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WEEKLY INVESTOR RESEARCH

Ashmore

Korea and Japan coordinated interventions with US Treasury as levered AI positions unwound

By Gustavo Medeiros and Ben Underhill

- Kevin Warsh's Fed holds rates again, with three dissents in favour of a hike.
- US and Japan conduct their first joint Yen intervention in 15 years.
- Hyperscaler earnings confirm accelerating, supply-constrained AI demand.
- Samsung and SK Hynix sign USD 950bn in AI supply agreements.
- Brazil's Liberal Party confirms Flavio Bolsonaro as its presidential candidate.
- Fitch flags downgrade risk on Mexican fiscal slippage.
- Keiko Fujimori takes office in Peru on a security-first agenda.
- QatarEnergy extended its LNG force majeure through to September.

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Last Week Performance and Comments

EM Debt	Yield	Change (bp)	Spread	5 day Change
GBI-EM GD	6.26%	-2	–	1.1%
GBI-EM FX Spot	–	–	–	0.7%
ELMI+	5.93%	-10	–	0.9%
EMBI GD	7.26%	3	254 bps	-0.1%
EMBI GD ex-default	7.39%	2	198 bps	-0.1%
EMBI GD IG	5.93%	6	110 bps	-0.3%
EMBI GD HY	8.70%	-2	406 bps	0.2%
EMBI HY ex-default	8.70%	-2	277 bps	0.2%
CEMBI BD	6.74%	4	214 bps	0.0%
CEMBI BD IG	5.80%	2	121 bps	-0.1%
CEMBI BD HY	8.03%	5	342 bps	0.0%

EM Equity*	PE 1yr BF	5 day Change
MSCI EM	10.2	2.4%
MSCI EM ex-China	10.1	1.9%
MSCI EMEA	10.2	1.5%
MSCI Latam	9.8	2.0%
MSCI EM Asia	10.5	2.5%
MSCI China	10.8	3.9%
MSCI India	20.4	3.9%
MSCI EM Growth	11.4	2.2%
MSCI EM Value	9.2	2.5%
MSCI EM Small Cap	12.6	-1.3%
MSCI Frontier	11.5	1.8%

Comments

- EM local currency sovereign bonds rose 1.1%, mostly driven by FX.
- EM USD sovereign bonds fell 0.1% in a market-wide risk-off move.
- EM equities rose 2.4%, with China and India outperforming.

Global Debt	Yield	Change (bp)	Spread	5 day Change
2yr UST	4.29%	-4	–	0.2%
5yr UST	4.45%	2	–	0.1%
10yr UST	4.74%	6	–	-0.1%
30yr UST	5.27%	12	–	-1.0%
10yr Germany	3.21%	3	–	-0.4%
10yr Japan	2.79%	-1	–	0.1%
Global Agg.***	4.00%	-1	29bps	0.6%
US Agg. IG***	5.46%	-1	73bps	-0.1%
EU Agg. IG***	3.74%	-1	66bps	0.0%
US Corp HY***	7.41%	-5	279bps	0.2%
EU Corp HY***	6.38%	3	287bps	0.0%

Global Backdrop*	PE 1yr BF	5 day Change
MSCI ACWI	17.0	1.4%
MSCI World (DM)	18.6	1.2%
S&P 500	19.5	1.1%
VIX Fut.**	18.1	-5.9%
DXY Index**	99.9	-1.5%
EUR*	1.15	1.4%
JPY*	157.4	-3.9%
CRY Index**	385.1	-2.7%
Brent**	90.1	-6.9%
Gold**	4,046	-0.2%
Bitcoin**	62,899	-1.9%

Comments

- UST curve steepened after the Fed held rates.
- US stocks rose 1.1% with huge volatility in tech.
- Oil declined from over USD 100 back to USD 90.

Source & Notations: See end of document.

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Global Macro

The second Federal Open Market Committee (FOMC) held under new US Federal Reserve (Fed) Chair Kevin Warsh resulted in another vote to keep interest rates on hold, as most expected. Yet, his minimal forward guidance approach brought many talking points. Warsh re-emphasised no tolerance for above-target inflation. *"We are going to deliver 2% inflation and not a whisper more"*, he said, *"**but to achieve that** I'm looking at a broader set of inflation data than PCE"*.

Core Personal Consumption Expenditure (PCE) is the Fed's key measure of inflation. It is currently running at 3.3%, up from a cycle low of 2.7% in April 2025. Being a core index, energy prices are excluded – a mild pass-through so far (and higher electronics prices) has only led to around 20 basis points (bps) more inflation at an index level versus the January reading (3.1%). But the key is that nearly 40% of the index is housing and healthcare – areas where costs are very much driven by supply and regulatory developments as well as artificial price estimates decides real demand. Housing inflation is running above around 3% and have been anchoring the broad index higher over the last two years.

A 'broader' measure of inflation would likely be one that measures more datapoints but also spreads index weights differently. The broadest measure of inflation currently available is Truflation, an independent inflation measure that claims to measure the broadest basket of prices of any data provider, weighted against prior-year consumer spending habits. This index is running at 2.3% today.

Warsh's issue is that policymakers should not change the goal post when they can't achieve results, thus, bond markets are adding risk premium to the long end. The US Treasury curve (2s10s) steepened around 15bps following the meeting. The 30-year Treasury yields also rose from 5.10% to a high of around 5.27% on Friday, levels last seen in 2007. Warsh has suggested that higher bond yields are doing the tightening for him, and a part of the reason a hike isn't yet necessary. This may be true, but the longer yields continue to rise, the greater the risk that Warsh needs to re-establish credibility to control the yield curve should markets not settle. This is also a convenient dynamic for the Treasury. Most of the debt is issued in the front-end of the curve. Higher long-end yields impose much higher costs to the private sector, which mostly issue debt on 5- to 30-year bonds than the government where more than a fifth of the issuance is under 1-year.

A key swing factor in all this is very much beyond the Fed's influence, namely the flow of oil through the Strait of Hormuz. Although progress towards a lasting deal between the US and Iran remains elusive, oil prices were headed back towards USD 80 on Monday, as Iran reportedly was nearing a deal with Oman over a "third route" for safe passage through the Strait.

The domestic data gave the Fed little reason to move either way. Second-quarter GDP slowed to 1.5% annualised from 2.1% in Q1, but the composition was stronger than the headline. Investment contributed 1.2%, growing at 7% in qoq annualised terms (qoq ann.) on non-residential spending, and residential investment expanded for the first time since 2024. Consumption accelerated to 3.2% qoq ann., with goods spending growing 5.2% qoq ann., the fastest since 2024. The drags were lower federal spending, an inventory drawdown and a wider trade deficit inflated by AI hardware imports. Private domestic demand is running well above what the headline number suggests.

In currency markets, the yen surged on speculation of further intervention after last week's coordinated US-Japan operation, the first joint action in 15 years. Both governments said they would not hesitate to act again, and Japan's top FX official suggested coordination with the Bank of Japan to support the currency. The move has pushed USDJPY below its 200-day moving average, but it does not change the structural drivers of yen weakness, namely wide US-Japan rate differentials and low Japanese real rates. Intervention-led strength has historically persisted for weeks rather than quarters. The key swing factors for a structural strengthening trend on the JPY are BOJ policy and GPIF allocations. The US Treasury selling EURJPY suggests more potential upside for Asian currencies than for the euro or Central and Eastern Europe.

Hyperscaler earnings confirmed accelerating AI demand alongside sharp dispersion on cash flow. Alphabet beat expectations with Google Cloud revenue up 82% yoy and a USD 514bn backlog but raised 2026 capex guidance for the third time this year to USD 195-205bn. Nevertheless, the company posted its first-ever negative free cash flow quarter and saw its share price fall 7%. Meta shares fell 8% after lifting the floor of its capex range to USD 130-145bn. Microsoft held capex guidance steady, grew Azure revenues by 43% yoy and had its best trading day since 2008. Amazon delivered 37% growth in cloud business, the fastest in 18 quarters, raised 2026 capex to USD 220bn, and flagged capacity constraints persisting into 2027-28. Aggregate 2026 capex now exceeds USD 700bn, up 77% yoy and increasingly funded with debt and equity as free cash flow evaporates. In other news, China's Alibaba reported its latest Qwen model performance puts it next to Anthropic's Fable.

Global Macro (continued)

The week's other defining event was the collapse of Situational Awareness, Leopold Aschenbrenner's AI hedge fund, which fell from roughly USD 45bn to around USD 10bn in assets as margin calls forced the liquidation of a public equity book levered at up to 400%. Citadel bought the portfolio at a discount before Thursday's trading. The unwind distorted the tape in both directions, with memory and neo-cloud names falling sharply while short covering lifted the fund's software shorts. Those moves began to retrace on Friday once the seller was cleared, with the hardest-hit names such as Bloom Energy gapping up 20-30%, along with Korean memory stocks. The high profile unwinds coincided with a widespread liquidation of leveraged positions of retail investors both in the US and EM.

Though highly volatile, the week was net bullish on the AI complex, in our view. Earnings confirmed demand is real and still supply constrained, with returns on hyperscaler investments clearly still very strong. Meanwhile, the Situational Awareness and retail liquidation has cleared the most crowded positioning and leverage in the market. A momentum and importantly valuation reset of this scale has in the past been a catalyst to a broader bullish rotation and may improve forward return dynamics to the sector.

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EM Asia

Economic data

Booming Asian export growth continues, defying base effects.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
India	Industrial Production (YoY)	Jun	7.3%	6.0%	5.0%	Power and auto capex led, breadth 19 of 23.
South Korea	Consumer Confidence	Jul	106.8	–	106.6	
	Department Store Sales (YoY)	Jun	22.2%	–	24.5%	
	Industrial Production (YoY)	Jun	5.8%	3.0%	-1.1%	Autos +15.4% mom on normalised parts supply and chips +4.5% after a 10% slump in May.
	Industrial Production SA (MoM)	Jun	6.4%	2.9%	-2.9%	
Taiwan	GDP (YoY)	2Q A	12.9%	10.5%	14.6%	Capex and consumption outpaced net exports.
Thailand	BoP Current Account Balance (USD)	Jun	-3,474m	-3,900m	-6,432m	
	Exports (YoY)	Jun	21.1%	–	9.8%	US shipments +44% front-ran the 12.5% Sec 301 tariff from 24 July, so H2 momentum fades.
	Trade Balance (USD)	Jun	-2,674m	–	-2,632m	
	Gross International Reserves (USD)	24-Jul	272.6bn	–	276.0bn	

Source information is at the end of the document.

Commentary

India: The Reserve Bank of India (RBI)'s June dollar-mobilisation measures generated close to USD 32bn in inflows, mostly via the Foreign Currency Non-Resident (FCNR) deposit scheme, plus USD 7bn of foreign portfolio investment into debt after tax changes. RBI Governor Sanjay Malhotra said most FCNR flows appear to be fresh mobilisation rather than rebooked deposits. He judged the Rupee not undervalued, reaffirmed intervention only to smooth volatility, and said the repo rate remains appropriate, though food and fuel costs could still generalise. Policy looks set to stay on hold near term.

Malaysia: Prime Minister Anwar Ibrahim launched the AI Malaysia initiative and a National AI Action Plan 2026-2030. The government will provide 100,000 three-month AI subscriptions to people aged 18-30 after completion of an AI education course, part of a push to democratise AI access.

South Korea: South Korea, Japan and the US carried out unprecedented and coordinated FX action on Thursday. Seoul and Tokyo sold Dollars while US authorities ran rate checks. USDKRW fell to about 1,418, a nine-month low, down more than KRW 130 in July from 1,555.8. Bank of Korea Governor Hyun-Song Shin said the rate-hiking stance must be maintained, with inflation above target for a considerable period and core inflation the key input.

Samsung and SK Hynix signed USD 950bn in supply deals with US technology companies at the San Francisco AI Summit. Nvidia locked in USD 500bn from SK Hynix, SK Hynix added USD 250bn with others, and Samsung agreed USD 200bn with Broadcom through to 2030. Partners also agreed to pursue 5GW of AI data centres in Korea (two million GPUs), with Anthropic taking 1GW. SK Hynix guided 2026 capex to the upper-high KRW 40trn range, up over KRW 15trn, though Q2 results missed expectations despite 257% yoy revenue growth, and the stock extended a month-long correction. A gas combined cycle plant was picked as the first project under the USD 200bn US investment package from the tariff deal.

Regulators abruptly reversed course on single-stock leveraged exchange-traded funds (ETFs) approved in May, suspending listings and tripling minimum deposit amounts to KRW 30m. The episode risks reinforcing the Korea discount through perceived regulatory unpredictability.

In other news, census data showed the elderly share passing 20% and the working-age share below 70% for the first time.

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Latin America

Economic data

Brazil inflation down to 4.5%. Colombia kept rates unchanged at 12.0%.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Brazil	Current Account Balance (USD)	Jun	-2,330m	-2,300m	-3,322m	External accounts improving as inward FDI now covers the current account gap three times
	Foreign Direct Investment (USD)	Jun	9,075m	5,600m	7,974m	
	IBGE Inflation IPCA-15 (MoM)	Jul	0.1%	0.2%	0.4%	Food deflation is offsetting regulated energy resets, easing the path to an August Copom cut
	IBGE Inflation IPCA-15 (YoY)	Jul	4.5%	4.7%	4.8%	
	FGV Inflation IGPM (MoM)	Jul	-1.2%	-1.1%	-0.5%	
	FGV Inflation IGPM (YoY)	Jul	2.8%	2.9%	3.2%	
	Total Outstanding Loans (USD)	Jun	7,356bn	–	7,304bn	
	National Unemployment Rate	Jun	5.4%	5.4%	5.6%	
	Central Govt Budget Balance (BRL)	Jun	-48.2bn	-48.0bn	-53.1bn	
	Net Debt % GDP	Jun	–	68.3%	67.9%	
Chile	Overnight Rate Target	28-Jul	4.5%	4.5%	4.5%	Steady policy against a soft retail and jobs backdrop, copper the swing factor into H2.
	Retail Sales (YoY)	Jun	5.1%	3.0%	4.8%	
	Unemployment Rate	Jun	9.4%	9.5%	9.4%	
	Copper Production Total	Jun	447,294	–	423,623	
Colombia	National Unemployment Rate	Jun	8.0%	–	8.0%	
	Urban Unemployment Rate	Jun	8.0%	8.5%	8.5%	
	Overnight Lending Rate	31-Jul	12.0%	12.5%	12.0%	Board split in last meeting of Petro era.
Mexico	Trade Balance (USD)	Jun	4,089.9m	2,832.4m	2,259.2m	
	International Reserves Weekly (USD)	24-Jul	255,297m	–	255,330m	
	GDP NSA (YoY)	2Q P	2.2%	1.6%	0.1%	World Cup build-out and services flattered the quarter, and payback is likely in Q3.
	GDP SA (QoQ)	2Q P	1.5%	1.4%	-0.6%	

Source information is at the end of the document.

Commentary

Argentina: President Javier Milei unveiled a central bank (BCRA) charter reform bill giving it a single mandate of preserving the currency's value, banning Treasury financing and primary-market bond purchases, requiring two-thirds of both chambers to remove board members, and restricting transfers of accounting profits.

The BCRA ended a 135-day USD buying streak Tuesday, a day that saw heavy supply at exactly USDARS 1,500 on the fixing date for USD-linked notes. Consensus sees the real effective exchange rate as historically strong and harmful to activity. The official FX band would, in theory, allow for a depreciation to 1,848 before the central bank would intervene. However, the FX anchor remains central to disinflation, so a material adjustment looks unlikely to be allowed.

Brazil: Finance Minister Dario Durigan said the government remains on track for a zero primary deficit and that the 2027 budget (due 31 August) will include spending restraint. Durigan reportedly floated reviewing the 2.5% real expenditure growth cap, which would also restrain minimum wage indexation. Whoever wins the presidency in October, expenditure-focused fiscal reform is likely.

The Liberal Party confirmed Flávio Bolsonaro as its presidential candidate. Bolsonaro trails President Luiz Inácio Lula da Silva (Lula) in the polls and has struggled to find a running mate to unlock Centrao support ahead of the 15 August

Latin America (continued)

registration deadline. Milei's convention speech calling Lula a "convict" has strained Brazil-Argentina relations, with Brasilia summoning its ambassador.

Ecuador: The World Bank approved a USD 750m International Bank for Reconstruction and Development (IBRD) budget-support loan backing President Daniel Noboa's reform programme, complementing International Monetary Fund support. The World Bank projects the reform programme will help deliver more than 180,000 jobs by 2031.

Mexico: Fitch said Mexico retains investment grade conditions but could lose the rating if fiscal consolidation falters. The ratings agency flagged the country's debt-to-GDP ratio, an interest-to-revenue ratio that is out of line with 'BBB'-rated peers, weak economic growth and risks relating to PEMEX debt. President Claudia Sheinbaum remains resistant to tax reform, making late 2027, after the midterm elections, the most likely window for any changes. Moody's appears to share Fitch's concerns. In other news, the central bank (Banxico) Deputy Governor Gabriel Cuadra warned that persistent services inflation remains the biggest risk and that medium-term forecasts may need to be raised, while maintaining that the current policy stance is correct.

Peru: Keiko Fujimori was sworn in as president, pledging to focus on security and the risks posed by El Niño. She announced emergency decrees, plans to request legislative powers, a greater role for armed forces in operations conducted under states of emergency, and prison reform. The minimum wage will rise from PEN 1,130 to PEN 1,300 alongside one-off compensation for micro, small and medium enterprises. However, the timing and funding remain unclear given limited fiscal space. Fujimori's infrastructure pledges include Lima Metro Line 2 and the new Central Highway. Room for structural change remains limited with the opposition controlling the Lower House.

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Central and Eastern Europe

Economic data

Polish inflation back above target.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Czech Republic	GDP (QoQ)	2Q A	0.4%	0.6%	0.2%	Consumption and net trade carried the quarter with capital formation a drag.
	GDP (YoY)	2Q A	2.0%	2.2%	2.2%	
Hungary	Trade Balance (EUR)	Jun	1,305m	1,150m	799m	
	GDP NSA (YoY)	2Q P	1.7%	1.9%	1.7%	Fifth straight quarter of growth, the longest run since 2022, services doing the lifting.
	PPI (YoY)	Jun	-0.4%	–	-0.7%	
Poland	CPI (MoM)	Jul P	0.8%	0.7%	-0.5%	Reverses the June return to the NBP target and undercuts talk of a cut after the summer.
	CPI (YoY)	Jul P	3.0%	3.0%	2.5%	
Russia	Retail Sales Real (YoY)	Jun	7.3%	7.5%	7.8%	Consumer demand still the only growth engine as the CBR trims its 2026 GDP view to 0-1%.
	Unemployment Rate	Jun	2.2%	2.1%	2.1%	
	CPI (WoW)	27-Jul	0.0%	–	0.2%	Weekly prints running well below the 4% path which is what let the key rate go to 14%.
	CPI Weekly YTD	27-Jul	4.9%	–	4.8%	
	Gold and Forex Reserve (USD)	24-Jul	732.1bn	–	722.9bn	

Source information is at the end of the document.

Commentary

Poland: Statistics Poland's first 2026 crop forecasts point to broad-based declines. Basic grain production is expected to fall by 4.9% to 25.3 million tons, while tree fruit output is forecast to drop by 18.6%, rapeseed by 14.4%, root vegetables by 4.5%. The declines were attributed to April frosts, a cool dry May and June-July weather extremes. The 2026 crop used fertilisers bought at pre-war prices, leaving 2027 more exposed to higher energy costs. However, Poland's EU market integration means prices largely track international levels.

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Central Asia, Middle East & Africa

Economic data

Saudi GDP falls on lower oil exports.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Saudi Arabia	GDP Constant Prices (YoY)	2Q P	-4.8%	–	3.0%	Oil activity took 5.4pp off growth as Hormuz flows stalled, non-oil up a 22nd straight qtr but at its slowest pace since late 2020.
	M3 Money Supply (YoY)	Jun	8.4%	–	8.9%	
	SAMA Net Foreign Assets (SAR)	Jun	1,768.3bn	–	1,743.5bn	
South Africa	Money Supply M3 (YoY)	Jun	9.3%	–	9.6%	
	PPI (YoY)	Jun	7.5%	7.8%	7.8%	Mining PPI decelerating hard from the May peak while agriculture prices stay outright negative.
	Trade Balance (ZAR)	Jun	–	-3.0bn	-1.8bn	
Türkiye	Trade Balance (USD)	Jun	-10.40bn	-10.40bn	-5.61bn	Ex-energy and gold the gap is under USD 5bn, so the widening is an import bill story.
	Foreign Tourist Arrivals (YoY)	Jun	-4.0%	–	-3.6%	

Source information is at the end of the document.

Commentary

Egypt: After a drone attack damaged two gas vessels at Damietta port, the government secured alternative supply, deploying diesel and mazut in power generation with output unaffected. Peak demand has run at 37-39GW, against stocks including 425,000+ tons of fuel oil at plants. The Finance Ministry and the central bank are coordinating financing to build strategic petroleum reserves.

Qatar: QatarEnergy extended force majeure on liquefied natural gas (LNG), cancelling European deliveries through to the end of September and extending the Asian halt into September. First declared in March after Iranian drone attacks, the extension pits European utilities against Asian buyers for spot cargoes. The Japan-Korea Marker LNG benchmark hit a four-month high of USD 21/MMBtu versus USD 11 pre-war. Flows offline through September could push European storage below 70% before winter, forcing aggressive outbidding for prompt cargoes.

Developed Markets

Economic data

Japan's core inflation higher – but still under target.

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
Eurozone	M3 Money Supply (YoY)	Jun	3.3%	3.3%	3.0%	
	Consumer Confidence	Jul F	-15.9	-15.9	-15.9	
	GDP SA (QoQ)	2Q A	0.4%	0.2%	0.0%	Doubled consensus and buries the Q1 Ireland distortion, with Spain outpacing the big three.
	GDP SA (YoY)	2Q A	1.0%	0.7%	0.5%	
	Unemployment Rate	Jun	6.3%	6.2%	6.3%	
	CPI Estimate (YoY)	Jul P	2.9%	2.9%	2.8%	Flash round keeps a Sept ECB hike in play with markets near 80% priced for a 2.50% depo rate, core firmness the decisive input
	CPI (YoY)	Jul P	2.9%	2.9%	2.8%	
	CPI (MoM)	Jul P	0.2%	0.2%	-0.1%	
	CPI Core (YoY)	Jul P	2.5%	2.4%	2.4%	
Japan	Tokyo CPI (YoY)	Jul	2.0%	1.8%	1.7%	Middle East pass-through is broadening into core, a sixth month under the BoJ 2% target
	Tokyo CPI Ex-Fresh Food (YoY)	Jul	1.9%	1.8%	1.6%	
	Jobless Rate	Jun	2.5%	2.5%	2.5%	
	Job-To-Applicant Ratio	Jun	1.18	1.17	1.17	
	Retail Sales (YoY)	Jun	0.5%	3.1%	5.0%	Oil and a 40-year-low yen squeeze real incomes yet factories guide output higher for July.
	Industrial Production (MoM)	Jun P	1.3%	1.0%	0.1%	
	BOJ Target Rate	31-Jul	1.0%	1.0%	1.0%	8-1 hold, BoJ now sees core clearly above 2%.
UK	Mortgage Approvals	Jun	58.2k	57.1k	56.6k	
	Bank of England Bank Rate	30-Jul	3.75%	3.75%	3.75%	The hawkish minority has grown at three straight meetings, Greene, Mann and Pill at 4%. The Bank sees CPI peaking near 3.2% in Q4
	Nationwide House PX (MoM)	Jul	0.1%	0.1%	0.0%	
	Nationwide House Px NSA (YoY)	Jul	1.8%	1.9%	2.2%	
United States	Durable Goods Orders	Jun P	0.3%	1.8%	-4.0%	
	Durables Ex Transportation	Jun P	0.6%	0.8%	1.8%	
	Dallas Fed Manf. Activity	Jul	1.3	2.0	0.0	
	Wholesale Inventories (MoM)	Jun P	0.3%	0.4%	0.3%	
	FHFA House Price Index (MoM)	May	0.3%	0.1%	-0.1%	
	Richmond Fed Manufact. Index	Jul	5.0	6.0	4.0	
	Conf. Board Consumer Confidence	Jul	90.8	92.4	92.2	
	MBA Mortgage Applications	24-Jul	-6.4%	–	1.9%	
	FOMC Rate Decision (Upper Bound)	29-Jul	3.75%	3.75%	3.75%	Three regional presidents dissented to HIKE with futures having priced near 30% odds of one.
	FOMC Rate Decision (Lower Bound)	29-Jul	3.5%	3.5%	3.5%	
	Personal Income	Jun	0.2%	0.3%	0.7%	
	Personal Spending	Jun	0.3%	0.4%	0.9%	
	PCE Price Index (YoY)	Jun	3.7%	3.7%	4.1%	June relief was energy-led, gasoline -9.2% on the brief truce, housing costs also cooling.
	Core PCE Price Index (MoM)	Jun	0.1%	0.2%	0.3%	
	Core PCE Price Index (YoY)	Jun	3.3%	3.3%	3.4%	
	Initial Jobless Claims	25-Jul	197k	200k	188k	

Developed Markets (continued)

Country	Event	Period	Actual	Survey	Prior/Revised	Comments
United States	Continuing Claims	18-Jul	1,782k	1,795k	1,789k	
	GDP Annualised (QoQ)	2Q A	1.5%	2.0%	2.1%	The miss sat in federal spending and inventories not private demand, which accelerated.
	Personal Consumption	2Q A	3.2%	2.3%	0.5%	
	GDP Price Index	2Q A	6.2%	4.0%	3.6%	Deflator jump is the tariff and energy shock landing in prices rather than in volumes.
	Core PCE Price Index (QoQ)	2Q A	3.4%	3.5%	4.4%	
	Employment Cost Index	2Q	–	0.8%	0.9%	
	U. of Mich. Sentiment	Jul F	–	54.0	54.4	

Source information is at the end of the document.

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Benchmark Performance

Emerging Markets	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI EM	-3.1%	-3.1%	20.0%	36.4%	19.3%	8.0%
MSCI EM ex-China	-5.9%	-5.9%	30.6%	52.2%	24.0%	12.4%
MSCI EMEA	1.4%	1.4%	3.8%	15.0%	12.9%	2.6%
MSCI Latam	4.9%	4.9%	15.9%	44.6%	12.0%	10.9%
MSCI Asia	-3.2%	-3.2%	22.1%	37.5%	20.6%	8.3%
MSCI China	9.0%	9.0%	-7.3%	-1.1%	7.2%	-2.1%
MSCI India	1.7%	1.7%	-8.3%	-6.5%	5.3%	5.3%
MSCI EM Growth	-5.3%	-5.3%	18.0%	33.9%	19.1%	6.1%
MSCI EM Value	-0.7%	-0.7%	22.2%	39.1%	19.5%	10.1%
MSCI EM Small Cap	-6.7%	-6.7%	5.3%	12.1%	11.3%	6.0%
MSCI Frontier	0.4%	0.4%	10.6%	26.8%	20.8%	8.8%
GBI-EM-GD	0.3%	0.3%	1.8%	9.0%	6.4%	2.3%
GBI-EM China	1.0%	1.0%	5.9%	8.6%	5.9%	2.9%
EM FX spot	0.5%	0.5%	-0.4%	2.9%	-0.6%	-1.5%
ELMI+ (1-3m NDF)	1.4%	1.4%	2.6%	6.5%	5.5%	2.5%
EMBI GD	-1.4%	-1.4%	1.8%	8.8%	9.1%	2.2%
EMBI GD IG	-2.0%	-2.0%	-0.9%	3.5%	4.2%	-1.2%
EMBI GD HY	-0.9%	-0.9%	4.5%	14.2%	14.1%	5.6%
CEMBI BD	-0.5%	-0.5%	1.7%	5.3%	7.5%	2.5%
CEMBI BD IG	-0.8%	-0.8%	0.2%	3.6%	5.8%	1.0%
CEMBI BD HY	0.0%	0.0%	4.0%	7.9%	10.0%	4.7%

Global Backdrop	Month to date	Quarter to date	Year to date	1 year	3 years	5 years
MSCI ACWI	0.1%	0.1%	11.3%	22.1%	18.3%	10.8%
MSCI World (DM)	0.5%	0.5%	10.3%	20.4%	18.1%	11.2%
S&P 500	-0.1%	-0.1%	10.1%	19.6%	19.3%	12.9%
DXY Index**	-1.3%	-1.3%	1.6%	-0.1%	-0.6%	1.6%
EUR*	0.8%	0.8%	-2.8%	-0.8%	-0.2%	-2.5%
JPY*	-2.9%	-2.9%	2.2%	7.9%	8.1%	-10.5%
CRY Index**	8.9%	8.9%	28.9%	28.5%	10.9%	12.0%
Brent**	23.6%	23.6%	48.1%	24.3%	1.7%	3.4%
Gold**	1.0%	1.0%	-6.3%	23.0%	27.2%	17.4%
Bitcoin**	7.3%	7.3%	-28.2%	-46%	29.1%	8.7%
1-3yr UST	0.1%	0.1%	0.8%	3.1%	4.3%	1.9%
3-5yr UST	-0.4%	-0.4%	-0.4%	2.2%	4.0%	0.5%
7-10yr UST	-1.4%	-1.4%	-1.5%	1.9%	2.8%	-1.7%
10yr+ UST	-4.0%	-4.0%	-3.6%	-0.3%	-1.1%	-7.0%
10yr+ Germany	-3.6%	-3.6%	-1.5%	-4.4%	-2.2%	-9.1%
10yr+ Japan	-1.4%	-1.4%	-8.6%	-13.1%	-10.0%	-8.2%
Global Agg.***	-0.5%	-0.5%	-0.7%	1.6%	3.0%	-1.9%
US Agg. IG***	-1.3%	-1.3%	-0.7%	2.7%	3.7%	-0.4%
EU Agg. IG***	-1.5%	-1.5%	-0.2%	0.2%	2.8%	-2.1%
US Corp HY***	-0.2%	-0.2%	1.7%	5.2%	8.3%	4.0%
EU Corp HY***	-0.2%	-0.2%	1.6%	3.0%	7.3%	3.1%

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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31 July 2026
By Gustavo Medeiros and Ben Underhill

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