

Daily Market Brief

August 20th 2026



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair enters a bullish consolidation phase after touching its highest level since late May during the Asian session on Thursday. Bulls now await a move beyond the 1.1700 mark before placing fresh bets and positioning for an extension of an over a three-week-old uptrend. The US Dollar (USD) stabilized following the previous day's US bond yields-led slump to a three-month low and turns out to be a key factor acting as a headwind for the EUR/USD pair. The fall in yields came after the US Treasury Department stepped in to provide relief to bond markets and said it would at least double purchases of longer-dated government debt from September in a bid to keep borrowing costs in check.

GBP/USD

The GBP/USD pair trades in positive territory around 1.3610 during the early European trading hours on Thursday. The US Dollar (USD) weakens against the British Pound (GBP) on fading Federal Reserve (Fed) rate hike expectations and Treasury bond buybacks. The US Initial Jobless Claims report is due later on Thursday. A disappointing US jobs report and softer inflation data dialed back bets of tighter Fed monetary policy, undermining the Greenback. The chance of a US rate hike in September has dropped to 32.7%, down from 47% a month earlier, according to the CME FedWatch Tool. The Federal Reserve's (Fed) latest July meeting minutes indicated many policymakers saw rate hikes as likely if inflation did not decline. The Fed decided to keep the Federal Funds Rate targeted in a range between 3.5%-3.75% last month, with dissenters focusing on the need for action soon to return inflation to target.

USD/JPY

USD/JPY appreciates after registering modest losses in the previous day, trading around 158.50 during the Asian hours on Thursday. The currency pair gains ground as the Japanese Yen (JPY) struggles under the weight of wide interest rate differentials, mounting fiscal concerns, and elevated costs for energy and imported goods. Japan's Merchandise Trade Balance Total showed the trade deficit widened sharply to JPY 634.5 billion in July from JPY 409.9 billion the prior month. Although the figure came in below the market forecast of a JPY 680.0 billion deficit, it marks the third consecutive month in the red and the largest deficit recorded since January, driven by import growth outstripping export gains.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1672	1.1684	1.1670	-0.04	1.25	-0.63
GBP-USD	1.3605	1.3616	1.3595	-0.01	0.87	0.96
USD-JPY	158.70	158.70	158.03	0.33	0.50	-1.25
USD-CHF	0.8003	0.8004	0.7970	0.36	1.72	-0.96
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	4482.39	4527.22	4481.59	-0.74	3.03	3.77
Silver	66.79	67.55	66.40	-0.28	3.57	-6.80
Crude Oil	86.00	86.16	85.60	0.20	5.85	50.85
Bitcoin	69561.23	69860.71	68863.41	0.75	10.33	-20.64
Etherium	2250.90	2334.40	2216.09	1.48	19.60	-24.41
Period	1M	3M	6M	12M		
SOFR (\$)	3.65	3.73	3.84	3.98		
ESTR (€)	2.66	2.38	2.49	2.66		
SONIA (£)	3.74	3.79	3.92	4.14		
SARON (F)	-0.06	-0.05	-0.03	0.05		
TONAR (¥)	0.96	0.89	0.81	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 ended a three-day losing run on Wednesday as bond yields fell following the Treasury Department's announcement of an increased buyback operation for longer-term debt. The broad market index advanced 0.21% to close at 7,707.98, while the Nasdaq Composite gained 0.16% to 26,331.09. The 30-stock Dow Jones Industrial Average added 119.65 points, or 0.22%, and settled at 53,463.05. The rally lost ground as the session went on. Earlier in the day, the Dow climbed more than 360 points, or 0.7% at its high of the session. The S&P 500 was up 0.7% at its peak, while the Nasdaq was higher by 0.6%.

EUROPE

European shares edged down to nearly a three-week low on Wednesday, as firmer oil prices and concerns over rising inflation offset relief from easing bond yields after the U.S. Treasury announced more liquidity support for longer-dated debt. Euro zone bond yields slipped after the U.S. Treasury said it would double the size of liquidity support for long-term debt. Global bond yields had reached multi-year highs on Tuesday, unsettling investors and leading to a sell-off in risk assets.

Asia

Asia-Pacific markets opened higher Thursday. Japan's Nikkei 225 added 0.66%, while the Topix rose 0.57%. The Kospi advanced 3.11%, while the small-cap Kosdaq added 2.26%. Australia's benchmark S&P/ASX 200 was 0.59% higher.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	53463.05	0.22	3.13	11.23	53525.00	0.02
S&P	7707.98	0.21	3.56	12.60	7734.75	0.10
Nasdaq	26331.09	0.16	3.23	13.29	29604.75	0.33
DJ EuroStoxx50	6444.46	-0.37	3.49	11.28	6459.00	-0.14
FTSE 100	10743.35	0.14	2.08	8.18	10776.50	0.02
CAC 40	8501.91	-0.09	1.94	4.32	8505.00	-0.10
DAX	26091.33	-0.14	5.01	6.54	26155.00	-0.11
IBEX 35	19847.50	-0.44	3.34	14.67	19838.50	-0.54
FTSE MIB	52618.20	-0.75	1.46	17.07	52730.00	-0.75
Nikkei	65326.42	1.31	3.19	31.48	66210.00	1.08
Hang Seng	25495.07	1.28	2.70	0.75	25788.00	1.36
DFM General	5841.85	-0.28	0.79	-3.39		
MSCI Tadawoul	10925.69	0.13	1.71	4.15		
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	72.85	73.00	72.75	-1.09	0.21	-13.27
Solidere B	72.00	72.00	72.00	0.28	3.97	-12.94
EuroBonds	26.875 / 27.875					

MUST READ

(Source: Bloomberg/Forexlive)

Moderna's 177% Surge Burns Shorts in 'Painful' \$5.5 Billion Loss

Moderna's stock surged 177% after the company announced that its personalized cancer vaccine, developed with Merck, significantly reduced melanoma recurrence in a late-stage trial. The dramatic rally caused an estimated \$5.5 billion in paper losses for short sellers, bringing their total mark-to-market losses on Moderna to about \$7.7 billion in 2026, according to S3 Partners. The sharp rise represents a major reversal for Moderna, whose shares had fallen nearly 94% from their 2021 peak as demand for its Covid-19 vaccine declined. However, optimism surrounding its flu vaccine and broader efforts to diversify beyond Covid products had already pushed the stock up 114% earlier this year. Analysts viewed the trial as a "landmark win," while William Blair upgraded Moderna, citing clearer prospects for revenue growth from its oncology business. Short sellers had already begun reducing their positions, with roughly 20 million shares—about a quarter of short positions—covered in 2026. Short interest had fallen from about 20% to 14% of Moderna's available shares. The sudden rally could force remaining short sellers to cover additional positions, potentially adding further upward pressure on the stock.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
ALIBABA GROUP I	BABA	\$ 308.98 B	20-Aug-26	Bef-mkt	10.80	14.75
WALMART INC	WMT	\$ 909.61 B	20-Aug-26	Bef-mkt	0.74	0.68
ROSS STORES INC	ROST	\$ 75.28 B	20-Aug-26	Aft-mkt	1.93	1.56
KE HOLDINGS INC	BEKE	\$ 19.97 B	21-Aug-26	Bef-mkt	2.13	1.55
BANK OF MONTR	BMO	\$ 122.79 B	25-Aug-26	Bef-mkt	3.72	3.23

ECONOMIC CALENDAR

(20-08-26) AU - Employment Change
(20-08-26) US - Initial Jobless Claims
(20-08-26) US - Leading Index
(21-08-26) JN - Natl CPI YoY
(21-08-26) JN - S&P Global Japan PMI Mfg
(21-08-26) UK - Retail Sales Inc Auto Fuel MoM
(21-08-26) US - S&P Global Eurozone Manufacturing PMI

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