tpo the private office

PACIFIC ASSET MANAGEMENT

August 2026

# World markets at a Glance

# Market summary

World markets at a glance is designed to help you understand the key developments shaping portfolio performance. It gives you a high-level view of what has changed and why it matters.

The information is provided by our investment partners at Pacific Asset Management (PAM), who apply market expertise and rigorous analysis to interpret fast-moving conditions. Together with PAM, we maintain real-time daily monitoring of all client portfolios to ensure they continue to align with your objectives.

If you have any questions about this summary or the impact of recent market movements on your investments, please contact your TPO Adviser.

**Nigel Yeo**
Chief Client Officer
The Private Office

**For comprehensive commentary on investment markets be sure to read our latest investment market update via the QR code or this link:**

**www.theprivateoffice.com/marketcommentary**

**August 2026**

- In August, equity markets rebounded as concerns around AI-related stocks eased, with positive returns across most regions
- Strong earnings from Nvidia and announcements of share buybacks and dividend payments by South Korean chipmakers helped drive returns
- Global government bonds were broadly flat, while UK government bonds delivered modestly positive returns, despite some challenging headlines. In the US, national debt exceeded $40tn, or around $117,000 per person.

**Will Thompson**
Portfolio Manager
Pacific Asset Management

*This document is intended for general information only, it does not constitute individual advice and should not be used to inform financial decisions. Please note that investment returns are not guaranteed, and you may get back less than you originally invested.*

# Overview

August 2026

| (%) | 2021 | 2022 | 2023 | 2024 | 2025 | YTD | August 2026 |
|---|---|---|---|---|---|---|---|
| **US Equity** | 29.81 | -8.38 | 19.71 | 27.46 | 9.70 | 12.33 | 2.09 |
| **UK Equity** | 18.32 | 0.34 | 7.92 | 9.47 | 24.02 | 11.94 | 0.69 |
| **Europe ex UK Equity** | 16.90 | -7.99 | 15.12 | 1.88 | 26.10 | 9.95 | 0.90 |
| **Asia Pacific ex Japan Equity** | 5.58 | 5.23 | 0.89 | 6.63 | 12.26 | 15.87 | 1.85 |
| **Japan Equity** | 2.58 | -6.74 | 14.05 | 10.42 | 15.96 | 20.01 | 2.71 |
| **Emerging Equity** | -1.71 | -10.60 | 4.11 | 9.60 | 24.30 | 23.19 | 2.73 |
| **World Government Bonds** | -1.99 | -11.65 | 5.85 | 2.65 | 3.43 | -0.15 | -0.02 |
| **UK Government Bonds** | -5.16 | -23.83 | 3.69 | -3.32 | 5.03 | -1.26 | 0.19 |
| **UK Investment Grade Corporate Bonds** | 7.24 | -0.98 | -15.26 | 8.02 | 3.29 | 0.24 | 0.27 |
| **High Yield Bonds** | 3.49 | -11.98 | 12.04 | 8.71 | 8.14 | 2.89 | 0.89 |
| **Commodities** | 28.14 | 28.47 | -12.36 | 6.51 | 8.38 | 29.69 | 6.28 |
| **Gold** | -2.34 | 10.58 | 8.45 | 28.20 | 53.66 | 4.86 | 12.03 |
| **Oil** | 63.11 | 40.68 | -7.5 | 15.78 | -14.27 | 73.9 | 3.26 |

Returns are in GBP. Source: Bloomberg (August 2026)

# Global Markets



**Markets rebounded as investor concerns over AI-stocks dissipated**

**US MARKETS**
US equities were a key driver of global market gains in August. Investor confidence improved after strong results from Nvidia eased earlier concerns around AI-related stocks. The rebound also spread across the wider technology sector, with software companies performing well as investors refocused on solid underlying fundamentals.

**EMERGING MARKETS**
Emerging markets had a strong August rebound, quickly recovering from July's weakness as confidence in the AI trade improved. Their performance continues to reflect their important role in the AI supply chain, particularly in memory chips and other key components. Investor sentiment was also helped by SK Hynix and Samsung Electronics announcing share buybacks and dividends, which were seen as positive uses of stronger cashflows.

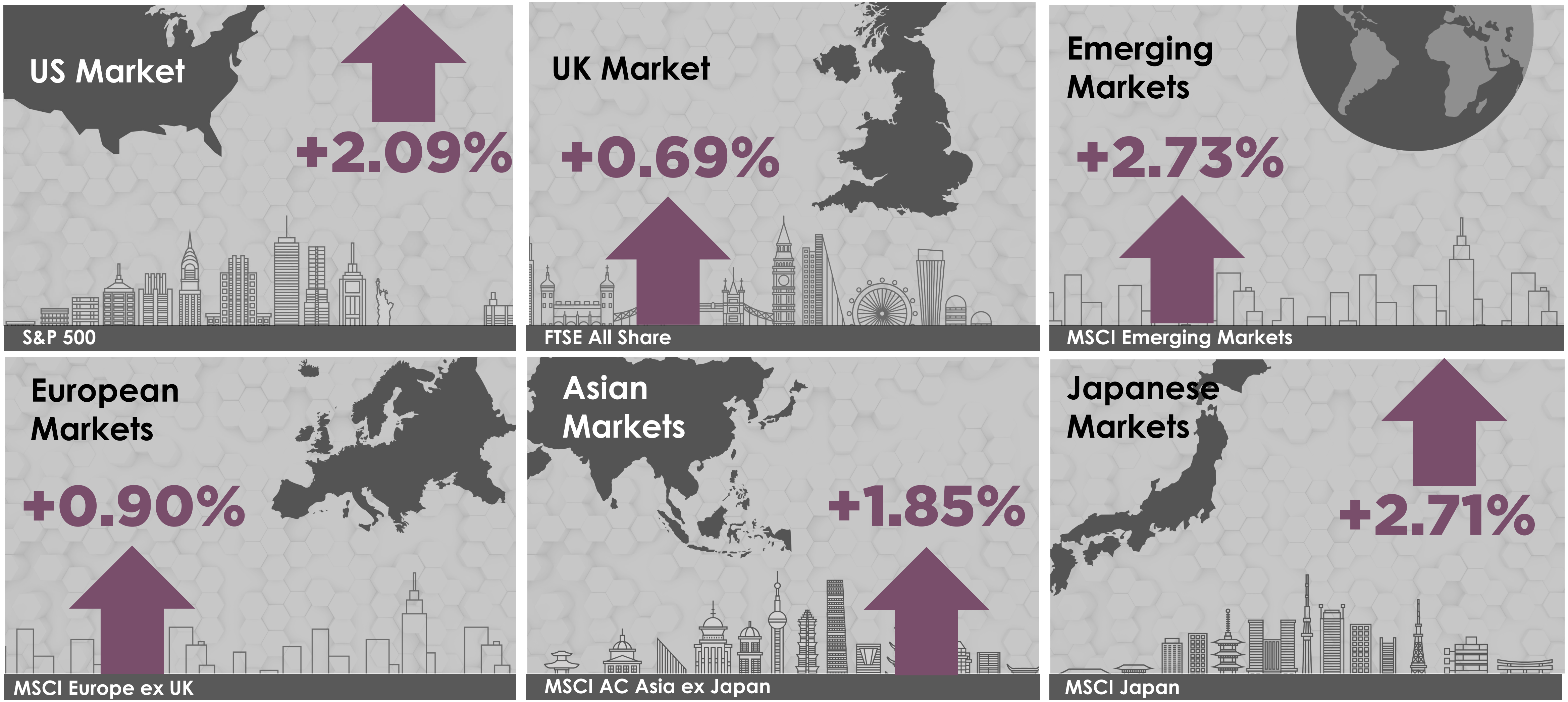
**UK MARKETS**
UK equities also delivered positive returns, though gains were more modest than in July. This reflected the shift in investor appetite back towards technology companies, an area where the UK market has less exposure.

**JAPAN MARKETS**
Japanese equities had a positive month, supported by optimism around the wider data centre buildout and a loose domestic fiscal policy backdrop. This was despite a yen which continues to weaken.

Source: Bloomberg (August 2026)

# Equities

August 2026 returns in GBP




Source: Bloomberg (August 2026)

# Key Indicators & Currencies

August 2026 returns in GBP

## Key Indicators

**Key Points**

- Tension in the Middle East continued, with the Brent Crude Oil barrel price hovering at around 90$ throughout the month
- UK inflation printed higher than last month mainly due to energy costs
- Continued increases in long-term bond yields and concerns with fiscal responsibility meant gold had a positive month

| GOLD | OIL | COMMODITIES | INFLATION |
|---|---|---|---|
| +12.03% | +3.26% | +6.28% | +2.90% |

## Pound vs other currencies

**Key Points**

- A strengthening of the pound against the dollar meant GBP investors saw slightly diminished returns over the month
- The yen continues to weaken against major currencies despite a joint market intervention led by the US and Japan in late July

| +0.78% | +1.05% | -0.20% | +0.28% |
|---|---|---|---|
| $ | ¥ | € | 元 |
| GBP vs USD | GBP vs JPY | GBP vs EUR | GBP vs CNY |

Source: Bloomberg (August 2026)

# Bonds

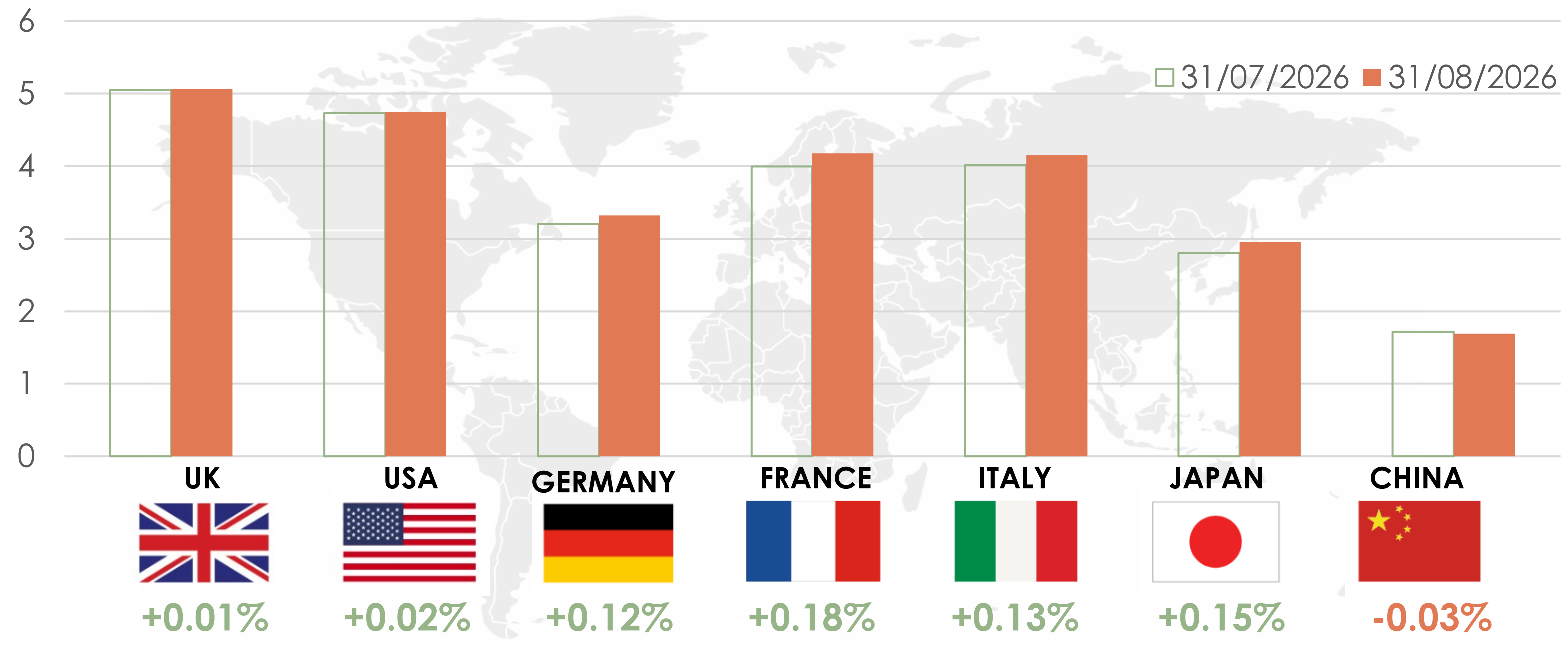
August 2026 returns in GBP

**Key Points**

- Sovereign bonds were a key focus in August, with long-dated bond prices falling across many developed markets as yields moved higher
- In the US, rising debt, inflation concerns and fiscal deficits pushed the 30-year Treasury yield to levels not seen since 2007, while policy action had limited impact
- In the UK, slightly higher inflation and ongoing energy price pressures kept Gilts muted and broadly in line with global bond market trends

| Bond Markets | |
|---|---|
| UK Government Bonds | +0.19% |
| Investment Grade Bonds | +0.27% |
| World Government Bonds | -0.02% |
| High Yield Bonds | +0.89% |

**10 Year Bond Yields**




Source: Bloomberg (August 2026)

# Glossary

| | |
|---|---|
| **BoE** | Bank of England - central bank of the United Kingdom |
| **BoJ** | Bank of Japan - central bank of Japan |
| **Correlation** | The degree to which the returns of financial assets or instruments move in relation to each other |
| **CNY** | Chinese renminbi (yuan) - currency of the People's Republic of China |
| **CPI** | Consumer Price Index - a measure of inflation in which a basket of goods and services is calculated over different time periods |
| **Dovish** | The approach in which central banks are likely to keep monetary policy "loose" or accommodative |
| **ECB** | European Central Bank - the central bank of the European Union countries which have adopted the euro |
| **EUR** | Euro, the official currency of the European Union for the 20 of 27 member states that have adopted this currency |
| **The 'Fed'** | or the US Federal Reserve System - the central banking system of the United States of America, which includes the Federal Reserve Board and the twelve regional Federal Reserve Banks |
| **GBP** | British Pound - sometimes referred to as 'sterling' |
| **GDP** | Gross Domestic Product - a monetary measure of the market value of all goods and services produced in a specific time period by a country or countries |

| | |
|---|---|
| **Growth Stocks** | Stocks which display specific characteristics –high price-to-earnings (P/E), high price-to-book (P/B), low to no dividend yield –which typically demonstrate revenue growth and tend to reinvest earnings rather than distribute them as dividends |
| **Hawkish** | The approach in which central banks are likely to keep monetary policy "tight" or restrictive |
| **JPY** | Japanese Yen - currency of Japan |
| **Macro** | or Macroeconomics - a branch of economics that deals with the performance, structure, behavior, and decision-making of an economy as a whole |
| **PMI** | Purchasing Managers' Index - an economic indicator used to measure the activity of the manufacturing/service sectors of the economy |
| **USD** | US Dollar - currency of the United States of America |
| **Value Stocks** | Stocks which may trade at lower prices relative to their intrinsic value, as defined by traditional fundamental analysis, and typically include evaluation metrics such as lower price-to-earnings (P/E) and price-to-book (P/B) ratios, and higher dividend yields, compared to Growth stocks |
| **Yield Curve** | a graph (line) which depicts how the yields on debt instruments –such as bonds –vary as a function of their years remaining to maturity |
| **YoY** | Year over year |

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