

Kevin Warsh the hawk

By Gustavo Medeiros and Ben Underhill

- The Fed hiked rates 25bps, as widely expected.
- The Bank of Japan also hiked, while the Bank of England held.
- Oil prices declined on better Hormuz flows, but escalation risks remain high.
- Trump and Xi due to meet in Washington on Thursday.
- The memory semiconductor market could surpass non-memory in size this year.
- Brazil's presidential polls diverged as a Supreme Court crisis reshaped the race.
- Colombia's de la Esparilla fired DANE chief Ricardo Valencia.
- Fitch affirmed Morocco's 'BB+' rating with a stable outlook.

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Last Week Performance and Comments

EM Debt	Yield	Change (bp)	Spread	5 day Change	EM Equity*	PE 1yr BF	5 day Change	Comments
GBI-EM GD	6.44%	1	–	-1.0%	MSCI EM	9.8	-0.6%	• EM local currency bonds fell 1.0%, driven by FX with rates stable. • EM USD sovereign bonds fell 0.2%. • EM equities fell 0.6%, with China outperforming.
GBI-EM FX Spot	–	–	–	-1.1%	MSCI EM ex-China	9.7	-0.7%	
ELMI+	5.82%	42	–	-1.0%	MSCI EMEA	10.3	-2.5%	
EMBI GD	6.83%	-5	217 bps	-0.2%	MSCI Latam	9.7	-2.5%	
EMBI GD IG	6.08%	-5	142 bps	0.0%	MSCI EM Asia	10.0	-0.2%	
EMBI GD HY	7.69%	-5	303 bps	-0.3%	MSCI China	10.1	-0.1%	
CEMBI BD	6.54%	-1	190 bps	-0.2%	MSCI India	19.2	-1.0%	
CEMBI BD IG	5.99%	-2	134 bps	-0.1%	MSCI EM Small Cap	13.9	-0.4%	
CEMBI BD HY	7.67%	2	304 bps	-0.2%	MSCI Frontier	10.7	-1.4%	

Global Debt	Yield	Change (bp)	Spread	5 day Change	Global Backdrop*	PE 1yr BF	5 day Change	Comments
2yr UST	4.72%	6	–	-0.1%	MSCI ACWI	16.4	-0.5%	• UST curve flattened with 2-yr yields moving up and 10-yr yields marginally compressing. • US stocks fell 0.1%, with higher energy prices dampening sentiment. • Brent prices fell to USD 101 per barrel.
5yr UST	4.81%	-1	–	-0.3%	MSCI World (DM)	18.0	-0.5%	
10yr UST	4.95%	-4	–	-0.2%	S&P 500	19.1	-0.1%	
30yr UST	5.29%	-6	–	0.3%	VIX Fut.**	17.8	0.9%	
10yr Germany	3.45%	-7	–	0.6%	DXI Index**	100.2	0.8%	
10yr Japan	2.99%	-1	–	0.0%	EUR*	1.149	-0.5%	
Global Agg.***	4.31%	4	29 bps	-0.6%	JPY*	157.3	-1.9%	
US Agg. IG***	5.77%	3	70 bps	0.0%	CRY Index**	422.6	-0.1%	
EU Agg. IG***	4.24%	9	65 bps	-0.2%	Brent**	101.1	-4.3%	
US Corp HY***	7.73%	11	267 bps	-0.3%	Gold**	4,361	1.4%	
EU Corp HY***	6.80%	9	287 bps	-0.1%	Bitcoin**	85,250	12.0%	

Global Macro

The US Federal Reserve (Fed) hiked interest rates last week as widely expected, raising the upper band from 3.75% to 4.0%. Given the 90% probability of a hike priced into interest rate swaps, any other decision would have been a major surprise, so markets were more focused on the detail than the decision itself. On balance, this was more hawkish than expected. The Federal Open Market Committee (FOMC) statement and Fed Chair Kevin Warsh's personal commentary both emphasised the strength of the US economy, the solidity of the jobs market and the continuing rise in AI-related investment.

This reflects a view that economic resilience in the face of higher energy prices and geopolitical uncertainty highlights underlying strength rather than exposing fragilities. The prevailing view on the FOMC seems to be that because employment and growth look robust, there is scope to focus fully on the inflation side of the mandate. Its statement said: "Today's policy action will support a timelier return to the Committee's 2% goal. The Committee will deliver price stability."

This move and firm language should put to bed any fears of an imminent loss of Fed independence and credibility. The other uncertainty which Warsh and the FOMC appear to have answered was how the anticipation of AI-related disinflation (via the jobs market) would impact monetary policy decision making. For now, Warsh was clear that the investment surge driven by AI capital expenditure was the primary macro lever, rather than wage compression or labour disruption, and monetary policy will respond as such. There was no suggestion that this was a one-off. Warsh said the FOMC had "removed a dose of accommodation", implying there may be further to go.

Markets responded well to the move, with the 10-year US Treasury yield falling as Warsh would have hoped and the US dollar moving slightly stronger. The 2-year Treasury yield moved higher as markets moved to price in more hikes, with one more expected in 2026 and two more in 2027. US equities were relatively unbothered by the hike, considering it was priced, but reacted positively to the fall in 10-year yields. Ten-year Treasuries and US equities are currently exhibiting elevated positive correlation (bond prices up, equities up), which is typical when yields are so elevated.

The Bank of Japan (BoJ) raised rates by 25 basis points (bps) to 1.25%, the highest level in 31 years, in a 7-2 vote. BoJ Governor Kazuo Ueda framed the decision as entering a "new phase" of policymaking focused on stabilising inflation near the 2% target. He gave mixed signals on the future path, not ruling out any options, including back-to-back hikes or larger moves, but not committing to either. The Yen weakened following the hike due to the two dissents and Ueda's ambiguous commentary. The two dissenters, both appointed by Prime Minister Sanae Takaichi, raised concerns about the BoJ's ability to deliver further hikes, potentially leading to further curve steepening. Two other board members are due to leave next year and could be replaced by more dovish policymakers.

The Bank of England (BoE) kept Bank Rate on hold at 3.75%. Its Monetary Policy Committee (MPC) voted 6-3 in favour, with MPC members Megan Greene, Catherine Mann and Huw Pill voting for a hike. The minutes from the meeting sent a clear message that a hike is forthcoming unless the outlook changes. The main surprise was an eight-year quantitative tightening (QT) plan cutting Gilts held for monetary policy purposes to zero: 1) Gilts due up to 2034 (GBP 222bn) will be held to maturity and passively redeem; 2) Gilts from 2035-2049 (GBP 146bn) will be sold at a pace of GBP 20bn a year, purchased directly by the Treasury and financed via new, likely shorter-dated, issuance; and 3) Gilts from 2049-2071 (GBP 120bn) will be retained permanently to back banknotes in circulation. By keeping the long end out of open-market sales, the plan avoids adding further duration supply into a part of the curve where pension and liability-driven investment (LDI) demand has structurally faded. BoE Governor Andrew Bailey framed it as a bid for predictability, though it also conveniently eases pressure on 30-year yields and the taxpayer losses crystallised by active QT sales.

Geopolitics

Oil gave up some recent gains last Thursday on reports that some of Saudi Arabia's pipelines, previously shut down after drone attacks, will be coming back online within days, with full capacity restored over roughly six weeks. Also, Middle East oil flows remain surprisingly strong despite the disruption to Saudi Arabia's East-West pipeline. Over the past 10 days, total oil flows averaged 17.1 million barrels per day (mbpd), just 6.1 mbpd below the 2025 average. The resilience has come increasingly through the Strait of Hormuz, where flows, including ship-to-ship transfers in Omani waters, have climbed to 10.4 mbpd. The most notable pivot has come from Saudi Arabia. Satellite data indicates Saudi oil moving through Hormuz averaged 2.9 mbpd over the past six days, up from just 0.7 mbpd in August.

Shanghai oil futures fell sharply from around USD 130 a barrel to USD 100, and Brent crude fell from USD 109 to USD 101 – JPMorgan estimate the risk premium in the front-month Brent contract at around USD 10, with the underlying supply/demand balance indicating fair value closer to USD 90.

Global Macro (continued)

But escalation in the Middle East war may be imminent. US President Donald Trump cut short his Camp David weekend, returning to the White House a day early on 19 September, after a State Department alert warning Middle East tensions “could escalate rapidly” – coinciding with Houthi strikes on Riyadh/Saudi Aramco. The *New York Times* reports Trump had ordered the Pentagon to prepare Houthi airstrikes that Thursday, with target lists approved and bombs being loaded, only to pull back by Sunday, saying strikes wouldn’t happen “at least not for the time being.” Israel’s Prime Minister Benjamin Netanyahu’s visit to the US was similarly cut to a few hours in New York for his United Nations General Assembly (UNGA) speech, dropping a planned Texas/Musk stop, officially attributed to logistics and scheduling (one Israeli official cited the approaching election). While there is no confirmed link between the two, taken together with the near-miss Houthi strike order, the pattern reads less like coincidence and more like a genuine escalation scare that both leaders stepped back from at the last moment.

Iran’s central military command said this week it believes the US has decided to resume attacks on the Islamic Republic. Citing the General Staff of the Iranian Armed Forces, state media reported “According to intelligence received, the US has once again decided – with the green light from certain regional countries – to resume actions against Iran during a joint meeting in a European nation.” At the same time, Iranian leadership again warned US allies in the region they will be considered “complicit” if the US resumes its military assault, and the military HQ stated, “any mistakes will result in painful attacks.” Tehran indicated on Sunday that it is still awaiting Trump’s response to its conditions for ending the war; chief negotiator Mohammad Bagher Ghalibaf confirmed to *Agence France-Presse* (AFP) that Iran’s demands were sent to Washington via Qatar.

Trump and Chinese President Xi Jinping are due to meet in Washington on Thursday. Our base case is a one-year extension of the existing trade truce, which maintains agreed tariff levels and suspends new export controls, providing policy stability beyond its 10 November expiry.

EM Asia

Economic data

China's consumption remains soft.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
China	Money Supply M2 (YoY)	Aug	7.5%	7.6%	7.7%	
	Money Supply M1 (YoY)	Aug	4.1%	4.1%	4.0%	
	Money Supply M0 (YoY)	Aug	11.2%	–	11.6%	
	Retail Sales (YoY)	Aug	0.4%	0.8%	0.6%	Consumption stayed soft even as factory output beat, underscoring the demand side of Beijing's supply gap.
	Retail Sales YTD (YoY)	Aug	1.1%	–	1.2%	
	Industrial Production (YoY)	Aug	5.2%	4.8%	4.5%	
	Industrial Production YTD (YoY)	Aug	5.3%	–	5.3%	
	Fixed Assets Ex Rural YTD (YoY)	Aug	-7.2%	-7.1%	-6.7%	
India	Wholesale Prices (YoY)	Aug	9.9%	9.9%	9.8%	
	Exports (YoY)	Aug	26.1%	–	19.6%	Export growth hit a multi-month high on strong, electronics and fuel shipments, narrowing the deficit.
	Imports (YoY)	Aug	14.1%	–	17.5%	
Malaysia	CPI (YoY)	Aug	1.9%	1.8%	1.8%	
	Exports (YoY)	Aug	45.5%	38.0%	38.0%	
South Korea	PPI (YoY)	Aug	7.9%	–	7.7%	
Taiwan	CBC Benchmark Interest Rate	17-Sep	2.0%	2.0%	2.0%	
Thailand	Gross International Reserves (USD)	11-Sep	281.0bn	–	284.0bn	

Source information is at the end of the document.

Commentary

China: Defence Minister Dong Jun urged nations to consult on AI governance and deepen security dialogue on AI, space and the deep sea, speaking at the Xiangshan Forum on 17 September. He called for stronger risk assessment and rule-setting on military AI use, contrasting China's open-source approach with Washington's more deregulated stance.

China's new exit-entry law (Decree No. 841, effective 15 September) is its biggest border-control overhaul since 2013. It adds six-month to three-year exit bans for document fraud or export-control breaches, one to five-year entry bans for foreigners on similar grounds, mandatory travel-risk alerts, and tighter travel-agency registration.

South Korea: KB Securities expects the global memory semiconductor market to surpass the non-memory segment for the first time in 2026, more than tripling to KRW 1,100trn to take a 55% share as AI infrastructure investment expands. Samsung Electronics and SK Hynix will be the main beneficiaries. A troop deployment to the Strait of Hormuz is increasingly seen within the government as difficult to avoid given US pressure, though officials favour a smaller contribution of non-combat or defensive assets amid public opposition, with President Lee Jae-myung due to address the issue on 18 September before Foreign Minister Cho meets US Secretary of State Rubio. Separately, the industry ministry said the shutdown of a major Saudi oil pipeline would have only a limited short-term impact on domestic supply, as refiners have already secured more than 90% of the crude needed for September and October.

Latin America

Economic data

Brazil cut rates for fifth consecutive meeting.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Argentina	GDP (YoY)	2Q	2.0%	1.6%	2.4%	Annual growth beat forecasts but quarterly momentum turned negative, per INDEC, a caution flag for H2.
	Unemployment Rate	2Q	7.9%	–	7.8%	
Brazil	Retail Sales (MoM)	Jul	-0.8%	-0.2%	0.3%	Fifth straight cut, defying the Fed's hawkish turn.
	Retail Sales (YoY)	Jul	1.2%	2.3%	2.8%	
	FGV CPI IPC-S	15-Sep	0.5%	–	0.5%	
	Economic Activity (MoM)	Jul	-0.2%	-0.2%	-0.9%	
	Economic Activity (YoY)	Jul	1.1%	1.1%	2.4%	
	Selic Rate	16-Sep	13.75%	13.75%	14.00%	
Colombia	Consumer Confidence Index	Aug	15.5	–	20.7	Manufacturing output swung from growth to decline.
	Retail Sales (YoY)	Jul	5.3%	9.8%	15.0%	
	Manufacturing Production (YoY)	Jul	-2.3%	-0.6%	4.1%	
Ecuador	CPI (YoY)	Aug	1.1%	–	1.4%	
Mexico	International Reserves Weekly (USD)	11-Sep	257,554m	–	258,035m	
	ANTAD Same-Store Sales (YoY)	Aug	1.7%	–	1.0%	
Peru	Economic Activity (YoY)	Jul	3.6%	2.2%	1.8%	

Source information is at the end of the document.

Commentary

Brazil: Presidential polls diverged as a crisis at the Supreme Federal Court (STF) reshaped the race. Banco Master, a USD 16bn bank accused of running a 'Ponzi'-like scheme, collapsed in November. Owner Daniel Vorcaro is alleged to have paid tens of millions of Brazilian reais to a law firm run by STF justice Alexandre de Moraes's wife, and financed Senator Flavio Bolsonaro's father's biopic, drawing both sides of the race into the controversy.

Supreme Court President Edson Fachin postponed a 15 September vote on annulling a Federal Police probe into de Moraes's ties to Vorcaro, after the Attorney General's office argued the ordering justice lacked authority. The affair is narrowing Lula's lead ahead of the run-off.

A Quaest survey conducted between 10-13 September gave Flavio a 2pp runoff lead over President Lula da Silva, 42% against 40% and his first lead since April, while Datafolha (8-10 September) kept Lula 2pps ahead at 46% against 44%. Flavio has gained among women and independents, and we continue to expect the 4 October first round to produce a Flavio-Lula runoff on 25 October, with further revelations likely to keep the race wide open.

Colombia: President Abelardo de la Espriella fired his national statistics (DANE) chief Ricardo Valencia just 26 days in, after Valencia said at his first press conference that he had found no evidence of alleged data manipulation in prior Petro-era unemployment figures. Valencia was replaced by economist Juan Manuel Alvarado Nivia.

Ecuador: The Central Bank of Ecuador raised its 2026 growth forecast to 2.7% from 2.5%, on stronger consumption, investment and exports. It flagged El Niño as a 2027 downside risk, cutting growth by up to 0.5-1.4pp depending on severity.

Mexico: President Claudia Sheinbaum's 2027 budget claims no new taxes, but a plan to cap deductions for firms earning over MXN 50m/year (aimed at fake invoicing) is pegged at circa USD 8.2bn in extra revenue. Officials cite 60.7% of profitable firms paying zero income tax in 2026 to justify it; business groups call it a de facto tax hike.

Central and Eastern Europe

Economic data

Higher energy costs driving PPI.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czechia	Current Account Monthly (CZK)	Jul	-34.17bn	-35.00bn	-65.20bn	
	PPI Industrial (MoM)	Aug	0.4%	0.4%	0.3%	
	PPI Industrial (YoY)	Aug	2.0%	2.0%	1.6%	
	Repurchase Rate	17-Sep	3.75%	3.75%	3.75%	
Poland	Current Account Balance (EUR)	Jul	-2,419m	-2,471m	-2,216m	
	CPI (MoM)	Aug F	0.3%	0.4%	0.4%	
	CPI (YoY)	Aug F	3.4%	3.4%	3.4%	
	CPI Core (MoM)	Aug	0.3%	0.3%	0.4%	
	CPI Core (YoY)	Aug	3.3%	3.3%	3.1%	
	Sold Industrial Output (MoM)	Aug	-7.5%	-5.7%	-2.0%	
	Sold Industrial Output (YoY)	Aug	4.3%	7.1%	4.8%	Factory growth cooled to its softest pace in months, even as producer prices accelerated on higher input costs, a stagflation-adjacent mix worth watching.
	PPI (MoM)	Aug	0.6%	0.4%	1.0%	
	PPI (YoY)	Aug	4.2%	3.6%	3.1%	
Romania	Industrial Output (YoY)	Jul	-6.1%	-4.7%	-5.1%	Output decline deepened to a one-year low, a weak start to the quarter for the export-heavy economy.
	Current Account YTD (EUR)	Jul	-16,290m	–	-14,202m	
Russia	PPI (YoY)	Aug	6.5%	–	6.6%	
	CPI (WoW)	14-Sep	0.02%	–	0.05%	
	CPI Weekly YTD	14-Sep	4.74%	–	4.72%	
	Gold and Forex Reserve (USD)	11-Sep	758.2bn	–	753.5bn	

Source information is at the end of the document.

Central Asia, Middle East & Africa

Economic data

Nigeria inflation eased for third month.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Nigeria	CPI (YoY)	Aug	15.4%	15.7%	15.4%	Inflation eased for a third straight month, though price levels remain elevated versus the CBN's goals.
	Current Account Balance (USD)	2Q	7.5bn	–	4.5bn	
Qatar	GDP Constant Prices (YoY)	1Q	–	–	2.0%	
	CPI (YoY)	Jul	–	–	2.2%	
Saudi Arabia	CPI (YoY)	Aug	1.8%	–	1.8%	
South Africa	Retail Sales (MoM)	Jul	2.5%	0.6%	-0.8%	Spending surprised economists to the upside, a rare bright spot for consumers squeezed by high rates.
	Retail Sales Constant (YoY)	Jul	3.4%	1.0%	1.1%	
	BER Consumer Confidence	3Q	-13.0	–	-19.0	

Source information is at the end of the document.

Commentary

Angola: Electricity access rose to 51.1% in 2023 from 41.8% in 2016, while power generation almost doubled to 19 TWh, according to a review published this week by the African Development Bank, with renewable energy's share of the mix rising to 76.3% from 52.6% on large hydropower investment, though transmission and distribution losses fell only modestly. The report noted that tariffs at AOA 9.9 per kWh remain well below production costs of about AOA 22 per kWh, with high losses and weak collection, and identified grid integration, regional interconnectors and tariff reform as key to monetising surplus clean power and attracting private investment.

The central bank cut its policy rate by 100 bps to 14.75%, due to a sustained slowdown in inflation and favourable inflation prospects. It follows a 50bps cut in May. Inflation dropped from a peak of 31.1% yoy in July 2024 to 9.3% yoy in July 2026 and 8.8% yoy in August.

Morocco: Fitch affirmed Morocco's rating at 'BB+' with a stable outlook, citing sound macroeconomic policies, external liquidity buffers and official creditor support against high debt and weak governance indicators, and expects the fiscal deficit to widen to 4% of GDP in 2026 on temporary Hormuz-related spending before narrowing to 3.4% in 2027-2028, with debt broadly stable at 67% of GDP and growth slowing to 4% in 2026. Reserves stood at USD 48bn at end-2025, backed by an International Monetary Fund (IMF) flexible credit line of about USD 4.5bn approved in April. Fitch flagged fiscal risks from the 2030 World Cup programme and expected the September 2026 elections to have limited impact on policy.

Saudi Arabia: The US State Department approved the potential sale of 48 F-35 fighter jets to Saudi Arabia, with engines, equipment and support, at an estimated USD 24.3bn, in what would be the Kingdom's first F-35s, though the proposal requires congressional approval. The State Department said the sale would strengthen Saudi deterrence, bolster homeland defence and improve interoperability with US and allied forces without altering the regional balance, and with no delivery schedule given, we think the more immediate impact would be political and strategic.

Saudi withdrew from a Beijing-led digital currency programme that is part of China's efforts to develop an alternative cross-border payments system to the dollar. The mBridge platform has attracted controversy in the US amid concerns that participants could use it to bypass dollar-dominated conventional payment systems such as Swift.

Türkiye: Foreign Minister Hakan Fidan signalled technical military support for Saudi Arabia against attacks by Iran-backed Houthi militants in Yemen, in line with last month's Mecca Defence Alliance. "There may be military needs, particularly in certain technical areas, and we would have no problem meeting them", Fidan said in an interview with Turkish broadcaster NTV late Saturday when asked whether Houthi attacks on Saudi Arabia would activate the trilateral defence agreement. Pakistan, the third member of the alliance, also pledged military support to the kingdom.

Developed Markets

Economic data

Rate hikes in Japan and US, UK holding for now.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	ZEW Survey Expectations	Sep	25.8	–	31.4	Investor sentiment slumped well below consensus, even as the final CPI print undershot the flash estimate, a rare double miss for the currency bloc.
	CPI (YoY)	Aug F	3.2%	3.3%	3.3%	
	CPI (MoM)	Aug F	0.4%	0.4%	0.4%	
	CPI Core (YoY)	Aug F	2.4%	2.4%	2.4%	
Japan	Industrial Production (MoM)	Jul F	-0.2%	–	0.1%	Inflation eased further even as the BOJ hiked to a 31-year high, a split vote and Ueda's cautious tone left the yen weaker despite the move.
	Tertiary Industry Index (MoM)	Jul	0.4%	0.3%	-0.2%	
	Core Machine Orders (MoM)	Jul	-3.7%	-1.2%	9.7%	
	Natl CPI (YoY)	Aug	1.9%	2.0%	1.9%	
	Natl CPI Ex Fresh Food (YoY)	Aug	1.7%	1.8%	1.8%	
	BOJ Target Rate	18-Sep	1.25%	1.25%	1.00%	
UK	Average Weekly Earnings 3M/(YoY)	Jul	3.9%	3.9%	4.2%	Pay growth cooled again and claims jumped sharply, pointing to a softening jobs market as cost pressures curb hiring appetite among smaller employers, a dynamic the BoE will weigh against sticky inflation.
	ILO Unemployment Rate 3Mths	Jul	4.9%	4.9%	4.9%	
	Claimant Count Rate	Aug	4.4%	–	4.3%	
	Jobless Claims Change	Aug	27.8k	–	-11.8k	Inflation accelerated on higher fuel costs, keeping price growth well above the BoE's 2% target and complicating the case for near-term rate cuts.
	CPI (MoM)	Aug	0.5%	0.5%	0.3%	
	CPI (YoY)	Aug	3.1%	3.1%	2.9%	
	CPI Core (YoY)	Aug	2.6%	2.6%	2.6%	Defied the Fed's hike, holding rates unchanged.
	RPI (MoM)	Aug	0.6%	0.7%	0.6%	
	RPI (YoY)	Aug	3.4%	3.5%	3.2%	
	Bank of England Bank Rate	17-Sep	3.75%	3.75%	3.75%	Sales beat broadly across autos and core categories, the strongest print in months, a rare upside surprise for a consumer squeezed by high borrowing costs.
	Retail Sales Inc Auto Fuel (MoM)	Aug	0.5%	-0.2%	-0.5%	
	Retail Sales Inc Auto Fuel (YoY)	Aug	2.4%	1.9%	1.2%	
United States	Retail Sales Ex Auto Fuel (YoY)	Aug	2.7%	1.9%	1.8%	Consumer spending accelerated broadly, reinforcing the resilience the Fed cited in hiking rates this week.
	Empire Manufacturing	Sep	7.6	15.0	20.6	
	MBA Mortgage Applications	11-Sep	-4.1%	–	-2.7%	
	Retail Sales Advance (MoM)	Aug	1.2%	0.8%	-0.5%	Fed delivered a 25bp hike, an unusual move alongside signs of labour resilience, prioritising its 2% goal.
	Retail Sales Ex Auto (MoM)	Aug	1.4%	0.6%	-0.2%	
	Import Price Index (MoM)	Aug	0.7%	0.5%	-0.3%	
	FOMC Rate Decision (Upper Bound)	16-Sep	4.00%	4.00%	3.75%	Total Net TIC Flows (USD)
	FOMC Rate Decision (Lower Bound)	16-Sep	3.75%	3.75%	3.50%	
	Total Net TIC Flows (USD)	Jul	83.7bn	–	135.5bn	
	Net Long-term TIC Flows (USD)	Jul	-27.9bn	–	174.4bn	Philadelphia Fed Business Outlook
	Philadelphia Fed Business Outlook	Sep	37.8	32.1	47.4	
	Initial Jobless Claims	12-Sep	196k	207k	206k	
	Continuing Claims	5-Sep	1,730k	1,779k	1,769k	Housing Starts
	Housing Starts	Aug	1,275k	1,320k	1,309k	

Source information is at the end of the document.

Developed Markets (continued)

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
United States	Housing Starts	Aug	1,275k	1,320k	1,309k	Housing data stayed uneven, a headwind the Fed will watch closely after this week's hike.
	Building Permits	Aug P	1,394k	1,408k	1,433k	
	Pending Home Sales (MoM)	Aug	0.3%	-0.1%	-2.6%	
	Industrial Production (MoM)	Aug	0.0%	0.3%	0.2%	
	Capacity Utilisation	Aug	76.3%	76.4%	76.3%	
	Leading Index	Aug	-	0.1%	0.2%	

Source information is at the end of the document.

Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	-0.4%	-0.2%	23.6%	29.6%	23.2%	8.6%
MSCI EM ex-China	0.5%	-1.3%	37.0%	49.7%	28.0%	12.9%
MSCI EMEA	-1.9%	5.7%	8.2%	15.6%	17.7%	2.9%
MSCI Latam	1.0%	5.2%	16.2%	27.3%	14.4%	12.6%
MSCI Asia	-0.5%	-0.5%	25.5%	30.3%	24.5%	8.9%
MSCI China	-3.8%	4.5%	-11.1%	-15.9%	9.6%	-2.4%
MSCI India	-3.7%	-2.3%	-12.0%	-11.5%	3.4%	1.9%
MSCI EM Growth	-0.8%	-2.9%	21.0%	25.1%	23.2%	6.6%
MSCI EM Value	0.1%	2.8%	26.4%	34.5%	23.0%	10.6%
MSCI EM Small Cap	-1.5%	0.5%	13.5%	12.9%	14.7%	7.4%
MSCI Frontier	-2.2%	1.9%	12.2%	19.2%	22.6%	8.3%
GBI-EM-GD	-0.9%	0.3%	1.8%	4.7%	7.9%	2.5%
GBI-EM China	0.3%	2.0%	6.8%	8.6%	6.7%	3.0%
EM FX spot	-0.8%	0.4%	-0.5%	0.4%	0.6%	-1.4%
ELMI+ (1-3m NDF)	-0.5%	2.4%	3.7%	5.0%	6.7%	2.7%
EMBI GD	-1.0%	-1.5%	1.7%	5.1%	9.9%	2.0%
EMBI GD IG	-1.0%	-2.4%	-1.2%	-0.1%	5.1%	-1.4%
EMBI GD HY	-1.0%	-0.8%	4.5%	10.4%	14.7%	5.4%
CEMBI BD	-0.7%	-0.6%	1.6%	2.9%	7.6%	2.4%
CEMBI BD IG	-0.8%	-1.2%	-0.2%	1.0%	6.0%	0.8%
CEMBI BD HY	-0.5%	0.3%	4.4%	5.7%	10.1%	4.6%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	-0.9%	1.8%	13.2%	17.7%	20.4%	11.0%
MSCI World (DM)	-1.0%	2.1%	11.9%	16.2%	20.1%	11.3%
S&P 500	-0.4%	2.3%	12.7%	16.7%	21.3%	13.1%
DXY Index**	0.8%	-0.9%	1.9%	2.6%	-1.7%	1.5%
EUR*	-1.2%	0.3%	-3.3%	-4.3%	0.7%	-2.1%
JPY*	1.4%	2.7%	-2.5%	-8.9%	-6.2%	-10.5%
CRY Index**	2.9%	19.5%	41.4%	41.3%	13.9%	14.1%
Brent**	11.8%	38.7%	66.2%	51.7%	2.7%	6.3%
Gold**	-1.7%	8.8%	1.0%	16.4%	31.4%	19.7%
Bitcoin**	8.1%	45.4%	-2.7%	-26%	47.4%	15.8%
1-3yr UST	-0.5%	-0.1%	0.5%	1.7%	4.1%	1.9%
3-5yr UST	-1.2%	-1.5%	-1.5%	-0.5%	3.8%	0.4%
7-10yr UST	-1.8%	-3.0%	-3.1%	-2.2%	3.0%	-1.8%
10yr+ UST	-1.4%	-4.5%	-4.1%	-4.0%	0.6%	-7.1%
10yr+ Germany	-1.2%	-6.1%	-4.1%	-5.8%	-1.7%	-9.0%
10yr+ Japan	0.4%	-2.5%	-9.6%	-13.4%	-9.6%	-8.3%
Global Agg.***	-1.2%	-1.3%	-1.5%	-1.5%	3.7%	-1.9%
US Agg. IG***	-1.2%	-2.1%	-1.5%	-0.4%	4.0%	-0.5%
EU Agg. IG***	-1.4%	-3.3%	-2.1%	-1.7%	2.5%	-2.2%
US Corp HY***	-0.9%	-0.2%	1.7%	3.0%	8.2%	3.8%
EU Corp HY***	-1.0%	-0.7%	1.1%	1.9%	6.8%	2.9%

Source and notations for all tables in this document: Source: Bloomberg, JP Morgan, Barclays, Merrill Lynch, Chicago Board Options Exchange, Thomson Reuters, MSCI. As at latest data available on publication date. *EMBI GD and EMBI GD HY Yield/Spread ex-default yields and spreads calculated by Ashmore. Defaulted EMBI securities includes: Ethiopia, Ghana, Lebanon, Sri Lanka, and Venezuela. **Price only. Does not include carry. ***Global Indices from Bloomberg. Price to Earnings: 12 months blended-forward. Index Definitions: VIX Index: Chicago Board Options Exchange SPX Volatility Index. DXY Index: The Dollar Index. CRY Index: Thomson Reuters/CoreCommodity CRM Commodity Index. Figures for more than one year are annualised other than in the case of currencies, commodities and the VIX, DXY and CRY which are shown as percentage change.

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4 September 2026

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