

WEEKLY MARKET OUTLOOK



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EXECUTIVE
SUMMARY

Two things moved this week and neither was equities. US-Iran strikes resumed for the first time in about a month, sending WTI up 9.69% and Brent 7.80% to around \$96, the strongest week for crude since mid-July. Washington said it would not open talks with Tehran until attacks on shipping in the Strait of Hormuz stop, and the risk premium that had deflated the week before rebuilt in three sessions. Friday's employment report then reversed the labor picture that had shaped policy expectations all

summer. Payrolls rose 162,000 against consensus near 53,000, the largest monthly gain since March, and June and July were revised up by a combined 55,000, turning July's reported contraction of 23,000 into a gain of 21,000. Unemployment held at 4.1% and market-implied odds of a September hike moved above 50%. Equity indices barely moved, the S&P 500 up 0.09% and the Nasdaq 0.40. Europe and Asia both fell, and the yen was the week's strongest major currency.

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WEEK IN
REVIEW

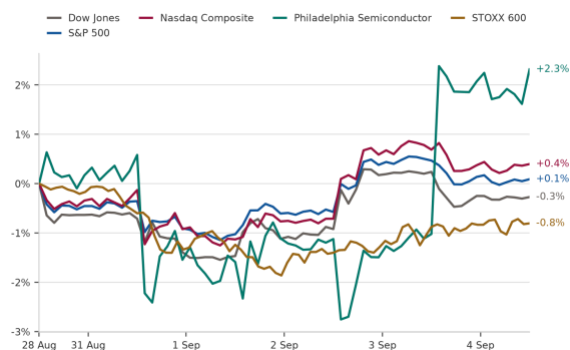
In the U.S., the index level went nowhere while money moved within it. The S&P 500 rose 0.09% and the Nasdaq Composite 0.40%, with semiconductors up 2.32% and Nvidia 5.89%. The offset came from expensive software: Palantir fell 6.42% on profit-taking at roughly 144 times earnings, even after a new U.S. Army contract, with Microsoft down 2.69% and Broadcom 2.95%. Meta gained 6.70%.

Europe was weaker, the DAX down 1.97% and the STOXX 600 0.81%. In Asia

the KOSDAQ fell 2.97% and the Nikkei 2.09%, with Hong Kong the only gainer.

Energy carried the week. Brent rose 7.80% to \$96.28 and WTI 9.69%, the strongest week for crude since mid-July, as strikes resumed and Washington said talks would not open until attacks on Hormuz shipping stopped. The premium the market wrote down a week earlier rebuilt in three sessions.

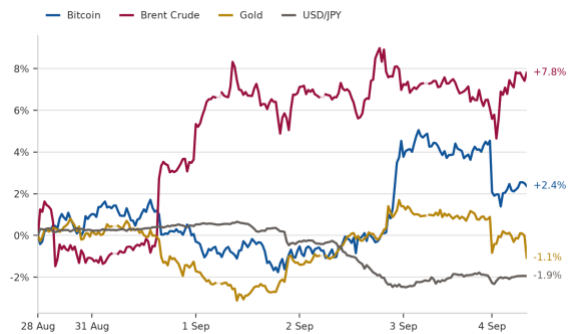
Friday's employment report reversed the other half of the summer's story. Payrolls rose 162,000 against consensus near 53,000, the largest gain since March, with June and July revised up by a combined 55,000 and July's reported contraction of 23,000 becoming a gain of 21,000. Unemployment held at 4.1% and September hike odds moved above 50%.



All five lines fell together on Tuesday and spent the middle of the week below the line before recovering on Thursday. Semiconductors were the most volatile and broke sharply higher on Friday to finish clear of the pack. The STOXX 600 lagged from Tuesday and ended weakest.

The weekly rate changes concealed a round trip. The 10-year reached 4.82% on Wednesday, its highest since November 2023, before finishing 4 basis points up with the 2-year unchanged. The dollar index still fell 0.54% after Waller said on Thursday he would support holding rates if price pressures keep easing, and the yen

gained 1.95% on bets the Bank of Japan turns more hawkish on 17 and 18 September.



Brent separated from the chart on Tuesday and never came back, holding a six-to-eight-point lead for the rest of the week. Bitcoin and Ether tracked sideways before stepping higher on Thursday. Gold spent most of the week negative, and the yen strengthened steadily from Tuesday.

Three weeks ago the case against a September hike rested on a shrinking labor market and a fading energy premium. Both have now reversed, and the chair has already said financial conditions may not be restrictive enough. September has stopped being a question about whether the data allows a hike.

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MACRO OUTLOOK

Macro Outlook			September 2026 – Calendar Week 37		
	Monday	Tuesday	Wednesday	Thursday	Friday
Eurozone/UK	-	Germany Balance of Trade (July)	-	ECB Interest Rate Decision; ECB Press Conference	UK GDP(July)
US/Canada	-	-	-	PPI (Aug); Existing Home Sales (Aug)	US CPI (Aug); Michigan Consumer Sentiment (Sep, Prel)
Asia	-	China Balance of Trade, Exports and Imports (Aug); Australia NAB Business Confidence	China Inflation Rate (Aug)	-	-

What we're watching & why

Friday's CPI is the event of the week and lands five days before the 16 September decision. Consensus has headline rising 0.4% on the month against 0.1% in July, which would be the fastest monthly pace since the spring and reflects the energy move directly. Core is seen easing to 2.4% from 2.5%. With a hike more likely than not after payrolls, a firm headline print leaves the committee arguing about a hike into a strengthening labour market.

Thursday brings the ECB, expected to raise its main rate to 2.65% from 2.4% and the deposit rate to 2.5%. It would be the first major central bank to move while the Fed is still debating, and the press conference matters more than the decision. US PPI lands the same day, seen at 0.3% against zero in July.

China reports trade on Tuesday and inflation on Wednesday, with consensus at 0.9% against 0.5%, a rare acceleration after months of near deflation.

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Sector COMMENTARY

Financials	+0.8%	Firmed as hike odds rose after Friday's payrolls, with regional banks up 1.31% and the curve steepening 2 basis points.
Industrials	+0.1%	Essentially flat, with no catalyst either way and higher fuel costs offsetting a stronger labour print.
Health Care	+0.4%	Marginally higher, the defensive bid staying thin through a week in which the index went nowhere.
Information Technology	+1.4%	Second strongest. Nvidia rose 5.89% and semiconductors 2.32%, though Broadcom fell 2.95% and Microsoft 2.69%, leaving the sector's gain concentrated in a few names.
Energy	+2.3%	The strongest sector, tracking Brent's 7.80% and WTI's 9.69% advance as US-Iran strikes resumed and the Hormuz premium rebuilt.
Materials	-1.1%	Fell as precious metals gave back ground, gold down 1.08% and silver 1.42%, with copper contributing nothing at 0.53%.
Communication Services	-0.5%	Lower despite Meta's 6.70% gain, with Alphabet down 2.28% and the rest of the sector offsetting the move.

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MARKET SOLUTIONS

Short-to-Medium Term Tactical Solutions			
		Base Case	Key Risks
Investment Backdrop	Macro	Payrolls rose 162,000 with 55,000 of upward revisions, and July's contraction was revised away. A September hike is now more likely than not.	Friday's CPI is seen at 0.4% on the month on the energy move. A firm print five days before the decision leaves little room to wait.
	Fixed Income	Keep duration light. The curve steepened 2 basis points with the 2-year unchanged, so the front end has not yet priced the labour revision.	If CPI confirms the energy pass-through, the front end reprices quickly toward a September move.
	Equities	Index moves were negligible and leadership narrow. Meta and Nvidia carried the week while most of the mega-cap complex fell.	Higher fuel costs are already visible in consumer discretionary.
	Alternatives	Oil is a supply-risk trade again. Strikes resumed after a month and Brent gained 7.80% to \$96.28 in 3 sessions.	The premium has now reversed direction in four of the last six weeks. Positioning either way carries the same whipsaw risk.
	FX	The dollar index fell 0.54% despite firming on Friday's payrolls, with Waller's dovish remarks offsetting the labour data earlier in the week.	The Bank of Japan meets on 17 and 18 September, two days after the Fed. A hike there removes part of the dollar's rate advantage.

CONTRIBUTORS

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DISCLAIMER

This document reflects the views of D+A Strategies investment leadership going into CW 37 2026. Past performance does not predict future returns. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. We assume no obligation to update any forward-looking statement.

REFERENCES AND SOURCES

CNBC and Reuters market wraps; Trading Economics for Brent, index and commodity data; the Bureau of Labor Statistics for the August employment report; the Federal Reserve for Governor Waller's 3 September remarks; CME FedWatch for rate probabilities; Trading Economics economic calendar; Finviz sector and industry performance; TradingView S&P sector performance data; yfinance, the FRED API and Python for the graphs.

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