PRIMIS® INVESTMENT

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WEEKLY MARKETS ROUND-UP

Executive Summary

31th August 2026

Top news: ISM Manufacturing and Services PMIs on Tuesday and Thursday, US Payrolls on Friday – NVDA reported yet another beat on revenue and earnings Wednesday evening, yet its CFO's guidance for 70% 2028 sales growth, well above the circa 45% consensus, was the trigger to send the stock up 8% on Thursday. Those gains were partially erased on Friday as Fed Chair Warsh's Jackson Hole speech proved more hawkish than expected, reaffirming the Fed's 2% target and stressing how far inflation remains from it. A September 16th hike is now priced at 60% (from 40% pre-speech), with a further hike by December at 48% (from 30%). Equity markets, which had rallied nicely on Thursday, gave back most of these gains on Friday, finishing only slightly higher on the week. Wednesday also brought Core PCE and the Q2 GDP second estimate, both in line, while Friday's preliminary benchmark payroll revision showed 12m payrolls through Mar-26 overstated by just 79k, a relief after last year's historic -898k revision, i.e. the labor market is softening, yet not collapsing. Payrolls will be back in focus this Friday with the August release. Average Hourly Earnings could rebound to +0.3% MoM (from +0.1% in July), payrolls could rise circa +58k (vs -23k in July), with unemployment steady at 4.1%. Tuesday's ISM Manufacturing and Thursday's ISM Services PMIs should both hold firm around 55/54.

Equities: The S&P 500 is no longer Overbought at 7'712 (+12.7% YTD, -1.1% off its August high), yet last week's hawkish shift may still weigh into this week. The Nasdaq100 sits 4.0% off its early June peak 3 months ago already.

Fixed Income: US 10Y and German Bund yields remain on multi-year highs at 4.73% and 3.27%, the latter Slightly Overbought. Upside pressure may persist despite a more hawkish Warsh. Credit may drift lower alongside equities.

Forex: USD bounced sharply after Warsh's speech, with EUR/USD easing back from 1.17 to 1.16 for example. This retracement is probably part of a broader base-building process following the June/July lows (no new lows expected).

Commodities: Gold also retraced following Friday's Jackson Hole speech and actually lost 200$/oz (-5%). We also believe this is probably a base building process before renewed strength late this year and into 2027. Oil is bid this morning on further US/Iran skirmishes over the weekend. Crucial support on Brent is between 80 and 70 $/bbl.

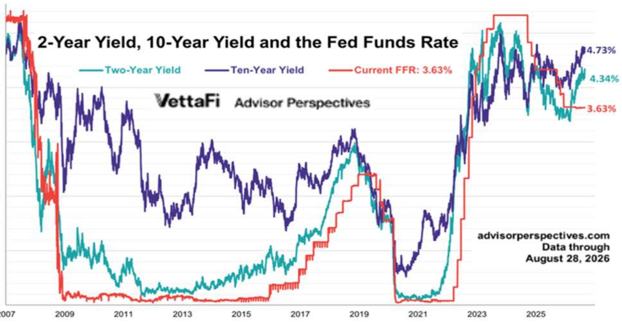
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS [2]
S&P500 Index	USD	7'712	Mar-26	6'344	21.6%	Aug-26	7'799	-1.1%	12.7%	up	neutral
Nasdaq100 Index	USD	29'433	Mar-26	22'953	28.2%	Jun-26	30'661	-4.0%	16.6%	up	neutral
Dow Jones Industrials Index	USD	53'560	Mar-26	45'167	18.6%	Aug-26	54'349	-1.5%	11.4%	up	neutral
EuroStoxx50	EUR	6'486	Sep-25	5'291	22.6%	Aug-26	6'551	-1.0%	12.0%	up	neutral
Swiss Market Index	CHF	14'400	Sep-25	11'876	21.3%	Aug-26	14'621	-1.5%	8.5%	up	neutral
Nikkei225	JPY	66'301	Sep-25	41'939	58.1%	Jun-26	72'366	-8.4%	31.7%	up	neutral
Shanghai Composite	CNY	3'953	Jul-26	3'764	5.0%	May-26	4'243	-6.8%	-0.4%	neutral	neutral
US 10Y Treasury Yield	%	4.73%	Oct-25	3.95%	0.8%	Aug-26	4.73%	-0.0%	0.5%	up	neutral
German 10Y Bund Yield	%	3.27%	Oct-25	2.55%	0.7%	Aug-26	3.27%	0.0%	0.4%	up	slightly OB
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	83	Sep-25	80	3.4%	Feb-26	88	-5.4%	-1.3%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	106	Sep-25	103	3.3%	Jun-26	109	-2.2%	-0.0%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Sep-25	76	5.1%	Aug-26	80	-0.2%	2.4%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	95	Sep-25	89	6.5%	Jul-26	96	-1.4%	1.4%	neutral	neutral
EUR/USD		1.16	Jun-26	1.14	2.0%	Jan-26	1.20	-3.7%	-1.4%	neutral	neutral
GBP/USD		1.35	Nov-25	1.30	3.9%	Jan-26	1.38	-2.3%	0.4%	neutral	slightly OB
USD/JPY		160	Sep-25	146	9.3%	Jul-26	164	-2.3%	2.2%	neutral	neutral
USD/CHF		0.81	Jan-26	0.76	6.1%	Jul-26	0.82	-1.2%	2.1%	neutral	neutral
AUD/USD		0.72	Nov-25	0.64	11.2%	May-26	0.73	-1.3%	7.3%	neutral	neutral
Brent Oil (per Barrel)	USD	89	Dec-25	59	51.6%	Apr-26	118	-24.3%	46.8%	down	neutral
Gold Spot (per Ounce)	USD	4'457	Sep-25	3'476	28.2%	Jan-26	5'416	-17.7%	3.2%	neutral	neutral

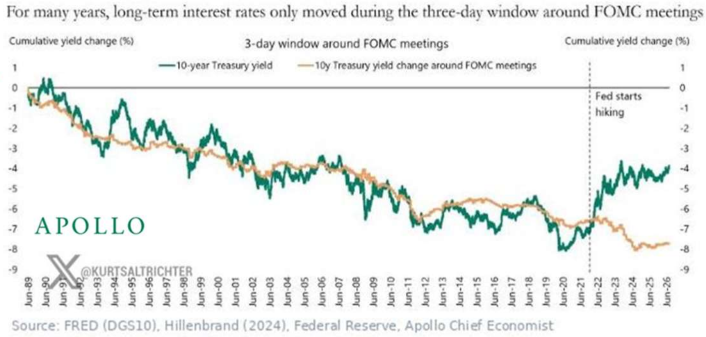
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

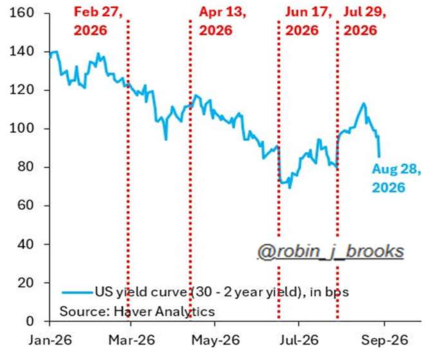
Source: Primis Investment (Suisse) SA

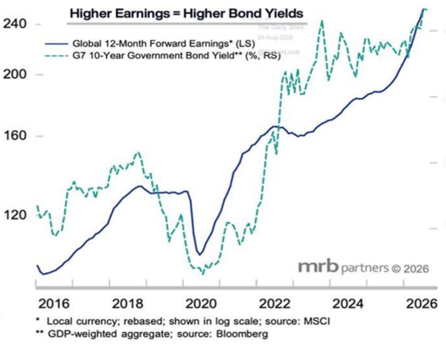
Hawkish focus: Warsh surprised markets yet probably didn't have a choice

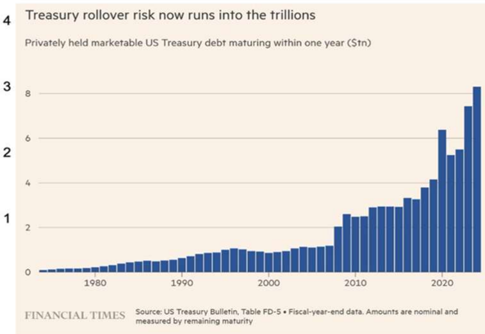
The yields picture remains under stress with the US10Y close to an upside break out, while the US2Y trades at multi-month highs (top-left). To make things harder for the FED, long term yields look increasingly disconnected from its policy as FOMC meetings now seem to have much less influence on the US10Y than they used to (top-right). This is exactly the type of bond vigilante dynamics that probably prompted Bessent's recent announcement to double the Treasury’s long term buybacks of its own debt. In this context, Warsh's Friday surprise hawkish speech comes as further reinforcement, putting rate hikes back in play and pushing the curve back into bearish flattening (bot-left), thereby potentially slowing the long end’s relentless rise. Yet, upside pressure on yields may persist as record corporate profit growth and AI capex surge could generally lead to more growth as well as drain base products supply chains, resulting in higher inflation expectations once again (bot-centre). The term premium should also remain pressured by the sole scale of the current US debt refinancing wall (bot-right) and despite the small Treasury buybacks. Ultimately, Warsh's hawkishness may be less a policy choice than a credibility one. With more FOMC members possibly also turning hawkish, he cannot afford to be outvoted in his own chairmanship.











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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