



▲ Nvidia expects sales to grow 70% over the next year as demand for AI chips shows no sign of slowing.

Markets

	Prev. Close	% Ch
S&P 500	7,675.70	▼ 0.02%
NASDAQ	26,130.20	▼ 0.08%
FTSE 100	10,878.10	▼ 0.07%
Stoxx 50	6,470.74	▲ 0.23%
Oil (Brent)	87.84	▼ 0.84%
Gold	4,598.20	▼ 0.86%
Copper	6.59	▼ 1.71%

Market close 26/08/2026

Economic Calendar

Thursday

Jackson Hole Symposium (USD), ECB Monetary Policy Meeting Accounts (EUR), Initial Jobless Claims (USD), Tokyo CPI (Y/Y) (JPY), Unemployment Rate (JPY)

Friday

Jackson Hole Symposium (USD), CPI (EU norm) (EUR), Unemployment Rate (EUR), Business Climate (EUR), Consumer Confidence (EUR), Economic Sentiment Indicator (EUR), Fed's Chair Warsh speech (USD), Michigan Consumer Sentiment Index (USD), Nonfarm Payrolls Benchmark Revision (USD)

Saturday

Jackson Hole Symposium (USD)

Morning Macro Briefing: 27/08/2026

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- Nvidia Reports \$96.2bn in Revenue, Beating Street Expectations
- China Industrial Profits Wain as Domestic Demand Remains Weak
- Stubborn US Inflation Keeps 2026 Rate Hike in Play
- German Consumer Confidence Rises as Income Expectations Rise

Headlines

Nvidia Reports \$96.2bn in Revenue, Beating Street Expectations

Nvidia shares slipped around 2% in the initial reaction to its Q2 earnings, despite the company delivering another monster report. The firm reported \$96.2bn in revenue, ahead of consensus expectations of \$92.38bn and guided to \$105.15bn for Q3 alongside an outlook for 70% revenue growth over the next year. Despite the brief pullback, the stock recovered later into the after-hours session.

The market's hesitation reflects concerns over the durability of Nvidia's sizeable profit margins amid growing competition in the AI chips sector. Both AMD and OpenAI are set to release comparable chips next year, threatening Nvidia's monopoly position in the market. Some temporary margin slippage is also expected as the firm transitions to its next-generation chip due to be released in Q3.

Nvidia's own output continues to be heavily restricted by output from TSMC, raising further questions about how much upside is available in the short term given the supply constraints.

China Industrial Profits Wain as Domestic Demand Remains Weak

Industrial profits in China rose 11.2% y/y in July, a notable deceleration from the 18.7% growth recorded in the first half of the year, when demand for AI chips provided a strong tailwind. The latest figures point to softening domestic demand and reinforce signs of a broader slowdown across the Chinese economy.

Alongside the weaker data, markets remain focused on the potential fallout from US sanctions on Iran. China currently purchases around 90% of Iran's crude exports at discounts of \$7-12/bbl, making it a primary target for the Trump administration's secondary sanctions. Beijing has already warned that additional sanctions would hurt global growth and financial stability.

Stubborn US Inflation Keeps 2026 Rate Hike in Play

Core PCE, the Fed's preferred measure of inflation, printed in line with expectations for July, rising 0.2% m/m and 3.3% y/y. Headline figures came in slightly firmer at 0.2% m/m (above expectations of 0.1%) and 3.7% y/y, though

the overall market reaction remained muted. The S&P 500 was unchanged, while the Nasdaq and Dow slipped around 0.2%. Across rates, 10-year Treasury yields rose more than 2bps, with the 2-year and 30-year also edging higher.

The data continues to show slow progress towards target with the possibility of a 2026 rate hike remaining open. Market pricing for a September move eased slightly, with the probability falling from 39.6% yesterday to 36.1% this morning.

Elsewhere, the broader US data slate remains subdued. Consumer spending was flat, adding to the recent run of softer prints and highlighting ongoing pressure on the consumer. Mortgage refinancing applications also fell 2% on the week, weighed down by elevated yields and heightened political uncertainty, underscoring the sensitivity of housing activity to recent yield volatility.

German Consumer Confidence Rises as Income Expectations Rise

Germany's GfK consumer confidence index surprised to the upside, rising to -26.6 in September from -29.4 previously, comfortably beating expectations of -29.4. The improvement was driven by stronger economic and income expectations, suggesting households are becoming more optimistic about the outlook despite persistent caution on spending.

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