D+A Strategies

WEEKLY MARKET OUTLOOK

August 10, 2026 | D+A STRATEGIES | Research Team

01

EXECUTIVE SUMMARY

Markets closed the week higher, with the gains building as the week went on. Technology led and semiconductors recovered much of the ground given up over the prior month. The labor data was the turning point. Payrolls came in below expectations and the prior two months were revised down, and the market moved quickly to price a lower chance of a hike in September. Treasury yields fell across the curve, though the shape of the curve was little changed. Energy moved the other way. Renewed diplomacy over the Strait of Hormuz pulled crude lower early in the week, and a late reversal on reports of fresh transit restrictions recovered only part of that move. Europe reached record levels again on a strong earnings season, finishing higher for a fourth straight week. Asia was mixed, with mainland China firm while Hong Kong lagged, and Japan advanced through a volatile stretch. The dollar softened further after the labor data, still absorbing the aftermath of the recent intervention in the yen. Precious metals moved higher. Next week's inflation print will decide how much of the repricing holds.

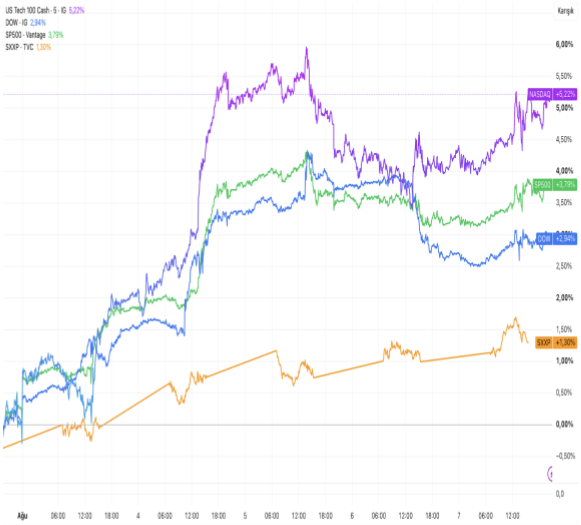
02

WEEK IN REVIEW

In the U.S., stocks rose sharply, with the gains concentrated in AI and semiconductors. Palantir reported after Monday's close, revenue up 93%, U.S. commercial up roughly 150%, and rose more than 25%, removing the enterprise AI demand doubt that had hung over the sector since July. The complex re-rated behind it: semiconductors gained 9.3% and Nvidia 11.6%. The Nasdaq led at 5.2%, the S&P 500 3.6% and the Dow 3.0%. Apple, Amazon and Alphabet barely participated.

Europe closed higher but well behind. The FTSE MIB and DAX led at 3.0% and 2.7%, the CAC 40 gained 2.4% and the STOXX 600 1.7%. The FTSE 100 lagged at 0.3% on its energy weighting.

Asia was mixed despite the chip trade. Korea rebounded hard, the KOSDAQ up 11.0%, while Shanghai gained 2.8% and Taiwan 2.6%.



The semiconductor index separated from the pack on Tuesday's open, following Palantir's results, and never gave the lead back. The Nasdaq, S&P 500 and Dow held a tight ladder in that order throughout. The STOXX 600 climbed steadily but sat below the U.S. indices from the second session on.

Commodities moved the other way. Brent fell 7.3% and WTI 7.7% as reports of a Hormuz reopening deflated the risk premium built through July. Precious metals ran opposite, silver up 10.0% and gold 7.2%.

Friday's employment report was materially weaker than expected. Payrolls fell 23,000 against consensus near 83,000, with May and June revised down by a combined 103,000. Unemployment nonetheless fell to 4.1%, on declining participation.

The bond market barely responded. The 10-year fell 6 basis points and the 2-year 3, with the curve unchanged, far less than a payroll contraction and two months of downward revisions would ordinarily produce. The falling unemployment rate appears to have offset the miss, leaving September open rather than answered.

Brent gapped lower at the Monday open on the Hormuz de-escalation and spent the week well below the prior Friday. Precious metals ran the other way, silver the more volatile of the pair, both finishing near their highs. The dollar finished flat, and the yen firmed 1.5%. Bitcoin was the quietest line on the chart.

The week closed with the summer's tension inverted: the energy premium deflated, Palantir removed the AI demand doubt, and equities took the relief into the narrowest part of the index rather than broadening out. Gold is the residual. Its mid-week 7.2%, against a flat dollar, sits oddly beside a VIX at 14.9 and records in U.S. equities either the metals bid is discounting something the equity tape is not, or it is positioning with a shorter half-life than it appears.

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03

MACRO OUTLOOK

Macro Outlook					August 2026 – Calendar Week 33
	Monday	Tuesday	Wednesday	Thursday	Friday
Eurozone/UK	-	Germany ZEW Economic Sentiment (August)	-	UK GDP (Q2, First Estimate); UK Index of Production & Trade (June)	Eurozone GDP (Q2, Second Estimate); Eurozone Industrial Production (June)
US/Canada	-	-	US CPI (July)	US PPI (July); Initial Jobless Claims; Fed Speakers (Hammack, Barkin)	US Retail Sales (July); UoM Consumer Sentiment (Prelim, August)
Asia	China CPI & PPI (July); BoJ Summary of Opinions	RBA Interest Rate Decision; Statement on Monetary Policy	Japan PPI (July)	-	-

What we're watching & why

Wednesday's CPI is the event of the week. June headline came in at 3.5% year over year with core at 2.6%, and it is the first hard inflation reading since the Fed held with three dissents calling for a hike. Friday's payroll miss cut September hike odds to roughly 42% from 58%. A firm print reverses most of that. A soft one closes the question for the summer.

Thursday's PPI gives the second read on the same question, with pipeline pressure still well above the consumer measure. Friday's retail sales and sentiment shift the focus to demand, testing whether spending holds up while payroll growth stalls. The RBA meets Tuesday with updated forecasts, and the UK posts its first estimate of second-quarter GDP on Thursday.

The bigger swing factor is energy. Crude gave back much of its premium last week on renewed Hormuz diplomacy, then reversed late on reports of fresh transit restrictions, leaving direction unresolved ahead of the IEA and OPEC monthly reports. With earnings winding down and a benign inflation outcome largely priced, rates and energy carry the week on their own.

04

SECTOR COMMENTARY

Financials	+1.2%	The weakest advancing sector. Yields fell across the curve, offering no support to margins, and regional banks were flat despite the soft payrolls print.
Industrials	+3.0%	Caught a cyclical bid, supported by the same fall in energy costs that pressured the energy sector.
Health Care	+1.9%	Higher but lagging. The defensive bid stayed thin through a week of firm rotation toward risk.
Information Technology	+7.2%	The strongest sector by a wide margin. Palantir's results revived confidence in enterprise AI demand and carried the complex.
Energy	-3.4%	The weakest sector. Crude fell more than 7% as the Hormuz premium unwound, reversing the move that made energy July's standout.
Materials	+4.8%	Second strongest, and the strength came from precious metals rather than industrial demand. Gold rose 7.2% and Silver 10.0% while copper managed only 2.1%.
Communication Services	+2.8%	Advanced on platform strength, with Meta up 6.4%, though Alphabet finished marginally lower and capped the sector’s gain.

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05

MARKET SOLUTIONS

		Short-to-Medium Term Tactical Solutions	
		Base Case	**Key Risks**
Investment Backdrop	**Macro**	▪ Payrolls fell 23,000 with prior months revised down by 103,000, and September hike odds dropped to roughly 42% from 58%. Wednesday's CPI is the next test of a call the chair has left open.	▪ A firm print restores the hike case quickly. A soft print removes it but confirms labor is cooling faster than earnings assume.
	Fixed Income	▪ Add duration selectively. Yields fell across the curve but the shape barely changed, and the front end has priced most of the good news.	▪ A hot CPI pushes yields back toward the late-July highs. ▪
	Equities	▪ Stay selective, not broad. Semiconductors led the recovery and Europe reached records on strong earnings, leaving less room for disappointment.	▪ Most mega-cap results are in. Without an earnings catalyst, the tape leans on Wednesday's data.
	Alternatives	▪ Oil remains the cleaner risk expression, and the premium is two-sided. Precious metals rallied on rates, not geopolitics.	▪ Hormuz is the swing factor. A durable reopening removes the premium, renewed restrictions retake the highs.
	FX	▪ Reduce dollar length. The dollar finished softer and hit a two-week low after the labor data.	▪ A firm CPI restores rate support quickly. Intervention effects may fade without further official action.

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REFERENCES AND SOURCES

CNBC, Reuters, and Yahoo Finance market wraps; Yahoo Finance historical index quotes; Federal Reserve H.15 Selected Interest Rates; Trading Economics Treasury yields, Brent crude, gold, silver, and equity index data; StreetStats Treasury yield curve and FX data; Forbes Advisor Treasury rate coverage; BLS Employment Situation and Indeed Hiring Lab payroll analysis; St. Louis Fed On the Economy flash report; CNBC and Fortune yen intervention coverage; USAGOLD daily precious metals report; Reuters, Bloomberg, and US News STOXX 600 coverage; STL.News and TradingKey Asian markets coverage; ONS, Eurostat, Census Bureau, and Reserve Bank of Australia release calendars; Yardeni Quick Takes, Kiplinger, and LiteFinance economic calendars; TradingView S&P sector performance data; Financial Times reporting on Federal Reserve policy; TradingView for the graphs

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