AUGUST 2026
MONTHLY MARKET WRAP

INN8 INVEST

GLOBAL BOND MARKETS PUT GOVERNMENTS ON NOTICE OVER **FISCAL, INFLATION RISKS**

UNITED STATES
Government debt crossed $40 trillion thresholds.

EUROPE/UK
EU: German bond yields 15-yr high.
UK: Business confidence jumps.

ASIA
China: Exports remain key.
Japan: $98 billion to prop up yen.

SOUTH AFRICA
Mining shares jump 24.5%.

UNITED STATES

- Annual US inflation held steady at 3.4% in July. Federal Reserve Chair, Kevin Warsh, delivered a hawkish speech, indicating further tightening remains possible if inflation does not move towards the 2% target.
- A major sell-off in US government debt pushed the 30-year Treasury yield to 5.25% by month end, after briefly hitting a 19-year high during the month. Markets are bracing for a prolonged period of restrictive monetary policy on the back of sticky inflation, expanding fiscal deficits and a flood of corporate borrowing for AI.
- Treasury Secretary, Scott Bessent, shocked markets when he announced $4 billion of bond buybacks to stabilise market liquidity and calm surging borrowing costs.
- US shares advanced toward all-time highs, led by tech shares. The S&P 500 Index gained 2.7% and the Nasdaq Composite Index, 4%. Corporate earnings remain strong and recent results from the world's most valuable company, *NVIDIA*, supported investor sentiment.

UK/EUROPE

- German and French bonds hit lowest levels in more than 15 years. The prospect of prolonged war raised concerns that inflation pressures may persist. Eurozone inflation for August increased to 3.3%, previously 2.9%, increasing the probability of a rate hike in September.
- UK business confidence rose 4 percentage points to 53% in August, marking the highest reading since March, according to *Lloyds*, as businesses cited improving domestic conditions.

ASIA

- China's economic momentum slowed broadly in July, weighed down by muted consumer spending and slumping investment. GDP grew only 4.3% y-o-y with exports still leading the way.
- The yield on 10-year Japanese government bond touched 3% for the first time since 1996. In the currency market, in a joint action with the US, Japan intervened to support the yen – though the intervention has had a modest impact to date.

SOUTH AFRICA

- Annual inflation cooled to 4.3% in July, strengthening the case for a rate hold.
- Mining shares performed impressively, up 24.5%, leaving the JSE All Share Index up 4.6%. This after gold and platinum prices jumped 9% and 10% respectively. The US Treasury's bold intervention in the bond market revived concerns about a weaker dollar and pushed investors toward alternatives such as gold.

Annualised returns (%)	1m	1yr	3yr	5yr	10yr
MSCI AC World Index ($)	2.7	22.3	20.5	10.9	12.6
S&P 500 Index ($)	2.7	20.4	21.0	12.8	15.4
Nasdaq Composite ($)	4.0	23.6	24.2	12.4	18.6
Bloomberg Global Aggr. Bond Index ($)	0.5	0.6	3.6	-1.7	0.3
JSE All Share	4.6	18.4	20.0	15.9	12.1
Property Index	-4.1	18.5	24.7	15.4	3.7
Bonds (ALBI)	0.7	16.5	16.7	11.7	10.6
Money Market (STeFI Composite)	0.6	7.0	7.8	7.0	6.8
Rand/dollar (depreciation +)	-2.5	-8.7	-5.1	2.1	1.0
SA inflation (1 month lag)	0.2	4.3	4.1	5.0	4.6

Source: Morningstar. This Market Wrap combines publicly available information from multiple reputable financial publications and market data sources with our own analysis and commentary.

2.7% ↑
MSCI AC World Index ($)

0.5% ↑
Bloomberg Global Aggregate Bond Index ($)

4.6% ↑
All Share Index

0.7% ↑
All Bond Index

10.50% →
SA Prime Rate

7.95%
INN8 Invest Flexible Income: YIELD (net of fees)
(31 July 2026)

$/R16.12
Exchange rate

$90.49
Oil price
(Settlement price: 31/08/26)