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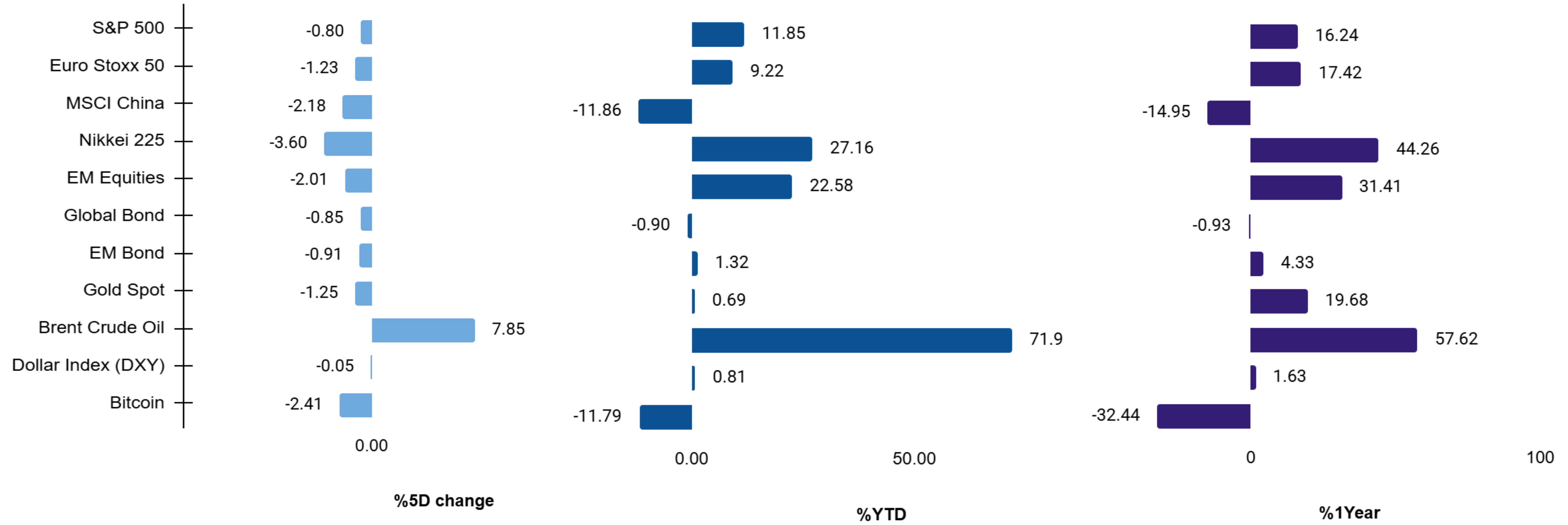
Fundamental Equity | Quantamental Investment | Structured Credit

# Weekly Market Recap

Strategic perspectives for dynamics markets

## Market Snapshot

**14 September 2026**




*Note: EM Equities - MSCI Emerging Markets Index, Global Bond - Bloomberg Global-Aggregate Total Return Index , EM Bond - JPMorgan EMBI Global Diversified Index*
*Source: Bloomberg, as of 11 Sep 2026*

| | Commentary |
|---|---|
| US Equities | The S&P 500 declined 0.80% during the week as inflation concerns outweighed a late-week rebound. August CPI rose m/m and y/y, while oil above $100 increased the risk of further energy pass-through. At the same time, underlying demand signals softened, with retail sales down 0.6% m/m and consumer sentiment falling to 51.7. Market breadth also deteriorated sharply, leaving gains increasingly concentrated in mega-cap technology and increasing sensitivity to the September Fed decision. |
| China Equities | MSCI China declined 2.18%. August exports rose 25.0% y/y, but imports fell 28.2%, pushing the trade surplus to $119.1 billion and highlighting weak domestic absorption rather than a broad economic recovery. Manufacturing PMI remained below 50, while Total Social Financing fell 58% m/m and M2 growth slowed. The weekly decline therefore reflected continued concern that export resilience and policy expectations are not yet translating into stronger domestic credit demand or broader economic momentum. |
| Emerging Markets | EM Equities declined 2.01% during the week as higher energy costs and tighter global financial conditions. South Korean semiconductor exports rose 63% y/y, but domestic retail sales and monetary aggregates contracted, while Taiwan's record export growth remained heavily concentrated in TSMC. Several Asian energy importers also faced renewed inflation and external-balance pressure. The decline highlighted a widening gap between strong headline technology exports and much weaker domestic demand, liquidity and market breadth across emerging economies. |
| Bonds (Global / EM) | Global Bond fell 0.85%, while EM Bond declined 0.91% as the global rate turned more challenging. Higher U.S. inflation and oil increased expectations of additional policy tightening, while the U.S. 10-year Treasury yield briefly approached 5%. European and Japanese yields also moved higher as markets priced tighter policy across multiple central banks. The simultaneous decline in developed- and emerging-market debt reflected broad duration pressure rather than isolated credit stress, as investors demanded greater compensation. |
| Gold | Gold declined 1.25%. Stronger U.S. inflation reinforced expectations of a Fed rate increase, raising bond yields and increasing the opportunity cost of holding non-yielding bullion. The move illustrates the tension between gold's defensive role and the effect of higher real-rate expectations: geopolitical and inflation concerns remained supportive, but tighter monetary-policy pricing dominated the weekly direction. |
| Crude Oil | Brent crude surged 7.85%. Ongoing disruptions in Gulf shipping and attacks on critical energy infrastructure tightened expectations for physical supply, pushing Brent above $100 per barrel during the week. The IEA also highlighted a larger expected global supply shortfall as normal Gulf flows remained delayed. |

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## Key Driver of the Week

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- **The oil shock moved from a commodity story to a global inflation shock:** Brent crude's 7.85% weekly surge and move above $100 materially changed the inflation backdrop. Disruptions around the Strait of Hormuz continued to constrain physical supply, while refined fuel prices also rose sharply. The impact quickly spread beyond energy: August U.S. CPI accelerated to 0.4% m/m and 3.4% y/y, while wholesale inflation had already strengthened.
- **Major central banks moved toward a synchronized tightening test:** The coming policy decisions became increasingly important as inflation pressure broadened across regions. U.S. policymakers faced stronger CPI and PPI alongside weaker retail activity, creating a difficult trade-off between inflation control and growth. In Europe, the ECB raised rates to 2.50%, while UK gilt yields remained above 5% ahead of the September MPC decision. Japan also moved toward further policy normalization, with the yen strengthening as markets anticipated tighter BOJ policy.
- **Asian headline strength increasingly masked weaker underlying demand:** Several Asian economies continued to report impressive export numbers, but the composition of growth became increasingly important. China recorded 25.0% export growth while imports collapsed 28.2%; South Korean semiconductor exports surged 63.0% while retail sales and money supply contracted; Taiwan posted 41.0% export growth largely driven by TSMC, while new-order momentum slowed.


## Highlight of the Week

**U.S. Core CPI exceeded market expectations, rising 0.3% MoM against the 0.2% consensus forecast. The stronger-than-expected inflation reading reinforced the view that inflation remains sticky and led markets to price in a greater likelihood of a Federal Reserve rate hike, increasing the expected policy rate for the 16 September FOMC meeting from 3.75% to 4.00%.**

## What We Are Watching

| Date | Event / Indicator | Last vs Consensus | Impact Summary |
|---|---|---|---|
| 17-Sep-26 | **Federal Funds Rate** | Last:3.75%\|Cons:4.00% | If the Fed delivers a rate hike in line with market expectations, it could support the U.S. dollar and put pressure on equities and bonds through higher financing costs. |
| 17-Sep-26 | Philly Fed Manufacturing Index | Last:47.4\|Cons:28.9 | If manufacturing activity remains stronger than expected, it could reinforce confidence in U.S. economic resilience and reduce expectations for near-term policy easing. |
| 17-Sep-26 | U.S. Unemployment Claims | Last:206k\|Cons:209k | If jobless claims remain below expectations, it would suggest a resilient labor market, supporting consumption but potentially keeping inflation pressures elevated. |
| 18-Sep-26 | FOMC Member speaks (Bowman and Schmid) | Last:N/A\|Cons:N/A | If Fed officials deliver hawkish remarks, markets may increase expectations for further policy tightening, supporting bond yields and the U.S. dollar. |