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Bonds take centre stage

US stocks paused for breath last week as attention pivoted to the bond market. Worries over America's fiscal trajectory, paired with a flood of government and corporate borrowing, some tied to Artificial Intelligence (AI) infrastructure spending, appeared to alarm investors. The Treasury Department tried to calm nerves by announcing bigger long-term bond buybacks starting next month. United States Secretary of the Treasury, Scott Bessent unveiled the new strategy on Thursday, describing it as a "Treasury twist." The announcement briefly sent long term government bond yields sharply lower, with the 30 year posting its largest one day decline in over a year. The move proved short lived. Yields soon rebounded, and by the end of the week the 10 year yield was trading around 4.73%, near the highest since Bessent took office.

Meanwhile, Purchasing Managers' Index (PMI) data showed US business activity surging, with the composite index hitting 56.0, its best reading since 2022, powered largely by services strength, even as manufacturing cooled slightly. The potential for a reignition of the trade war between the US and Canada increased over the weekend, with both nations imposing tariffs.

Across the Atlantic, European shares slipped despite a Friday rebound, pressured by confirmation that eurozone inflation ticked up to 2.9% in July, from 2.8% in June. Combined with geopolitical tensions and oil climbing past $87 a barrel, rate-sensitive sectors took a hit, and investors now expect the European Central Bank (ECB) to stay firmly in cautious mode.

In Japan, equities fell as fresh Middle East jitters, pricier oil, and climbing yields triggered a retreat. Tech and chip stocks bore the brunt. Adding to the gloom, second-quarter Gross Domestic Product (GDP) growth came in at just 1.1%, well below the 2.0% economists expected and a step down from the prior quarter's revised 1.9%.

Snapshot

- Gold
- Oil

- World Equities
- Corporate Bonds
- Sovereign Bonds
- Copper

The week ahead	
25 Aug	German GDP goes to print.
26 Aug	US PCE data is released.
28 Aug	Eurozone Consumer Confidence information is reported.

Fact of the week

Moderna produced the biggest one-day percentage move for an individual S&P 500 stock, after its share price increased by 177% on Wednesday following successful trial results for an experimental skin cancer therapy.

Our regular market information continues on the next page.

	1 Week Return 14.08.26 to 21.08.26		Year to Date Return 31.12.25 to 21.08.26	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-1.2%	-1.9%	13.1%	13.8%
U.S.	-1.4%	-2.2%	12.6%	13.3%
Europe	-0.8%	-0.8%	12.7%	12.7%
Ireland	0.1%	0.1%	12.1%	12.1%
U.K.	0.7%	0.5%	11.9%	14.0%
Japan	-3.4%	-4.1%	20.7%	19.7%
Hong Kong	4.7%	3.9%	11.7%	11.6%
Corporate Bonds	-0.3%	-0.3%	-1.2%	-1.2%
Sovereign Bonds	-0.7%	-0.7%	-1.5%	-1.5%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product, you may lose some or all of the money you invest.

Equities

- Global stocks finished down by -1.9% in euro terms and down -1.2% in local terms last week.
- Year-to-date global markets are up by 13.8% in euro terms and up by 13.1% in local terms.
- The U.S. market, the largest in the world, finished down -2.2% in euro terms and down -1.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.7% last week. The German equivalent finished at 3.3%. The Irish 10-year bond yield finished at 3.4%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at $87 per barrel and is up 52.5% year-to-date in euro terms.
- Gold finished the week at $4,603 per troy ounce and up 7.2% year-to-date in euro terms.
- Copper finished the week at $14,277 per tonne and is up 15.3% year-to-date in euro terms.

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