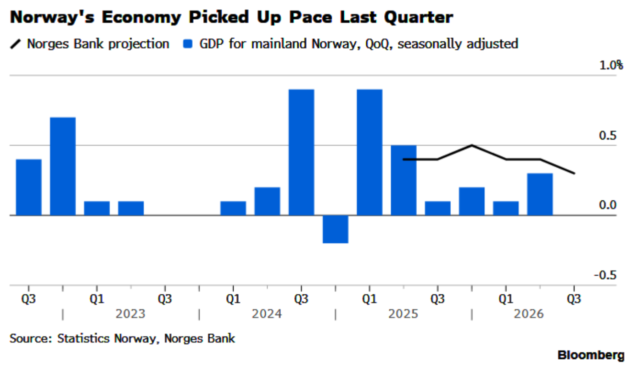
This morning's release of July money and credit data showed that Eurozone bank lending strengthened in July (household loans: +3.1% y/y, corporate loans: +4.4%), supporting another 25-bps hike in September per ING analysts. Similarly, Deutsche Bank believes that higher ECB rates and global bond yields have not sufficiently tightened euro-area financial conditions, as the July credit impulse rose to 1.4% from 1.2%. However, further moves depend on credit tightening and energy effects. Crédit Agricole agrees that short-end euro rates can rise further in the near term, as energy-driven inflation fears have deepened. However, they see less upside for long end bonds, expecting duration inflows at the end of August. Commerzbank is more cautious, stressing that higher energy prices keep Bunds under pressure, while repo cheapening and rising collateral supply may push the 10yr Bund asset swap spread back toward 0 bps by year-end.



Norway

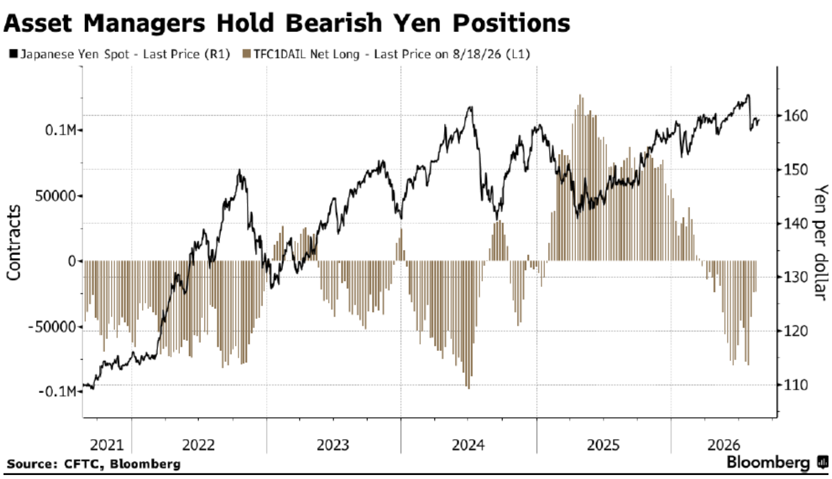
The Norwegian krone modestly depreciated against the euro and dollar this morning following data which showed GDP growth rising to 0.3% q/q in Q2 from 0.1% in Q1, below the central bank's (Norges Bank) and consensus estimates of 0.4% q/q. Bloomberg analysts stressed that this was the fastest growth in four quarters, as Norway's economy has benefited from increased public spending on defense, while also being bolstered by tax breaks and energy exports. Bloomberg sees today's data as adding marginally to the chance of Norges Bank tightening in September, after the central bank kept its policy rate at 4.25% earlier this month, warning that a rate hike may "still become necessary" amid persistent price pressures from wage growth. Money markets, however, were little changed, pricing in 13 bps of tightening next month and a full 25 bps hike by year-end. Handelsbanken believes that a September hike remains possible, but notes "signs that growth in the Norwegian economy will slow somewhat," as a larger share of firms now expect to reduce rather than increase their workforce over the coming year.





Japan

The yen seeks direction as investors weigh its outlook. The yen was little changed on the day, after initially gaining following comments from BOJ Deputy Governor Himino that were seen as hawkish. Although Deputy Governor Himino did not offer clear hints of an interest rate hike in September, he also did not push back against growing market expectations for an imminent increase. Swaps are currently pricing in a probability of about 80% for a BOJ rate hike in September, with a move fully priced by October, according to Bloomberg. Australian Retirement Trust, which has been building overweight positions in the yen, sees scope for potentially two more hikes following the September meeting. That said, asset managers have generally held bearish positions in the yen, suggesting the yen may weaken further from its current level. The yen was little changed at ¥159.35/$ after gaining as much as 0.1% on the day.



Emerging Markets back to top

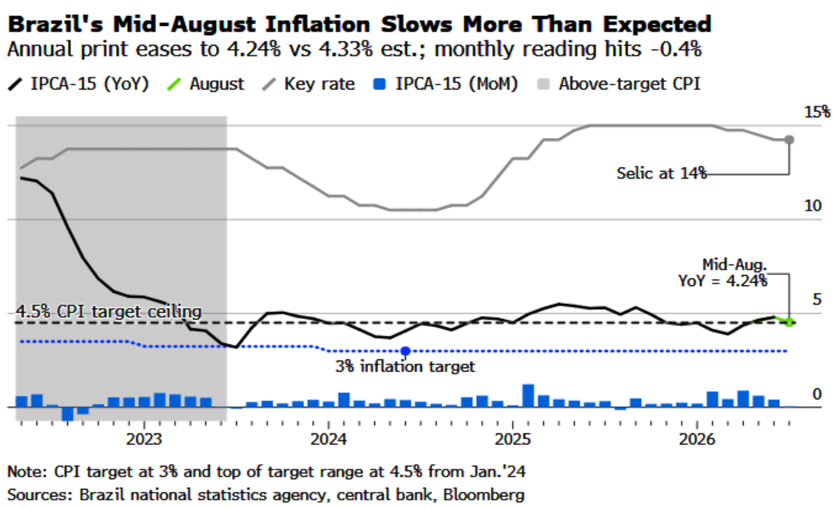
EMEA equities and currencies traded mostly lower this morning. In CEE, equities slid across the region, underperforming in Poland (-1.5%) and Hungary (-0.7%), where the forint lost ground (-0.6%) against the euro to trade at HUF364.52/€. The rand retreated by 0.3% against the dollar to ZAR 16.01/$, while South African equities traded sideways this morning. The lira continued to trade rangebound against the dollar at TRY48.13/$, while equities edged 0.3% lower this morning in Türkiye.

Most Asian markets were little changed on the day as investors awaited the outcome of the Jackson Hole conference. The **Bank of Korea** raised its benchmark interest rate for a second consecutive meeting, increasing the 7-day repo rate by another 25 bps to 3%. This latest move is seen as a pre-emptive effort to contain rising inflation amid stronger-than-expected economic growth, as the BOK sharply raised its 2026 growth forecast to 3.3% from 2.6% y/y. The won appreciated after the decision before paring its gains to KRW 1379/$ (+0.3%). In the **Philippines**, the central bank (BSP) raised its benchmark policy rate for a third consecutive time, in line with expectations, from 4.75% to 5%, as it sought to slow inflation that is well above its 2%–4% target while the growth outlook remains sluggish. The peso is the worst performer (-1.3%) among EM Asian currencies this month, while its EM Asian peers have gained.

Latin American markets weakened on Wednesday. Equity markets declined in Mexico (-0.4%), Chile (-0.7%), and Peru (-0.9%). Currencies depreciated in Chile (-0.8%) and Colombia (-1.3%) against the US dollar.

Brazil

Brazil's annual inflation slowed more than expected to 4.24% in early August. It is now below the 4.5% ceiling of the central bank's target range. Prices fell 0.4% from the previous month, mainly due to lower electricity costs and airfares. Swap rates declined after the release. Softer inflation data could support further monetary easing. The central bank cut the Selic rate by 25 basis points to 14% earlier in August, marking its fourth consecutive rate cut. However, the central bank left its next move open. Strong domestic demand, higher government spending, fiscal concerns, and rising energy prices remain key risks. The next policy meeting will take place on September 15–16.



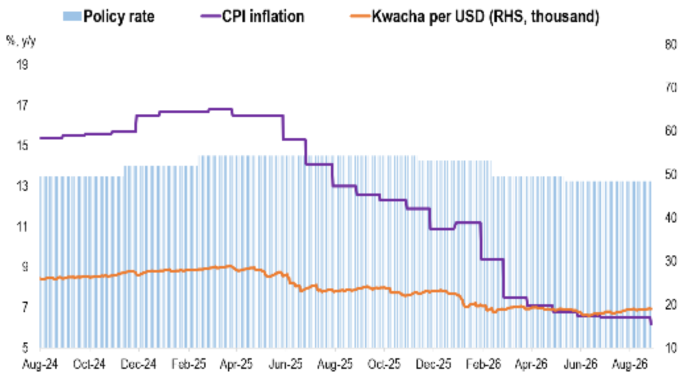
China

China's industrial profit growth slowed for a third straight month to the weakest pace this year. Profits rose 11.2% in July, down from 17.6% in the first seven months and below expectations for an 18.1% cumulative increase. High-tech sectors such as electronics surged 110%, while domestic-facing segments like property-linked materials and automobiles continued to struggle amid weak domestic demand. Local outlets, including *The Standard*, said investor attention quickly shifted to anticipation for targeted easing and fiscal support to address lingering property and consumption weakness. The prolonged property slump and falling infrastructure investment continued to weigh on ferrous metals smelters and furniture manufacturers, where profits fell by at least 51%, per NBS data, while automaker earnings dropped 20% as car sales plunged. Bloomberg reported that some economists have revised growth estimates below the authorities' 4.5–5% target. The onshore and offshore RMB were little changed at RMB 6.72/$.

Zambia

The kwacha was firm against the dollar at around ZMW19.06/$, while equities rose 0.2% after **August inflation slowed to 6.2% y/y** from 6.5%, the lowest since February 2018 and near the lower end of the central bank's 6%–8% target. The strong kwacha (+14% YTD against the dollar) has helped contain imported inflation, though it has weakened 1% this month amid post-election concerns. Food inflation slowed to 6%, non-food inflation eased to 6.6%, and the central bank's next decision is due next month after it cut rates to 13.25% in May.

Zambia: policy rates, currency and inflation



Sources: Bloomberg and IMF calculations

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Global Financial Indicators

Last updated: 8/27/26 8:45 AM	Level Last 12m	Level Latest	Change 1 Day	Change 7 Days	Change 30 Days	Change 12 M	YTD
Equities					%		%
United States		7,717	0.0	1.0	4.1	19.1	13
Europe		6,457	-0.2	0.5	2.8	19.7	11
Japan		66,132	-0.2	-0.1	6.0	54.4	31
China		4,630	0.9	0.8	1.3	3.7	0
Asia Ex Japan		117	0.0	1.7	6.0	35.8	25
Emerging Markets		67	-0.1	1.6	5.6	34.6	23
Interest Rates					basis points		
US 10y Yield		4.7	1	-4	1	43	50
Germany 10y Yield		3.2	2	-1	12	55	39
Japan 10y Yield		2.9	0	5	12	128	84
UK 10y Yield		5.0	-1	-5	3	29	54
Credit Spreads					basis points		
US Investment Grade		115	-1	-4	-6	-11	2
US High Yield		308	-4	-11	-16	-30	-33
Exchange Rates					%		
USD/Majors		99.2	0.1	0.3	-2.3	1.0	1
EUR/USD		1.16	-0.1	-0.3	2.4	0.0	-1
USD/JPY		159.4	0.1	0.2	-2.6	8.1	2
EM/USD		46.5	-0.3	-0.2	0.3	1.7	0
Commodities					%		
Brent Crude Oil ($/barrel)		88.3	0.5	-5.9	2.8	34.1	47
Industrials Metals (index)		179.6	-0.3	1.2	2.5	28.0	10
Agriculture (index)		63.6	-0.1	2.0	8.0	14.9	19
Gold ($/ounce)		4587.7	-0.1	1.6	12.5	35.0	6
Bitcoin ($/coin)		79268.8	1.1	2.5	22.1	-29.5	-10
Implied Volatility					%		
VIX Index (%, change in pp)		14.9	-0.3	-1.1	-3.7	0.1	0.0
Global FX Volatility		6.5	0.0	0.0	0.2	-1.2	-0.4
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		68	-1	-2	-4	-4	9
Italy		82	0	1	1	-5	12
France		85	-1	-1	6	3	14
Spain		45	-1	0	-1	-17	1

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Emerging Market Financial Indicators

8/27/2026 8:46 AM	Exchange Rates							Local Currency Bond Yields (GBI EM)						
	Level		Change (in %)					Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		6.72	0.0	0.1	0.6	6.4	4.0		1.8	1	1	-3	-7	-18
Korea*		1382	0.2	0.9	6.2	0.9	4.2		4.4	-3	-9	-9	168	116
Indonesia		17726	-0.1	0.1	1.6	-7.7	-5.8		7.0	3	-4	-31	73	97
India		96	-0.1	0.2	0.4	-8.2	-5.9		7.8	3	-1	-3	92	71
Philippines		62	-0.4	-0.3	-0.3	-7.6	-4.9		5.9	1	1	-18	119	124
Thailand		33	-0.3	-0.1	2.1	-1.2	-4.2		2.2	-1	-1	-1	79	46
Malaysia		4.03	-0.2	0.3	1.3	5.0	0.7		3.8	1	7	14	45	33
Argentina		1514	-0.2	-1.1	-1.1	-10.5	-4.2		0.0	0	0	0	-4743	-3237
Brazil		5.15	-0.1	0.8	-0.7	5.1	6.2		14.3	2	-16	-31	44	77
Chile		922	-0.1	-0.1	2.0	5.0	-2.4		5.6	0	1	2	19	32
Colombia		3130	-1.3	-2.9	2.2	29.5	20.7		12.2	2	13	-14	70	-64
Mexico		16.98	-0.1	-0.1	2.8	9.9	6.1		9.0	-1	0	-13	7	7
Peru		3.3	-0.1	0.3	1.8	6.1	0.6		6.2	0	7	20	-5	46
Uruguay		40	-0.2	-0.1	-0.1	-0.6	-3.2		7.6	0	2	18	-35	5
Hungary		313	-0.6	-0.2	1.2	8.9	4.6		5.4	-1	-3	-19	-128	-114
Poland		3.72	-0.5	-0.5	2.2	-1.4	-3.5		5.2	0	-4	4	42	67
Romania		4.5	-0.1	-0.5	1.9	-3.6	-4.0		6.7	-1	-3	3	-65	3
Russia		86.0	-2.1	-3.7	-9.4	-6.6	-8.5							
South Africa		16.0	-0.2	0.8	4.8	10.6	3.5		8.8	0	0	-24	-111	25
Türkiye		48.14	-0.1	-0.3	-1.6	-14.7	-10.8		34.0	-3	-77	-187	244	440
US (DXY; 5y UST)		99	0.1	0.3	-2.3	1.0	0.9		4.39	3	0	-2	69	66

	Equity Markets							Bond Spreads on USD Debt (EMBIG)					
	Level		Change (in %)					Level		Change (in basis points)			
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	7 Days	30 Days	12 M	YTD
								basis points					
China		4,630	0.9	0.8	1.3	3.7	0.0		90	-2	4	-21	15
Korea*		6,912	1.5	0.9	14.8	116.3	64.0		22	-1	-1	2	0
Indonesia		6,522	1.8	2.0	6.4	-18.0	-24.6		110	-3	-5	27	24
India		76,934	1.8	-0.8	0.2	-3.9	-9.7		94	-1	1	4	4
Philippines		6,005	-2.2	-2.5	-4.8	-3.0	-0.8		94	-4	-6	22	19
Thailand		1,601	-0.1	-0.6	-1.5	28.0	27.1						
Malaysia		1,742	-0.4	0.6	1.7	9.7	3.7		63	0	6	0	4
Argentina		3,024,971	0.5	5.2	-8.5	53.2	-0.9		526	1	82	-333	-43
Brazil		174,586	0.0	4.0	-0.4	25.4	8.4		187	0	3	-19	-16
Chile		11,367	-0.7	1.1	3.7	27.9	8.5		96	0	4	-7	5
Colombia		2,505	-0.2	2.5	9.7	35.8	21.1		196	-6	-3	-94	-81
Mexico		66,191	-0.2	3.4	-1.4	12.9	2.9		198	-1	-6	-46	-19
Peru		3,606	-1.1	6.1	6.8	73.4	39.6		93	2	5	-11	-16
Hungary		150,018	-0.5	0.9	3.8	43.9	35.1		109	-3	-3	-29	-30
Poland		151,358	-1.3	0.3	4.9	41.6	29.1		96	0	7	-1	5
Romania		35,497	-1.1	-2.5	-1.6	71.9	45.2		182	3	-3	-27	6
South Africa		116,780	0.0	1.0	6.1	14.5	0.8		200	-5	-12	-87	-18
Türkiye		14,566	-0.3	1.2	5.7	28.2	29.3		250	0	-17	-25	16
EM total		67	0.5	1.6	5.6	34.6	22.8		273	-4	2	-80	1

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

*Not an EM Under IMF Classification.

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