

Daily Market Brief

August 19th 2026



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD
The EUR/USD pair trades in positive territory near 1.1585 during the early European trading hours on Wednesday. The Euro (EUR) edges higher against the US Dollar (USD) as the German ZEW survey beat forecasts. The European Central Bank (ECB) President Christine Lagarde's is set to speak later on Wednesday. Data on Tuesday showed that the German ZEW Survey - Economic Sentiment came in at 34.2 in August, versus 26.3 prior, better than the estimates of 30.00. The ZEW Survey - Current Situation improves to -61.1 in August, compared to -77.6 in July, stronger than the -68.8 expected. Financial markets are now pricing in a continuation of the ECB hiking cycle. The ECB Watch Tool indicates a 90% to 94% probability of a 25 basis points (bps) hike to 2.50% at the next policy meeting scheduled for September 9.

GBP/USD
The GBP/USD pair loses ground to around 1.3535 during the early Asian trading hours on Wednesday. The British Pound (GBP) weakens against the US Dollar (USD) amid disappointing UK labour data. Traders will closely watch the release of the UK Consumer Price Index (CPI) inflation data, which is due later on Wednesday. Data released by the Office for National Statistics showed on Tuesday that the UK Unemployment Rate steadied at 4.9% in the three months to June. The figure came in above the market consensus of 4.8%.

USD/JPY
The USD/JPY pair edges lower to around 159.45 during the Asian trading hours on Wednesday. The Japanese Yen (JPY) strengthens against the US Dollar (USD) as market expectations grow for another interest rate hike by the Bank of Japan (BoJ). Traders will keep an eye on Japan's National Consumer Price Index (CPI) inflation report, which will be released later on Friday. Markets are currently pricing in a high chance of another BoJ rate hike, potentially as soon as the upcoming policy meeting. This expectation stems from recent comments by BoJ policymakers and inflation data that remains above the central bank's 2% target. Overnight index swaps are pricing in an about 80% probability of a rate hike as soon as September, according to Reuters.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1587	1.1588	1.1570	0.10	0.53	-1.35
GBP-USD	1.3541	1.3544	1.3523	0.07	0.34	0.49
USD-JPY	159.28	159.64	159.24	-0.21	0.09	-1.61
USD-CHF	0.8110	0.8128	0.8109	-0.16	0.32	-2.27
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	4339.97	4362.06	4324.76	0.13	-1.55	0.48
Silver	62.71	64.00	62.45	-1.03	-4.00	-12.49
Crude Oil	85.54	86.01	85.25	0.71	2.73	50.04
Bitcoin	64308.16	64758.71	64237.25	-0.38	2.32	-26.63
Etherium	1910.67	1919.69	1905.31	-0.07	1.70	-35.83
Period	1M	3M	6M	12M		
SOFR (\$)	3.65	3.72	3.82	3.95		
ESTR (€)	2.65	2.37	2.49	2.65		
SONIA (£)	3.74	3.80	3.93	4.16		
SARON (F)	-0.06	-0.05	-0.03	0.05		
TONAR (¥)	0.96	0.89	0.80	0.68		

	Rates
U.S. Federal Fund Target Rate	3.75
ECB Main Refinancing Operation Announcement Rate	2.4
ECB Deposit Facility Announcement Rate	2.25
ECB Marginal Lending Facility Announcement Rate	2.65
BOE Official Bank Rate	3.75

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
The S&P 500 fell on Tuesday, pressured by a run in sovereign bond yields to multidecade highs amid concerns of persistent inflation and elevated oil prices. A pullback in semiconductor stocks also weighed on the broader market. The broad market index declined 0.69% to 7,691.76 and posted a third consecutive losing session. The Nasdaq Composite was down 1.33% to end at 26,289.71. Western Digital fell 7%, weighing on the Nasdaq.

EUROPE
Europe's benchmark STOXX 600 fell to a more than two-week low on Tuesday, as investors grappled with higher bond yields and renewed inflation concerns, while U.S. President Donald Trump's denial of talks with Iran added to geopolitical uncertainty. The pan-European STOXX 600 closed 0.69% lower at 651.90 points, and had its worst day in nearly a month.

Asia
Asia-Pacific markets opened lower Wednesday, with South Korea's Kospi leading declines. The Kospi dropped 5.89% at open, while the small-cap Kosdaq was 3.62% lower, leading to a temporary halt in trading. Kospi heavyweights Samsung and SK Hynix was down over 7% and over 5%, respectively. Japan's Nikkei 225 fell 1.04% while the Topix declined 1.01%. Australia's benchmark S&P/ASX 200 slipped 0.50%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	53343.40	-0.22	2.30	10.99	53352.00	-0.10
S&P	7691.76	-0.69	3.14	12.36	7699.75	-0.17
Nasdaq	26289.71	-1.33	3.02	13.11	29461.50	-0.36
DJ EuroStoxx50	6468.17	-0.95	3.81	11.69	6478.00	-0.11
FTSE 100	10728.04	0.07	1.20	8.02	10745.00	-0.15
CAC 40	8509.36	-0.82	2.05	4.42	8513.50	-0.81
DAX	26128.36	-0.80	5.22	6.69	26180.00	-0.09
IBEX 35	19934.90	-0.24	3.74	15.18	19946.10	-0.35
FTSE MIB	53017.84	-1.06	2.19	17.96	53131.00	-1.08
Nikkei	67460.73	-2.99	2.03	30.01	65280.00	-3.05
Hang Seng	25471.15	0.10	3.81	-0.52	25434.00	0.11
DFM General	5858.28	0.04	0.76	-3.12		
MSCI Tadawoul	10911.58	0.03	1.82	4.01		
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	73.65	74.00	70.35	5.14	3.73	-12.32
Solidere B	71.80	72.00	71.50	3.09	2.21	-13.18
EuroBonds	26.875 / 27.875					

MUST READ

(Source: Bloomberg/Forexlive)

BofA Sees Nvidia Trading at Up to 50% Discount on AI Risks
Bank of America (BoFA) believes Nvidia shares could be trading at a 34%-50% discount because investors may be overstating the risks surrounding the company's aggressive AI investments. The bank argues that this discount could represent a "compelling opportunity" for investors. BoFA analyst Vivek Arya maintains a Buy rating and a \$350 price target for Nvidia. The stock recently fell 2.5% to \$219 but remains up about 18% for the year. Nvidia has committed roughly \$300 billion to support its AI ecosystem, including about \$70 billion in equity investments and \$230 billion in guarantees or backstops. Recent commitments include significant funding for an Ohio data-center campus leased by OpenAI, as well as investments in SpaceX and Intel. BoFA sees strategic benefits from these investments, including securing critical AI infrastructure such as chips, land and power while reducing dependence on major cloud providers developing their own chips. However, the strategy also creates financial risks if AI demand weakens, potentially pressuring Nvidia's growth and balance sheet. To address concerns about earnings quality and investor confidence, BoFA recommends that Nvidia return more of its strong free cash flow to shareholders through stock buybacks.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
TARGET CORP	TGT	\$ 69.26 B	19-Aug-26	Bef-mkt	2.96	2.05
ALIBABA GROUP I	BABA	\$ 307.18 B	20-Aug-26	Bef-mkt	10.80	14.75
WALMART INC	WMT	\$ 916.77 B	20-Aug-26	Bef-mkt	0.74	0.68
ROSS STORES INC	ROST	\$ 75.83 B	20-Aug-26	Aft-mkt	1.93	1.56
KE HOLDINGS INC	BEKE	\$ 19.38 B	21-Aug-26	Bef-mkt	2.13	1.55

ECONOMIC CALENDAR

(19-08-26) JN - Core Machine Orders MoM
(19-08-26) UK - CPI YoY / MoM
(19-08-26) EC - CPI YoY / MoM
(19-08-26) US - MBA Mortgage Applications
(20-08-26) AU - Employment Change
(20-08-26) US - Initial Jobless Claims
(20-08-26) US - Leading Index

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