CROSS WEEKLY

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03 Aug 2026

Brief Weekly Overview

The S&P 500 and Nasdaq finished the week higher despite volatile trading around the Federal Reserve meeting and mixed technology earnings. The S&P 500 gained 1.05%, while the Nasdaq advanced 1.59%. Markets ended the week pricing a 65% probability of a Fed rate hike in September.

The Federal Reserve held interest rates unchanged at 3.50% - 3.75%, although three policymakers dissented in favour of a 25-basis-point hike. The unusually divided decision reinforced expectations that further tightening remains possible if inflation rebounds.

US GDP expanded at a 1.5% annualised rate in the second quarter, slowing from 2.1%, although consumer spending strengthened by 3.2%. Headline PCE inflation eased to 3.7% from 4.1%, while core PCE declined slightly to 3.3%.

US consumer confidence slipped to 90.8 from 92.2 in July, although Michigan Consumer Sentiment improved to 55.2 from 49.5. Year-ahead inflation expectations eased to 4.2%, while initial jobless claims increased modestly to 197,000, indicating continued labour-market stability.

Microsoft surged after Azure revenue increased 43%, exceeding expectations and easing concerns over the returns from heavy AI spending. The company added nearly U$450 billion in market value as its cloud forecast reinforced confidence in AI-driven demand.

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
EQUITIES					
MSCI ACWI Index	USD	1120.51	1.22%	0.00%	10.44%
S&P 500 Index	USD	7489.72	0.70%	0.00%	9.41%
Dow Jones Industrial Average	USD	52485.03	0.53%	0.00%	9.20%
Nasdaq Composite Index	USD	25373.85	1.00%	0.00%	9.17%
STXE 600 PR Index	EUR	649.19	-0.12%	0.00%	9.63%
FTSE 100 Index	GBP	10868.05	-0.27%	0.00%	9.43%
MSCI Asia Ex. Japan Index	USD	1103.67	7.41%	0.00%	20.83%
Nikkei 225 Tokyo	JPY	64362.02	4.03%	0.00%	27.86%
Shanghai A Share Index	CNY	4018.00	0.73%	0.00%	-3.45%
MSCI EM Index	USD	1665.89	6.58%	0.00%	18.62%
FIXED INCOME					
US2YT Yield	-	4.2912	4.54bps	0bps	81.82bps
US10YT Yield	-	4.7347	6.14bps	0bps	56.77bps
Bunds 10Y Yield	-	3.2060	5.11bps	34.6bps	35.1bps
BBG USD HY Corp	-	7.4100	0bps	25bps	88bps
FOREX					
Euro/US Dollar	USD	1.1527	-0.01%	0.00%	-1.86%
US Dollar/Japanese Yen	JPY	157.4000	-1.34%	0.00%	0.44%
US Dollar/Singapore Dollar	SGD	1.2828	0.09%	0.00%	-0.20%
British Pound/US Dollar	USD	1.3483	0.13%	0.00%	0.06%
US Dollar/ Chinese Yuan	CNY	6.7531	0.01%	0.00%	-3.36%
Australian Dollar/ US Dollar	USD	0.7019	-0.11%	0.00%	5.19%
US Dollar Index	-	99.9140	0.05%	0.00%	1.62%
GOLD / OIL					
Brent Crude	USD	90.12	1.22%	0.00%	48.10%
Gold Spot Price	USD	4046.15	-1.40%	0.00%	-6.33%

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EQUITIES

- US equity markets ended the week higher after recovering from a sharp midweek selloff following the Federal Reserve's divided decision to hold rates unchanged. The technology-heavy Nasdaq Composite led the major indexes higher, gaining 1.6%, while the S&P 500 and Dow Jones Industrial Average each advanced around 1%. The Russell 2000 finished broadly unchanged. Stocks initially fell as three Fed officials supported a rate hike and higher oil prices lifted inflation concerns. Sentiment improved after strong cloud results from Microsoft and Amazon reassured investors that AI spending was generating revenue, although Apple declined after warning that component shortages would constrain growth.

- The pan-European STOXX Europe 600 Index rose around 0.7%, recording a third consecutive weekly gain after touching a record high. Strong corporate earnings supported the market, while energy shares benefited from higher oil prices. The UK's FTSE 100 also reached record levels, although mixed technology and media results limited broader gains.

- Japan's stock markets finished slightly lower over the week, with the Nikkei 225 Index declining around 0.4% and the broader TOPIX Index down approximately 0.2%. Technology shares suffered a sharp midweek selloff before rebounding on strong US cloud earnings. The Bank of Japan held rates at 1%, while government intervention to support the yen contributed to significant currency and equity-market volatility.

FIXED INCOME

- US Treasuries generated mixed returns as short-term yields declined while longer-term yields rose sharply, with the 30-year yield reaching a 19-year high. The resulting yield-curve steepening reflected investor concern that the Fed's decision to hold rates, despite three hawkish dissents, may allow inflation to remain elevated and weaken confidence in its policy credibility.

FOREX

- The 10-year JGB yield ended near 2.82%, broadly unchanged over the week. The yen strengthened sharply to the upper end of the JPY 155 range against the US dollar after Japan and the US jointly intervened in currency markets. However, investors remain cautious on sustained yen appreciation as US-Japan interest-rate differentials continue to favour the dollar.

MACRO

- US GDP expanded at a 1.5% annualised rate in the second quarter, slowing from 2.1% previously as weaker government spending and slower investment offset stronger consumption. In June, personal income rose 0.2% and consumer spending increased 0.3%, while headline PCE prices fell 0.1% MoM and core PCE rose 0.1%.

DIRECT EQUITIES

- Amazon rallied after AWS recorded its strongest growth in over four years, while Apple tumbled after warning that component shortages were limiting iPhone and Mac supply. The contrasting reactions showed investors increasingly rewarding AI spending only when it produces visible revenue growth.