Weekly Market Report For 10 – 14 August 2026

Overview

- U.S. equities extended their rally, with major indexes hitting new highs, as easing concerns over inflation and Fed rate hikes, along with strong corporate earnings, supported risk appetite.
- Oil prices rose amid lingering geopolitical uncertainty, while gold gained on a weaker dollar and expectations that the Fed will keep rates unchanged.
- U.S. inflation slowed in line with expectations, while PPI came in below forecasts, reinforcing expectations that the Fed has no rush for rate hikes. Markets are now focused on economic data ahead of the Fed's September meeting.
- China inflation slowed, signaling easing price pressures and boosting expectations for additional economic stimulus from policymakers.
- Japan GDP growth slowed more than expected, with markets assessing the impacts of the Bank of Japan's hike.

Market Brief

Most major equity markets advanced last week. The S&P 500 and Nasdaq rose for a third consecutive week, with the S&P 500 hitting a new intraday high. Gains were supported by easing concerns over inflation and Fed tightening, alongside robust corporate earnings.

Oil prices climbed as uncertainty persisted over the progress of U.S.-Iran negotiations, while attacks on vessels in the region continued.

Gold prices rose as the dollar weakened following U.S. inflation data that came in broadly in line with expectations, reinforcing expectations that the Fed will keep rates unchanged at its September meeting.

U.S. inflation

o July CPI rose 0.1% MoM, in line with expectations, and slowed to 3.4% YoY from 3.5% in June.

o Core CPI increased 0.2% MoM, in line with expectations, and eased to 2.5% YoY from 2.6%.

o PPI was flat MoM, below the 0.2% forecast, while the annual rate slowed to 4.7% YoY from 5.5%.

o Consumer inflation came in broadly in line with expectations, while producer prices were softer than expected. Softer inflation and a cooling labor market are weakening the case for another rate hike.

o CME FedWatch showed the probability of a September rate hike falling to around 33%, from 44% a week earlier.

o Markets remain focused on inflation and labor market data, particularly Nonfarm Payrolls, ahead of the Fed's September 15–16 meeting.

China

o July CPI rose 0.5% YoY, down from 1.0% in June and the lowest level in six months.

o PPI rose 3.5% YoY, slowing from 4.1% and marking the first deceleration since March.

o The PBOC continued to signal an accommodative monetary policy stance, while markets await further stimulus measures from Beijing.

Japan

o 2Q26 GDP grew 1.1% annualized, slowing from 1.9% in the previous quarter and below the market estimated of 2.0%.

o Business investment and private consumption came in below expectations, while net exports performed better than expected.

o Markets are assessing whether the economic slowdown could affect the BOJ's decision on a potential September rate hike.

Should you have any queries, please contact Krungsri Asset Management Company Limited or selling agents or mutual fund sales representatives.

0-2657-5757 krungsriasset.clientservice@krungsri.com www.krungsriasset.com

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