# Weekly Investment Insights

24 August 2026

## Key Market Highlights

- Global bond yields remain elevated, with long-dated government bond yields hitting multi-year highs in several markets last week.
- While the United States (US) Treasury Department announced it will boost buybacks of 10-30 year government debt, this had limited market impact as investors confronted the reality that US government debt has surged by a third in less than five years to USD40.05 trillion.
- Crude oil prices rose through the week as the lack of progress towards resolving the Middle East situation meant continued disruptions to shipping flows through the Strait of Hormuz.
- The MSCI ACWI Index, a gauge for global equities, posted a weekly loss as high bond yields and valuation concerns weighed on sentiment, while investors continued to rotate their portfolios toward defensive sectors and companies with resilient earnings visibility.
- China reported weaker-than-expected July industrial production and retail sales growth, while Japan's 2Q gross domestic product (GDP) growth came in below expectations.

## Topics of the Week:

### Multi-Asset Approach Can Help Navigate Potential Volatility as Bond Yields Rise

- Government bond yields have risen across major economies amid a combination of factors:
  - Rising oil prices and concerns over persistent inflation have increased uncertainty around the interest rate outlook.
  - Amid fiscal sustainability concerns, investors are demanding higher returns to lend to governments facing large budget deficits and swelling debt levels, leading to elevated government borrowing costs.
    - For context, with just two months left in the US fiscal year, the US government's bond interest payments for the year are already 15% higher year-on-year at USD1.17 trillion, with interest payments now the third-largest part of the US budget after healthcare and social security.
  - Heavy corporate borrowing to finance the artificial intelligence (AI) infrastructure buildout.
- A multi-asset approach may help investors navigate through this phase of market volatility.
  - Strong corporate earnings are likely to support equities, but rotations across geographies and sectors may continue as investors reassess valuations and economic conditions.
  - Investors are becoming more selective, favouring companies with resilient earnings, strong balance sheets, and stable cash flows.
  - There is an opportunity to lock in attractive income but be selective by focusing on high-quality investment grade bonds.
- **Key Takeaway:** Focus on quality assets, while diversification across asset classes, regions and sectors allows investors to capture income, capital appreciation and structural growth opportunities from a wider range of investments.

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## Deleveraging Creates Opportunities in Emerging Asia

- Stock markets in China, South Korea and Taiwan have become less driven by speculative trading, creating a healthier investment backdrop.
- Asia remains central to global semiconductor and AI supply chains, positioning the region to benefit from growing demand for AI and digital infrastructure.
- Many Asian stock markets continue to trade at lower valuations than the US.
  - Supported by improving earnings outlooks, and strong exposure to AI and technology supply chains, we continue to favour onshore China, South Korea, Taiwan, and Singapore within ASEAN.
- **Key Takeaway:** For long-term investors, Asia provides exposure to structural growth themes at comparatively lower valuations.

## Investment Strategy

- A multi-asset approach can help investors access a broader range of income, growth and diversification opportunities across market cycles.
- Within fixed income, favour investment grade bonds in developed markets and Emerging Asia. Elevated bond yields today provide investors with attractive income opportunities but focus on short-to-intermediate maturities of 4-5 years.
- Maintain exposure to equities as global economic growth remains resilient and corporate earnings continue to be supportive. Within equities, investors can maintain allocation in both the US and Emerging Asia to reduce concentration risk.
  - Within Emerging Asia, we prefer Onshore China, Taiwan and South Korea to gain exposure to AI and technology supply chain growth.
  - Beyond geographical diversification, broaden exposure beyond AI to sectors with defensive characteristics and strong cash flow like healthcare and financials.

## Asset Class Performance

| Equities | Current | Performance (%) | | | |
|---|---|---|---|---|---|
| | | 1 Week | 1 Month | 3 Months | Year-To-Date |
| S&P 500 (USD) | 7674.37 | -1.43 | 2.34 | 2.69 | 12.11 |
| Dow Jones (USD) | 53277.01 | -0.85 | 2.03 | 5.33 | 10.85 |
| NASDAQ 100 (USD) | 29308.86 | -2.45 | 1.07 | -0.59 | 16.08 |
| FTSE 100 (GBP) | 10816.56 | 0.62 | 0.93 | 3.35 | 8.91 |
| S&P/ASX 200 (AUD) | 9058.881 | -0.62 | 2.67 | 4.64 | 3.95 |
| DAX (EUR) | 26136.56 | -1.15 | 3.90 | 5.01 | 6.72 |
| Swiss Market Index (CHF) | 14456.98 | 0.46 | 0.99 | 7.06 | 8.97 |
| HSCEI Index (HKD) | 8634.34 | 3.52 | 4.65 | 0.98 | -3.13 |
| Hang Seng Index (HKD) | 26009.46 | 3.55 | 4.49 | 1.58 | 1.48 |
| Nikkei 225 (JPY) | 66016.36 | -3.93 | -0.15 | 4.23 | 31.14 |
| **Commodities & Currencies** | **Current** | **1 Week** | **1 Month** | **3 Months** | **Year-To-Date** |
| Brent Crude (USD) | 94.39 | 6.63 | 4.67 | 1.18 | 56.87 |
| Gold (USD) | 4603.07 | 5.18 | 11.45 | 2.08 | 6.57 |
| EURUSD | 1.1679 | 0.94 | 2.34 | 0.66 | -0.57 |
| GBPUSD | 1.3644 | 0.78 | 2.01 | 1.57 | 1.25 |
| USDJPY | 158.95 | -0.23 | -2.57 | -0.14 | 1.43 |
| **Bonds** | **Current (%)** | **Basis points Change** | | | |
| | | **1 Week** | **1 Month** | **3 Months** | **Year-To-Date** |
| US 10-year Treasury yield | 4.734 | 0.042 | 0.079 | 0.176 | 0.567 |
| German 10-year Bund yield | 3.258 | 0.054 | 0.087 | 0.220 | 0.403 |
| UK 10-year Gilts yield | 5.060 | 0.023 | 0.026 | 0.163 | 0.581 |
| Japan 10-year bond yield | 2.888 | -0.004 | 0.126 | 0.125 | 0.822 |

1 week for the period 14-Aug-2026 to 21-Aug-2026
1 month for the period 22-Jul-2026 to 21-Aug-2026
3 months for the period 22-May-2026 to 21-Aug-2026
Year-to-date for the period 31-Dec-2025 to 21-Aug-2026
*Source: Bloomberg (last update: Mon, 24 August 2026 12:20 PM SGT)*

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