



▲ Remarks from Fed Chair Warsh signalled a hawkish Fed going into September meeting.

Markets

	Prev. Close	% Ch
S&P 500	7,711.76	▼ 0.25%
NASDAQ	26,402.42	▼ 0.52%
FTSE 100	10,824.30	▲ 0.29%
Stoxx 50	6,485.67	▲ 0.95%
Oil (Brent)	89.31	▼ 0.43%
Gold	4,478.10	▼ 2.85%
Copper	6.56	▼ 0.38%

Market close 28/08/2026

Economic Calendar

Monday

Chicago PMI (USD)

Tuesday

Manufacturing PMI (CNY), CPI (EUR), Unemployment Rate (EUR), ISM Manufacturing Data (USD), JOLTS (USD)

Wednesday

ADP Employment Ch. (USD)

Thursday

Services PMI (CNY), HCOB PMI (EUR), PPI (EUR), BoE Monetary Policy Report Hearings (GBP), Initial Jobless Claims (USD), Nonfarm Productivity (USD), Unit Labor Costs (USD), SP Global PMI (USD), ISM Services Data (USD)

Friday

BoE's Governor speech (GBP), Retail Sales (EUR), Average Hourly Earnings (USD), Nonfarm Payrolls (USD), Unemployment Rate (USD)

Sunday

Retail Trade (JPY)

Morning Macro Briefing: 31/08/2026

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- Warsh Strikes Hawkish Tone, Sending Odds of September Rate Hike to 60%
- US to Control 7% of Global Oil in New Venezuela Deal
- Chinese Manufacturing Activity Contracts for Second Consecutive Month

Headlines

Warsh Strikes Hawkish Tone, Sending Odds of September Rate Hike to 60%

The yield curve flattened following Chair Warsh's remarks at the Jackson Hole Economic Symposium, as markets digested a notable shift in tone. The move reflected a short-run repricing toward a more hawkish Fed, with front-end yields rising, alongside lower long-end yields stemming from long-term credibility gains.

Warsh's speech met high expectations, addressing calls from the markets for his views on the economy and the Fed's inflation target. Markets are now pricing a 60% probability of a September rate hike, as Warsh effectively walked back on his July decision not to deliver the hike many investors believed he had signalled earlier in the summer.

Warsh noted: "While this summer's PCE and CPI readings were better than expected, they do not tell me that underlying trends have meaningfully improved." He also emphasised that current financial conditions are not particularly restrictive and when combined with stubborn inflation, points to the potential for higher interest rates. The dollar strengthened sharply in response, reversing much of the previous week's losses as markets recalibrated expectations for the Fed's near-term rate path.

Overall, the speech reinforced Warsh's commitment to the inflation target and signalled a willingness to tighten further if disinflation stalls, leaving September firmly in play and prompting a meaningful adjustment across rates and currency markets.

US to Control 7% of Global Oil in New Venezuela Deal

The US announced a landmark agreement with the Venezuelan government on Friday, securing majority control over 65bn barrels of Venezuela's proven oil reserves. President Trump described the arrangement as "THE BIGGEST OIL DEAL IN WORLD HISTORY!" and will likely help the President soothe his follower's worries about high prices at the pump before the upcoming midterms.

If implemented as announced, the agreement would give the US control over 7.1% of global proven oil reserves. Trump initially indicated that he would seek to replenish the US strategic reserve but the broader implication is that significant untapped oil supply is coming to market.

Despite the supply implications, oil prices rose in Monday's Asian session, driven by a fresh military exchange between Iran and the US.

Chinese Manufacturing Activity Contracts for Second Consecutive Month

China's official manufacturing PMI contracted for a second consecutive month in August, coming in at 49.8. The print follows a run of softer activity data and adds to evidence that the broader economy is losing steam amid a prolonged housing slump and geopolitical tensions.

Despite the broader slowdown, exports expanded in August, suggesting tentative signs of recovery in global demand despite the prolonged geopolitical tensions in the Middle East.

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