Monthly **Market Commentary** - August 2026

Global equity markets advanced 1.9% in August, driven by a strong earnings season as the AI theme continued broadening beyond large tech names. Geopolitics continued to matter throughout the month, from renewed Middle East tension to central bank and Treasury intervention in currency and bond markets.

UK large-cap equities lagged broader developed markets, edging up 0.2%, as limited exposure to technology names capped gains. In contrast, US large-cap equities returned 2.0%, whilst US technology large-cap equities outperformed with a 3.2% gain, as another strong Nvidia earnings report reinforced confidence in the AI investment cycle.

Japan and emerging markets both advanced 2.6%. Japan was supported by domestic policy, though the yen resumed weakening after the joint US-Japan intervention on July 31st, which had briefly halted its slide to a 40-year low. China lagged, falling 0.7% amid persistent demand concerns.

Global bonds were broadly flat, up 0.1%, whilst UK gilts gained 0.2%. Federal Reserve Chair Warsh struck a hawkish note at Jackson Hole, with markets now pricing in a greater chance of a rate hike in September. Treasury Secretary Bessent pledged further buybacks of long-term debt to ease summer trading conditions, though yields drifted back higher into month-end.

Commodities rallied 5.3%, as renewed dollar debasement fears took hold and the dollar weakened. Gold surged 12.7% and silver climbed 20.8%, whilst Bitcoin advanced sharply, up 24.6%. Brent crude rose 2.1%, trading around $90 per barrel at month end amid the ongoing Middle East backdrop. Global REITs fell 3.8% as rate-sensitive sectors underperformed.