momentum
global investment management

Global market review & outlook

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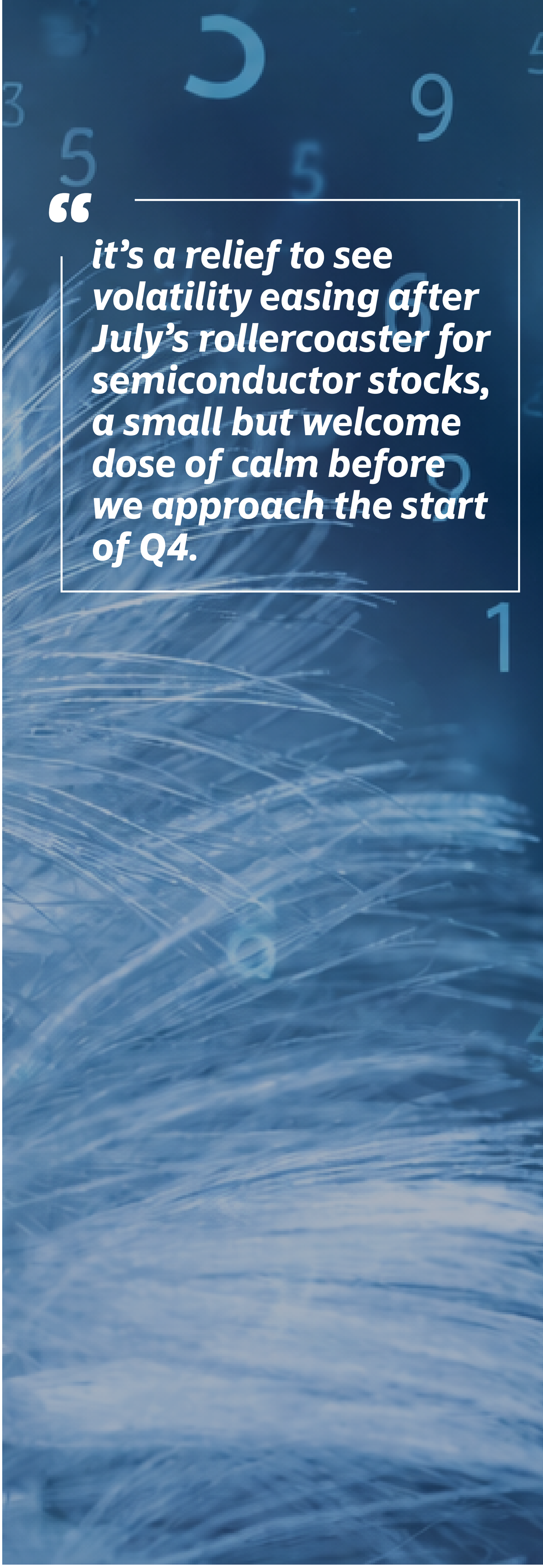
While there was no let up in eventful news headlines, August was noticeably calmer than much of 2026, with markets enjoying a brief period of respite after a year dominated by geopolitical tension, AI euphoria and volatility across bonds and equities. That calm will have been particularly welcomed by investors over the summer holiday season, with those checking markets from the beach spared the sharp swings that have become a recurring feature of recent years. As a result, investors were generally rewarded for looking through the noise, as resilient economic fundamentals continued to support risk assets.

Against that backdrop, global equities delivered modest gains, with the MSCI ACWI rising 2.6%. The S&P 500 followed suit, also rising 2.6%, helped along by a livelier Magnificent 7 (+3.8%) and genuine breadth beneath the surface, with the S&P 500 Equal Weighted Index up 1.9%. Semiconductors added positively too, with the Philadelphia Semiconductor Index adding 2.0% as Nvidia's results gave the sector a much needed confidence boost. Jensen Huang, Nvidia co-founder and CEO, told the market to expect 70% revenue growth by fiscal 2028, comfortably ahead of what analysts had pencilled in, which helped the AI trade recover from its wobble earlier in the month due to the impact of rising borrowing costs. Regional performance was more subdued elsewhere, with Europe and the UK broadly flat for the month, while Japan and emerging markets outperformed. China was the worst performing major region, as retail sales disappointed and both real estate and infrastructure investment contracted significantly, pointing to a slowdown rather than the recovery investors had hoped for. The Hang Seng (HK) Index slipped 1.2%, and the Nasdaq Golden Dragon Index – an index of companies whose business is mostly conducted in China but whose shares are listed in the US - fell 7.9% as a result. Bitcoin, the poster child of the cryptocurrency market, gained 25.2% and briefly moved back above $80,000, although still some way short of the record highs above $120,000 reached in October 2025.

Middle East tensions once again set the tone, with early hopes for diplomacy briefly boosting equity markets and easing oil prices. That optimism didn't last long, however, as talks collapsed a couple of weeks later as the US and Iran traded strikes once more, including Iranian missiles hitting cargo tankers in the Strait of Hormuz. Oil and gas prices reacted as expected, with WTI crude climbing to $84.7 a barrel, up 1.3% on the month, whilst European LNG prices soared to their highest level since 2023. Commodities more broadly joined in, with the Bloomberg Commodity Index up 7.1% as oil, gas, precious metals and agricultural products all moved higher, the latter also picking up a bid on reports of a 'Super El Niño' event occurring later in the year. Government bond markets took note, with yields pushing higher as investors began pricing in a higher-for-longer inflationary environment. UK inflation added to global pressures, with CPI rising to 2.9%, complicating the Bank of England's interest rate path even further. By 1st September, the 10-year gilt yield stood at 5.20% and the 30-year at 5.87%, its highest level since 1998. The US 10-year reached 4.78%, a level not seen since October 2023, while the Japanese 10-year broke through 3.00% for the first time since 1996. By month-end, sovereign yields across the globe all look to be trending in the same upward direction.

One of August's major headlines came courtesy of the US Federal Reserve, which stepped up its planned purchases of longer-dated (20-30yr) Treasury bonds to at least $4bn per operation. In the grand scheme of things, this sum barely moves the needle, but gold investors appeared to interpret it as another dent in the US dollar's credibility, and the gold price responded with a 9.6% rise, a welcome gain after a lacklustre few months which saw the yellow metal retreat from January's all-time-high of $5,500/oz. Despite the Treasury's show of support, yields soon carried on climbing regardless, both in the US and globally. Currency markets were also influenced by official intervention as US authorities continued efforts to support the Japanese yen, reflecting ongoing concern about yen weakness and the broader implications on other global economies. Inflation has played its part in the rise in yields, but the bigger story running through 2026 has been rising real yields, which indicate that governments may simply be spending more than markets are comfortable with. Fed Chair Warsh struck a notably hawkish tone at the Jackson Hole Economic Symposium, leaving the door open to a rate hike on 16th September should the 11th September CPI print fail to show sufficient cooling.

Looking ahead, it's a relief to see volatility easing after July's rollercoaster for semiconductor stocks, with the VIX index - often referred to as Wall Street's 'fear gauge' - drifting down from 16.0 to 15.2 over the month, a small but welcome dose of calm before we approach the start of Q4. Risks certainly haven't gone away, with the Iran conflict and rising borrowing costs both still capable of causing trouble, but the broader backdrop remains a genuinely encouraging one, underpinned by strong corporate earnings, resilient growth and an AI investment boom that shows no sign of slowing down just yet. Whilst much of the market remains fixated on AI expenditure, valuations and whether the party can continue, there continues to be a plethora of attractive investment opportunities available for investors who look further afield.



Market performance Global

as at 31 August 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
Developed Markets Equities						
United States	S&P 500 NR	USD	2.7%	1.6%	12.9%	20.0%
United Kingdom	MSCI UK NR	GBP	0.1%	4.6%	11.9%	21.7%
Continental Europe	MSCI Europe ex UK NR	EUR	0.7%	4.1%	11.9%	20.8%
Japan	Topix TR	JPY	3.9%	5.2%	23.4%	38.3%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	3.2%	-0.7%	24.9%	36.8%
Global	MSCI World NR	USD	2.6%	2.4%	13.1%	20.4%
Emerging Markets Equities						
Emerging Europe	MSCI EM Europe NR	USD	5.0%	9.8%	27.5%	40.0%
Emerging Asia	MSCI EM Asia NR	USD	3.3%	-2.1%	26.9%	42.6%
Emerging Latin America	MSCI EM Latin America NR	USD	-0.7%	1.7%	15.1%	32.7%
BRICs	MSCI BRIC NR	USD	-0.5%	1.6%	-5.9%	-2.4%
China	MSCI China NR	USD	-0.3%	0.9%	-7.6%	-6.1%
Global emerging markets	MSCI Emerging Markets NR	USD	3.4%	-1.2%	24.1%	39.2%
Bonds						
US Treasuries	JP Morgan United States Government Bond TR	USD	0.3%	-0.5%	-0.4%	1.4%
US Treasuries (inflation protected)	Bloomberg US Government Inflation Linked TR	USD	0.1%	-1.2%	0.4%	1.0%
US Corporate (investment grade)	Bloomberg US Corporate Investment Grade TR	USD	0.4%	-1.1%	-0.4%	1.9%
US High Yield	Bloomberg US High Yield 2% Issuer Cap TR	USD	1.0%	1.0%	2.7%	4.9%
UK Gilts	JP Morgan UK Government Bond TR	GBP	0.2%	-0.8%	-1.4%	2.4%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	0.4%	-0.1%	0.2%	3.6%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-0.6%	-1.8%	-1.0%	-0.3%
Euro Corporate (investment grade)	Bloomberg Euro Aggregate Corporate TR	EUR	-0.2%	-0.8%	0.1%	0.8%
Euro High Yield	Bloomberg European HY 3% Constrained TR	EUR	0.5%	0.7%	2.0%	3.1%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	-0.8%	-1.4%	-4.2%	-6.4%
Australian Government	JP Morgan Australia GBI TR	AUD	-0.4%	0.0%	1.1%	-0.4%
Global Government Bonds	JP Morgan Global GBI	USD	0.2%	-1.1%	-1.6%	-1.5%
Global Bonds	ICE BofAML Global Broad Market	USD	0.5%	-0.8%	-0.3%	0.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	1.4%	-3.9%	14.5%	20.8%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	1.0%	0.2%	3.3%	6.6%

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Market performance Global as at 31 August 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
Property						
US Property Securities	MSCI US REIT NR	USD	-3.0%	2.0%	15.9%	14.6%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	-7.1%	-6.6%	-13.5%	-18.2%
Global Property Securities	S&P Global Property USD TR	USD	-2.7%	0.1%	7.8%	8.6%
Currencies						
Euro		USD	0.8%	-0.4%	-1.1%	-0.6%
UK Pound Sterling		USD	0.5%	0.7%	0.5%	0.3%
Japanese Yen		USD	-1.5%	-0.3%	-1.9%	-7.9%
Australian Dollar		USD	2.1%	-0.3%	7.4%	9.6%
South African Rand		USD	2.6%	0.7%	2.8%	9.6%
Commodities & Alternatives						
Commodities	RICI TR	USD	7.3%	6.3%	41.6%	46.1%
Agricultural Commodities	RICI Agriculture TR	USD	8.9%	11.5%	21.7%	16.1%
Oil	Brent Crude Oil	USD	0.4%	-1.7%	48.7%	32.8%
Gold	Gold Spot	USD	9.7%	-2.3%	2.7%	28.7%

Interest Rates	Current Rate
United States	3.75%
United Kingdom	3.75%
Eurozone	2.40%
Japan	1.00%
Australia	4.35%
South Africa	7.00%

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Market performance UK

as at 31 August 2026 (all returns GBP)

Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
Equities						
UK - All Cap	MSCI UK NR	GBP	0.1%	4.6%	11.9%	21.7%
UK - Large Cap	MSCI UK Large Cap NR	GBP	-0.4%	4.3%	12.0%	22.7%
UK - Mid Cap	MSCI UK Mid Cap NR	GBP	2.5%	6.4%	8.7%	12.3%
UK - Small Cap	MSCI Small Cap NR	GBP	4.1%	7.2%	11.7%	19.0%
United States	S&P 500 NR	USD	2.1%	1.0%	12.1%	19.6%
Continental Europe	MSCI Europe ex UK NR	EUR	0.9%	3.0%	9.9%	19.5%
Japan	Topix TR	JPY	3.0%	4.2%	20.1%	26.8%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	2.5%	-1.3%	24.0%	36.4%
Global developed markets	MSCI World NR	USD	1.9%	1.7%	12.3%	20.0%
Global emerging markets	MSCI Emerging Markets NR	USD	2.7%	-1.8%	23.2%	38.8%
Bonds						
Gilts - All	ICE BofAML UK Gilt TR	GBP	0.2%	-0.9%	-1.5%	2.4%
Gilts - Under 5 years	ICE BofAML UK Gilt TR 0-5 years	GBP	0.3%	0.4%	1.0%	2.7%
Gilts - 5 to 15 years	ICE BofAML UK Gilt TR 5-15 years	GBP	0.2%	-0.7%	-1.0%	2.2%
Gilts - Over 15 years	ICE BofAML UK Gilt TR 15+ years	GBP	0.1%	-2.8%	-5.4%	1.6%
Index Linked Gilts - All	ICE BofAML UK Gilt Inflation-Linked TR	GBP	0.9%	-1.8%	-0.9%	4.3%
Index Linked Gilts - 5 to 15 years	ICE BofAML UK Gilt Inflation-Linked TR 5-15 years	GBP	0.9%	-0.7%	1.9%	3.8%
Index Linked Gilts - Over 15 years	ICE BofAML UK Gilt Inflation-Linked TR 15+ years	GBP	1.1%	-3.8%	-5.2%	4.9%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	0.4%	-0.1%	0.2%	3.6%
US Treasuries	JP Morgan US Government Bond TR	USD	-0.4%	-1.1%	-1.2%	1.0%
US Corporate (investment grade)	Bloomberg US Corporate Investment Grade TR	USD	-0.3%	-1.6%	-1.2%	1.6%
US High Yield	Bloomberg US High Yield 2% Issuer Cap TR	USD	1.0%	1.0%	2.7%	4.9%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-0.6%	-1.8%	-1.0%	-0.3%
Euro Corporate (investment grade)	Bloomberg Euro Aggregate Corporate TR	EUR	-0.2%	-0.8%	0.1%	0.8%
Euro High Yield	Bloomberg European High Yield 3% Constrained TR	EUR	0.5%	0.7%	2.0%	3.1%
Global Government Bonds	JP Morgan Global GBI	GBP	-0.4%	-1.7%	-2.3%	-1.8%
Global Bonds	ICE BofAML Global Broad Market	GBP	0.5%	-0.8%	-0.3%	0.6%
Global Convertible Bonds	ICE BofAML Global Convertibles	GBP	1.4%	-3.9%	14.5%	20.8%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	GBP	0.3%	-0.4%	2.5%	6.3%

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Market performance UK as at 31 August 2026 (all returns in GBP)

Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
Property						
Global Property Securities	S&P Global Property TR	GBP	-3.3%	-0.5%	7.0%	8.3%
Currencies						
Euro		GBP	0.3%	-1.1%	-1.6%	-0.9%
US Dollar		GBP	-0.5%	-0.7%	-0.6%	-0.3%
Japanese Yen		GBP	-1.8%	-1.0%	-2.5%	-8.3%
Commodities & Alternatives						
Commodities	Rogers International Commodity (RICI) TR	GBP	6.6%	5.7%	40.6%	45.6%
Agricultural Commodities	Rogers International Commodity (RICI) Agriculture TR	GBP	8.2%	10.9%	20.8%	15.8%
Oil	Brent Crude Oil	GBP	-0.2%	-2.3%	47.6%	32.4%
Gold	Gold Spot	GBP	9.7%	-2.3%	2.7%	28.7%

Interest Rates	Current Rate
United Kingdom	3.75%

Source: Bloomberg Finance L.P. , Momentum Global Investment Management. Past performance is not indicative of future returns.

Asset allocation views

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Score	---	--	-	/	+	++	+++

Score	Change	---	--	-	/	+	++	+++
MAIN ASSET CLASSES	▲/▼/–							
Equities	–			■				
Rates	–			■				
Credit	▲					■		
Specialist / Alternatives	–					■		
Cash	–					■		
EQUITIES								
Developed Equities	–			■				
UK Equities	–				■			
European Equities	–			■				
US Equities	–		■					
Japanese Equities	▲					■		
Emerging Market Equities	–			■				
FIXED INCOME								
Government	–			■				
Index-Linked	–			■				
Investment Grade Corporate	–				■			
High Yield Corporate	–					■		
Emerging Market Debt	–					■		
SPECIALIST ASSETS/ALTERNATIVES								
Global Listed Property	–				■			
Global Listed Infrastructure	–			■				
Specialist Assets	–						■	
Liquid Alternatives	▲				■			
Gold	–				■			

The asset allocation views are updated at the end of each quarter unless otherwise stated.

For more information, please contact:
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