PRIMIS® INVESTMENT
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WEEKLY MARKETS ROUND-UP

Executive Summary

17th August 2026

Top news: after last week's dovish macro prints, July FOMC Minutes awaited on Wednesday – following the dismal Payrolls data 10 days ago, last week's US Inflation and Retail sales also printed rather weak. US CPI on Wednesday was in-line with expectations yet weaker than in June, with Core and Headline at 2.5% and 3.4% resp., while Thursday's US PPI was 4.2% as exp. for Core (vs 4.7% in June), yet below expectations on Headline at 4.7% vs 4.9% (and 5.5% prev.). Retail sales then surprised very negatively on Friday, with Core and Headline resp. down -0.3% and -0.6% MoM when +0.2% and +0.1% were expected. As a result, rate hikes expectations got priced out of the September FED meeting, are now barely 50/50 for October, as 1 rate hike would now be left for December. Generally, risk assets, which had started last week rather softly, rose to new highs from Wednesday onwards. Earnings releases were strong with CoreWeave, Cisco and AMAT all beating handsomely, yet with the later 2 dropping resp. -10% and -6% on valuation concerns, perhaps the sign of some exhaustion in the Tech space. This week is rather quiet with mostly HomeDepot and Walmart reporting Tuesday and Thursday, testing the US Consumer's resilience, while Wednesday will see the release of the July FOMC Minutes, which will either confirm or cast doubts on the current dovish pivot. Friday will then feature the S&P Global Flash PMIs, which are expected to remain in resilient expansion in both Europe and the US.

Equities: the S&P500 and the EuroStoxx50 both pushed to new highs again. Ex China, most indexes remain uptrending yet Slightly Overbought. A pullback is hence possible over in coming weeks, yet probably proves temporary.

Fixed Income: US and German 10Y benchmark yields both retested their cycle highs last week as the long end of the curve is seeing no sign of dovishness. Both remain in uptrends for now. In contrast, Credit spreads are at all-time lows.

Forex: the recent dovish macro prints have taken their toll on the US Dollar, which continued to roll-over with new short term lows vs EUR, GBP or AUD. It was rather neutral vs CHF and even started strengthening again vs JPY.

Commodities: Brent rose 7% last week as the Hormuz discussions reached a deadlock. It remains within in volatile news driven range. Gold bounced a bit more on the weaker USD dynamics, yet seems to await further confirmation.

	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS [2]
S&P500 Index	USD	7'786	Mar-26	6'344	22.7%	Aug-26	7'799	-0.2%	13.7%	up	slightly OB
Nasdaq100 Index	USD	30'046	Mar-26	22'953	30.9%	Jun-26	30'661	-2.0%	19.0%	up	slightly OB
Dow Jones Industrials Index	USD	53'732	Aug-25	44'786	20.0%	Aug-26	54'349	-1.1%	11.8%	up	slightly OB
EuroStoxx50	EUR	6'540	Sep-25	5'291	23.6%	Aug-26	6'551	-0.2%	12.9%	up	slightly OB
Swiss Market Index	CHF	14'391	Sep-25	11'876	21.2%	Aug-26	14'621	-1.6%	8.5%	up	slightly OB
Nikkei225	JPY	68'839	Sep-25	41'939	64.1%	Jun-26	72'366	-4.9%	36.7%	up	neutral
Shanghai Composite	CNY	3'930	Aug-25	3'727	5.4%	May-26	4'243	-7.4%	-1.0%	neutral	neutral
US 10Y Treasury Yield	%	4.69%	Oct-25	3.95%	0.7%	Aug-26	4.71%	-0.0%	0.5%	up	neutral
German 10Y Bund Yield	%	3.20%	Oct-25	2.55%	0.6%	Jul-26	3.21%	-0.0%	0.3%	up	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	82	Aug-25	80	2.9%	Feb-26	88	-6.3%	-2.3%	neutral	slightly OS
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	106	Aug-25	103	3.5%	Jun-26	109	-2.4%	-0.3%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Aug-25	75	5.9%	Aug-26	80	-0.1%	2.4%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	95	Aug-25	89	7.4%	Jul-26	96	-1.2%	1.5%	neutral	neutral
EUR/USD		1.16	Jun-26	1.14	1.9%	Jan-26	1.20	-3.8%	-1.5%	neutral	neutral
GBP/USD		1.35	Nov-25	1.30	3.9%	Jan-26	1.38	-2.3%	0.4%	neutral	neutral
USD/JPY		159	Sep-25	146	8.8%	Jul-26	164	-2.8%	1.7%	neutral	neutral
USD/CHF		0.81	Jan-26	0.76	6.7%	Jul-26	0.82	-0.7%	2.6%	neutral	slightly OB
AUD/USD		0.71	Aug-25	0.64	10.3%	May-26	0.73	-2.4%	6.2%	neutral	neutral
Brent Oil (per Barrel)	USD	89	Dec-25	59	50.2%	Apr-26	118	-25.0%	45.5%	down	neutral
Gold Spot (per Ounce)	USD	4'376	Aug-25	3'316	32.0%	Jan-26	5'416	-19.2%	1.4%	down	neutral

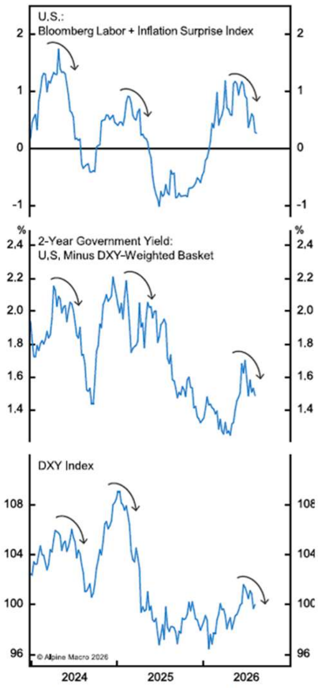
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

Source: Primis Investment (Suisse) SA

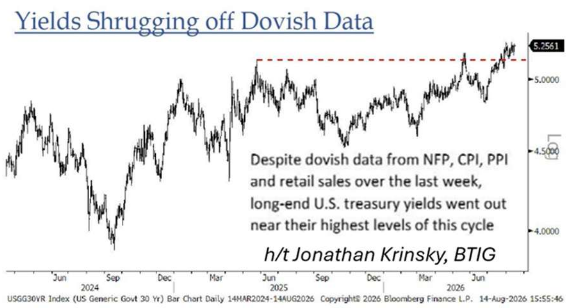
USD focus: US yields dovish on short end, yet a bear-steepening on the long end

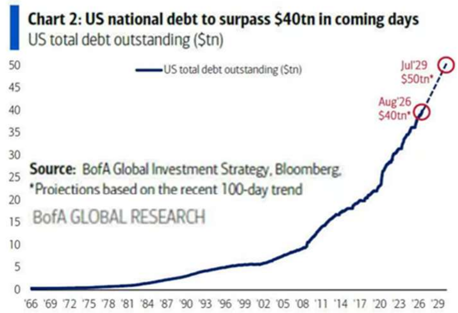
Recent macro data have turned uniformly dovish (e.g. the NFPs 10 days ago and the US CPI, PPI and retail sales last week) pushing the Bloomberg Labor + Inflation Surprise Index to roll over. The US2Y has followed and the yield differentials vs other reference markets have narrowed. As a consequence, the Dollar Index has started to drift down again (left-hand graph). Yet long-end Treasury yields have shrugged off the move with the 30Y retesting its recent cycle highs (top-center). The mismatch is telling of the financing strains currently hitting the long end of the US curve, with fewer petrodollar recyclers, thinner Japanese appetite for US paper, and hyperscaler bond issuance now crowding out Treasury demand, all while total US debt approaches $40tn and could reach $50tn by 2029 (top-right). Mechanically, the 30Y-2Y spread is now bear-steepening sharply (bot-center), a move that has also historically coincided with a weaker dollar (bot-right, inverted right-h scale), whether the steepening reflects lingering inflation concern or, as now, a rising term premium tied to fiscal stress.

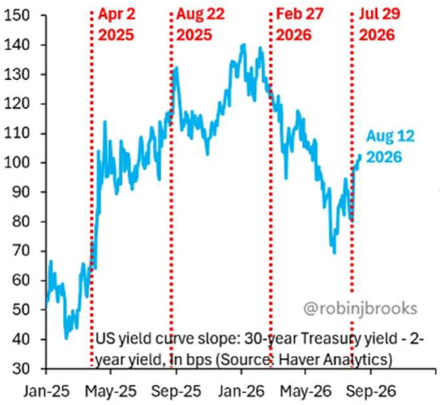
Chart 13: A Less Hawkish Fed Will Weigh On The Dollar

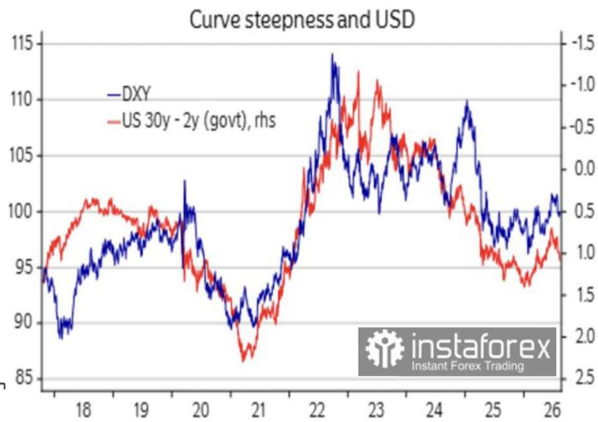


Source: Alpine Macro, Bloomberg Finance LP.









Notes:

1. **Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then "up", below -0.08% then "down", otherwise it is "neutral".
2. **Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

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