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Global Markets Monthly Review

August 2026 — What moved markets, commodities & Bitcoin, and why

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August 2026 at a Glance

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Five forces set the month's tape: Gulf geopolitics, a hawkish Fed, an AI-led equity bid, a Treasury-driven Bitcoin squeeze, and precious-metals strength

US–Iran escalation

Fresh strikes and Persian Gulf tanker-blockade signals kept a geopolitical premium in oil and pushed US 10Y yields to multi-year highs — an inflation risk hanging over every market.

Warsh turns hawkish

At Jackson Hole, Fed Chair Kevin Warsh flagged persistent inflation (core PCE 3.3% y/y); markets moved to price meaningful odds of a September rate HIKE, not a cut.

Equities climbed anyway

Strong Q2 earnings and AI/semiconductor momentum lifted the US, Korea, Japan and China; Kuwait's Main segment and Saudi led the GCC.

Bitcoin's best month of 2026

+25.4% MTD on US Treasury long-bond buybacks, Clarity Act momentum, ~USD 1.9bn spot-ETF inflows and up to USD 3bn of short liquidations in a day.

Metals bid, crude split

Gold +9.4% and silver +15.4% MTD on safe-haven and rate-uncertainty demand; Brent roughly flat while Kuwait crude normalised sharply from July's disruption spike.

The laggards

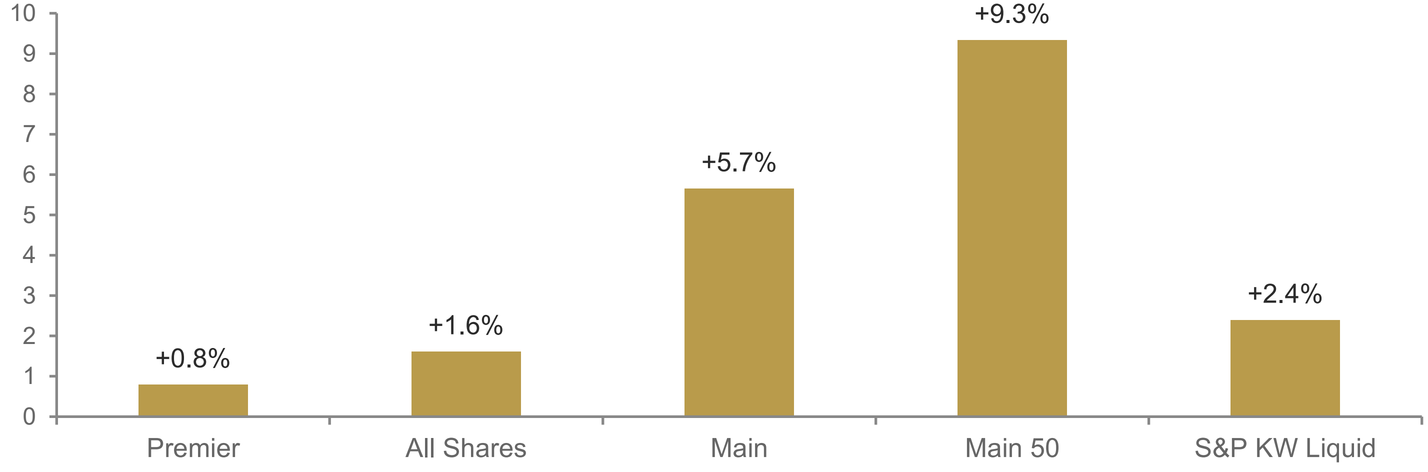
France (CAC 40), India (BSE), Qatar, Bahrain, Hong Kong and the FTSE-100 closed the month in the red — each with an identifiable local driver, detailed inside.

Kuwait — Our Bread & Butter Market

A two-speed market: Main segment surged while the Premier large caps consolidated

Index	Close	1-Day %	MTD %	YTD %	P/E	P/BV
Boursa Kuwait – Premier	9,288.30	-0.20%	**+0.79%**	**-2.21%**	18.1x	1.94x
Boursa Kuwait – All Shares	8,897.40	-0.16%	**+1.61%**	**-0.11%**	16.9x	1.79x
Boursa Kuwait – Main	9,230.47	-0.01%	**+5.65%**	**+11.18%**	11.9x	1.23x
Boursa Kuwait – Main 50	10,998.34	-0.02%	**+9.33%**	**+26.58%**	12.6x	1.57x
S&P Kuwait Dom. Liquid	268.88	-0.24%	**+2.39%**	**+1.03%**	–	–

Boursa Kuwait — MTD performance (%)



Why the market moved

- Market cap added ~KD 872mn in August; liquidity recovered into month-end (MSCI index review implemented at the 31-Aug close).
- H1-2026 listed-company profits rose 7.9% y/y to KD 1.36bn — earnings, interim dividends and bank sukuk issuance underpinned sentiment.
- KPC signed its largest pipeline lease-and-leaseback deal, adding a structural positive for the energy value chain.
- Breadth favoured mid/small caps: Main 50 +9.3% MTD vs Premier +0.8% — a rotation into under-owned names as large-cap banks digested a strong 2025.
- Premier remains -2.2% YTD, the only Kuwait gauge still negative for 2026.

GCC Peers — Oil Premium Cuts Both Ways

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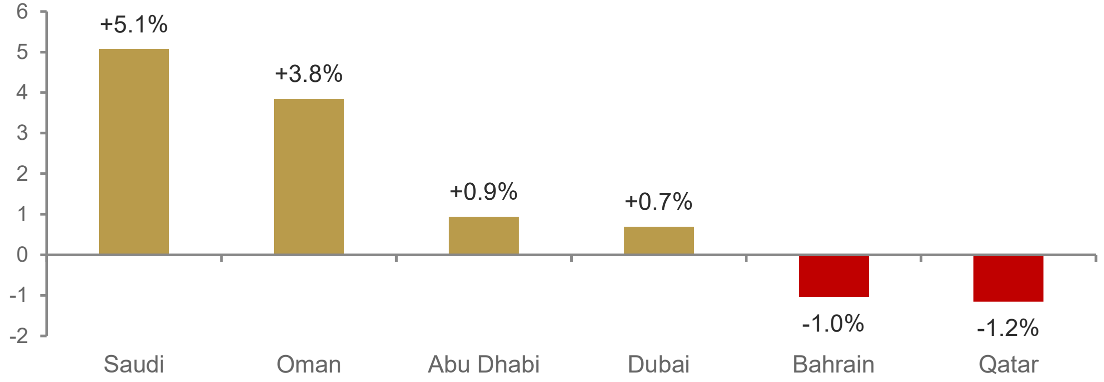
Saudi and Oman led; Qatar and Bahrain closed August in the red

Market	Close	MTD %	YTD %
Saudi – Tadawul	11,127.08	**+5.07%**	**+6.07%**
Oman – MSM 30	7,580.15	**+3.84%**	**+29.20%**
Abu Dhabi – ADX	10,007.44	**+0.94%**	**+0.15%**
Dubai – DFM	5,836.00	**+0.69%**	**-3.49%**
Bahrain – BAX	1,935.96	**-1.04%**	**-6.32%**
Qatar – QE Index	9,806.85	**-1.15%**	**-8.88%**



The justification

- Elevated crude and gas-linked receipts supported budgets and earnings in Saudi (+5.1%) and Oman (+3.8% MTD; +29.2% YTD, the GCC's best).
- But the same geopolitics that lifted oil — US–Iran strikes and Gulf shipping-blockade signals — raised the regional risk premium.
- Qatar (-1.2%) and Bahrain (-1.0%) bore that premium most directly; both are now the GCC's YTD laggards (-8.9% and -6.3%).
- UAE was mixed: ADX +0.9% and DFM +0.7% MTD, with DFM still -3.5% YTD after 2025's strong run.
- Regional H1 earnings (banks in particular) and reform momentum remain the anchor; direction into September hinges on oil and de-escalation headlines.

United States — Up a Wall of Worry

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Stocks gained despite a hawkish Jackson Hole and an oil-driven inflation scare

Index	Close	MTD %	YTD %	P/E
Dow Jones	53,185.90	**+1.34%**	**+10.66%**	21.8x
S&P 500	7,686.14	**+2.62%**	**+12.28%**	25.4x
Nasdaq Composite	26,370.89	**+3.93%**	**+13.46%**	22.3x

3.3%

Core PCE inflation, y/y (July print, released in August) — still far above target, keeping the Fed's bias hawkish.

Why US equities still rose

- Fed Chair Kevin Warsh used Jackson Hole to stress unfinished inflation work; traders lifted the odds of a September rate hike to nearly a coin-flip — yet the S&P 500 still notched gains.
- A strong Q2 earnings season and relentless AI/semiconductor capex kept the Nasdaq (+3.9% MTD) in the lead; a weak July jobs report (57k) also tempered hike fears mid-month.
- The handbrake: US–Iran escalation drove WTI above USD 85 and 10Y yields to their highest since January 2025 — the S&P trimmed its advance in the final sessions and closed the month off its highs.
- Treasury's long-bond buyback programme (Secretary Bessent) capped the long end and was a key liquidity signal for risk assets — including Bitcoin.

MSCI Composites — EM Keeps the 2026 Crown

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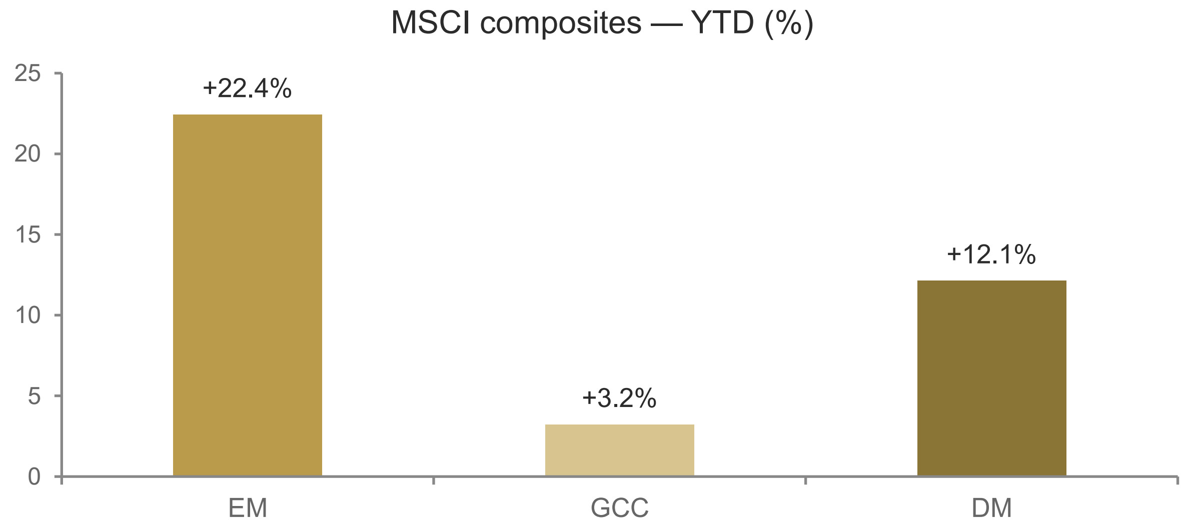
Emerging markets extended their year of outperformance over developed peers

Index	Close	MTD %	YTD %
MSCI Emerging Markets	1,719.31	**+3.21%**	**+22.43%**
MSCI GCC Index	758.37	**+3.87%**	**+3.23%**
MSCI Developed Markets	4,967.92	**+2.48%**	**+12.13%**



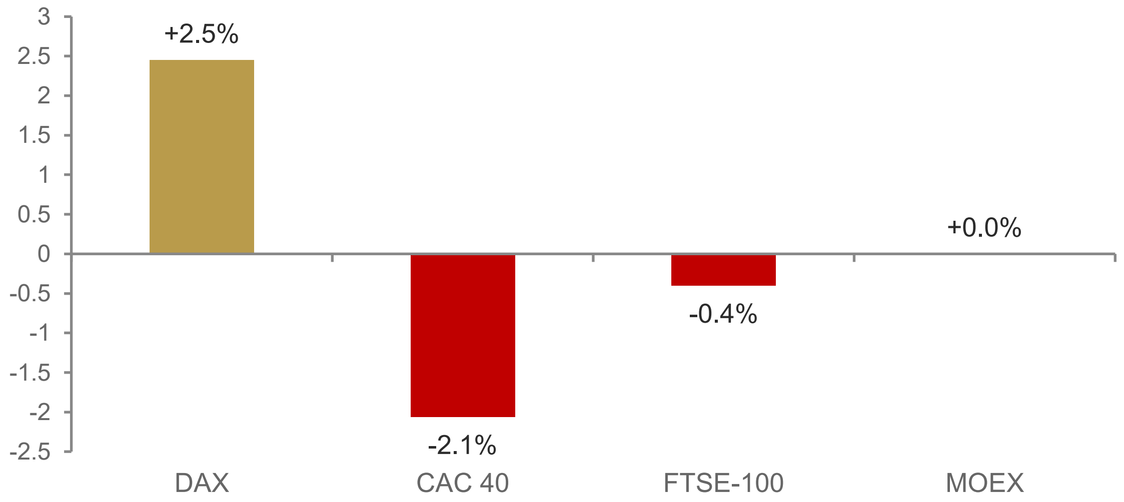
Reading the composites

- **MSCI EM +3.2% MTD, +22.4% YTD** — **Korea's AI-led surge**, China's recovery and India's underweight drag netted out firmly positive; a softer path for the dollar's long end (Treasury buybacks) helped EM liquidity.
- **MSCI GCC +3.9% MTD** — the best of the three for the month, powered by Saudi's rebound and oil-linked earnings; still only +3.2% YTD after Qatar/Bahrain drags.
- **MSCI World (DM) +2.5% MTD, +12.1% YTD** — US mega-cap tech and Japan carried the index; Europe's mixed month diluted the gain.
- ***Takeaway for allocation: 2026 remains an EM year — and within EM, the GCC's month showed it can participate when oil receipts and earnings align.***

Europe — Germany Leads, France Bleeds

Record DAX highs early in the month; the CAC 40 was the region's clear casualty

Index	Close	MTD %	YTD %
DAX (Germany)	26,258.11	**+2.45%**	**+7.22%**
CAC 40 (France)	8,334.50	**-2.06%**	**+2.27%**
FTSE-100 (UK)	10,824.26	**-0.40%**	**+8.99%**
MOEX (Russia)	3,215.91	**0.00%**	**0.00%**



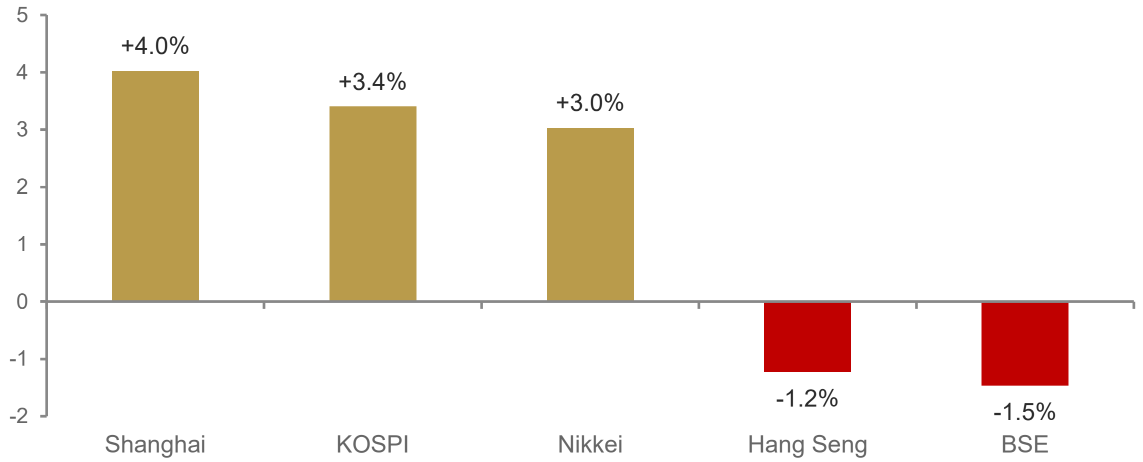
The divergence explained

- **DAX +2.5% MTD** — hit fresh record highs above 26,450 mid-month; industrial, defence and technology names rode the summer rally before yields cooled it late in August.
- **CAC 40 -2.1% MTD** — France's Q2 GDP stagnated, the presidential-debate spotlight fell on deteriorating public finances, inflation ticked up to 2.4%, and Fitch's rating review loomed. Luxury (Kering, LVMH) and autos (Stellantis) led three straight weekly declines.
- **FTSE-100 -0.4% MTD** — energy heavyweights cushioned the index on oil strength, but it still slipped; +9.0% YTD keeps it among Europe's better performers.
- MOEX unchanged across the month in our data (stale/flat pricing) — excluded from our comparisons.

Asia — The AI Trade vs. the Oil Bill

Chip-driven North Asia surged; oil-importing India and Hong Kong lagged

Index	Close	MTD %	YTD %
Shanghai SE (China)	3,986.30	**+4.02%**	**+0.44%**
KOSPI (Korea)	6,820.02	**+3.40%**	**+61.84%**
Nikkei 225 (Japan)	66,311.93	**+3.03%**	**+31.73%**
Hang Seng (HK)	25,566.99	**-1.23%**	**-0.25%**
BSE Sensex (India)	76,957.27	**-1.46%**	**-9.70%**



Winners and why

- **KOSPI +3.4% MTD (+61.8% YTD — the world's standout):** heavy foreign buying of semiconductors on AI demand; the index flirted with the 7,000 level mid-month.
- **Shanghai +4.0% and Nikkei +3.0%** rode the same AI/chip capex wave; Japan adds a weak-yen earnings tailwind (+31.7% YTD).

Losers and why

- **BSE Sensex -1.5% MTD, -9.7% YTD**: as a large energy importer, India is the region's most exposed market to the Gulf oil spike — imported-inflation and current-account worries kept foreign flows cautious.
- **Hang Seng -1.2% MTD**: profit-taking after July's strong run, with rate-sensitive property and financials tracking higher US yields.

The Global Scoreboard — August MTD

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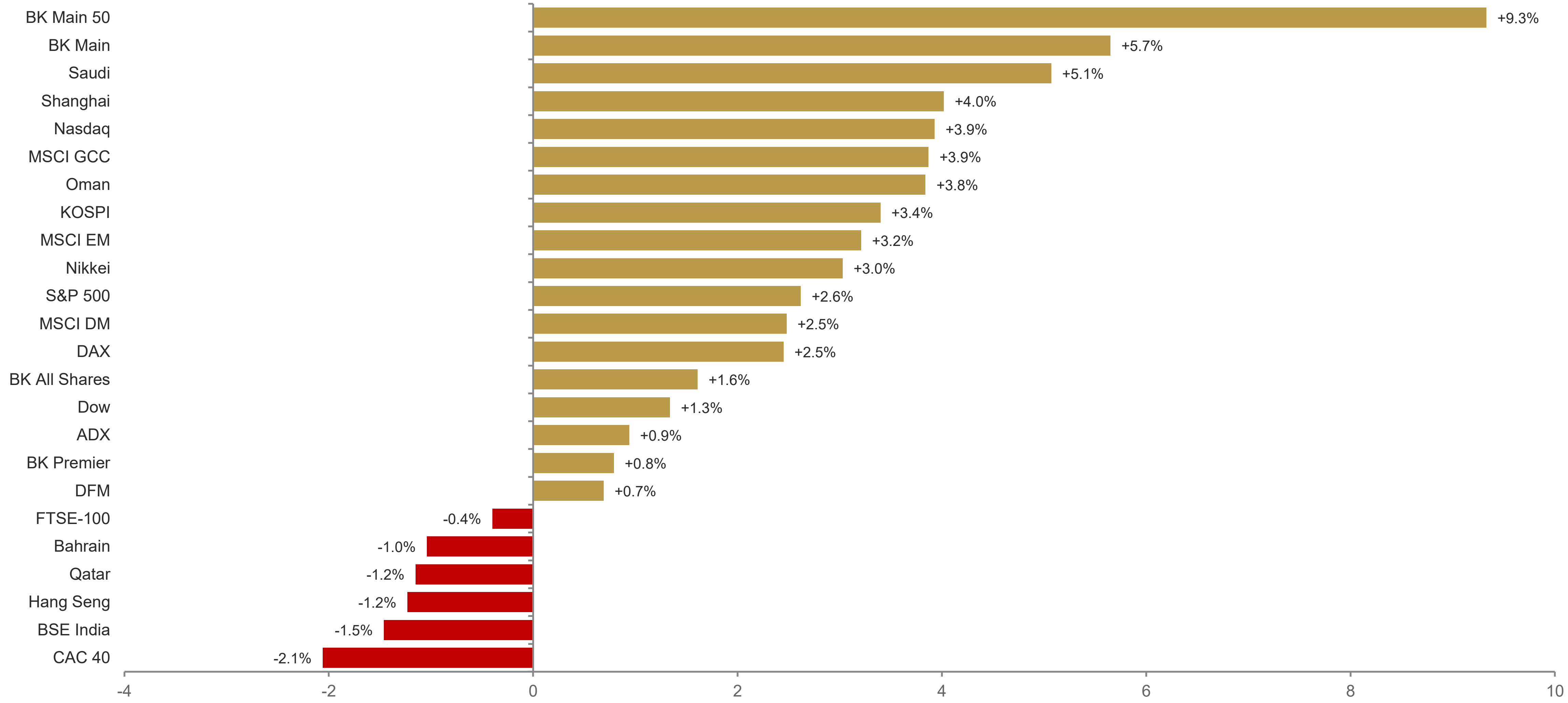
Negative performers in red — ***Kuwait's Main 50 topped every major equity gauge we track***



Commodities — Geopolitics by the Barrel & Ounce

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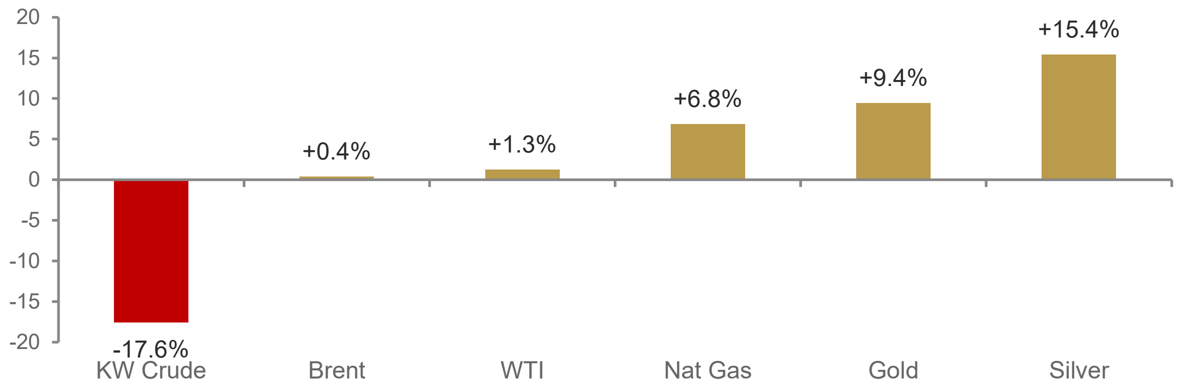
War-risk premium in energy; safe-haven surge in precious metals

Commodity	Close	MTD %	YTD %
Kuwait Crude (USD/bbl)	107.25	**-17.60%**	**+76.72%**
Brent Crude (USD/bbl)	90.49	**+0.41%**	**+48.71%**
NYMEX WTI (USD/bbl)	85.76	**+1.29%**	**+49.36%**
Natural Gas (USD/MMBtu)	2.94	**+6.84%**	**-20.37%**
Gold (USD/oz)	4,431.10	**+9.43%**	**+2.44%**
Silver (USD/oz)	66.52	**+15.42%**	**-6.65%**



What drove the moves

- US–Iran strikes and threats to Gulf tanker traffic kept a war-risk premium in crude: WTI pushed above USD 85 into month-end and Brent held near USD 90.
- **Kuwait Crude -17.6% MTD is a normalisation, not a collapse**: our export grade had spiked to ~USD 130 in July on regional loading disruptions; at USD 107 it still trades at a wide premium and is +76.7% YTD — strongly supportive of Kuwait's fiscal position.
- **Gold +9.4% MTD to ~USD 4,431/oz and silver +15.4%** — safe-haven demand on Gulf conflict risk plus hedging against a Fed policy mistake in either direction.
- **Natural gas +6.8% MTD but still -20.4% YTD** in a well-supplied market.

Bitcoin — The Month's Explosive Outlier

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Best month of 2026: a policy-and-flows squeeze took BTC from ~USD 63k to above USD 81k

+25.4%

August MTD — closing at USD 78,865

-10.1%

Still negative YTD — and ~37% below the Oct-2025 peak of ~USD 126k

The four triggers

1. **US Treasury buybacks**: Secretary Bessent's long-dated bond buyback programme pulled long yields off their highs — the single strongest catalyst per sell-side strategists.

2. **Regulatory clarity**: the late push to pass the Clarity Act lifted sentiment across crypto.

3. **ETF flows:** ~USD 1.9bn into spot-BTC ETFs, including USD 517mn and USD 606mn on consecutive days (19–20 Aug).

4. **Short squeeze: up to USD 3bn of leveraged shorts liquidated in a single day amplified the move — a 22% week, the fastest of 2026.**

Portfolio lens: the rally was policy- and positioning-driven, not adoption-driven. September brings the real tests — larger Treasury buybacks (from 9 Sep), Senate votes on the Clarity Act, and the Fed decision.

Key Takeaways & September Watchlist

1. Kuwait delivered — through the mid-caps

Main 50 +9.3% was the best equity gauge in our entire universe. Premier's -2.2% YTD flags where the 2026 catch-up potential sits for our bread-and-butter market.

Watch: FOMC, 15–16 September

Post-Jackson Hole, markets price near coin-flip odds of a hike. A hike into an oil shock would test every August winner.

2. Oil is Kuwait's cushion and the world's headache

The same barrel that funds our market (+76.7% YTD Kuwait crude) is the inflation shock forcing the Fed hawkish and punishing importers like India.

Watch: Gulf de-escalation headlines

Any easing of tanker-blockade risk compresses the oil premium — negative for GCC receipts, positive for Qatar/Bahrain/India-type laggards.

3. Risk appetite is policy-dependent

August's biggest winner (Bitcoin +25.4%) rallied on Treasury interventions and legislation — evidence that liquidity signals, not fundamentals, are setting the marginal price of risk.

Watch: Kuwait H2 catalysts

MSCI review flows settling, continued sukuk issuance, and whether Main-segment momentum broadens into Premier large caps.

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