ALTUS
INVESTMENT

Market Update

August 2026

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July Market Returns

Equity Indices

Index	1M Change	YTD Change	12M Change
S&P 500	(0.13)%	8.61%	18.15%
NASDAQ Comp.	(6.61)%	11.04%	21.78%
FTSE 100	3.53%	9.33%	19.00%
Hang Seng Index	13.13%	0.12%	4.49%
Nikkei-225	(8.14)%	27.86%	56.71%
Euro Stoxx 50	0.47%	9.69%	19.51%
MSCI World Index	0.46%	8.74%	18.94%
MSCI EM	(3.31)%	18.78%	34.00%
Shanghai Comp.	(6.40)%	(3.35)%	7.25%
NIFTY 50	2.17%	(6.00)%	(1.55)%
Ibovespa Brazil	3.47%	10.47%	33.76%
S&P MERVAL Argentine	3.87%	7.86%	41.90%

Fixed Income Yields

Tenor	Yield	1M Change	YTD Change
US 2Y	4.29%	12 bps	84 bps
US 10Y	4.73%	27 bps	61 bps
US 30Y	5.27%	32 bps	47 bps
UK 10Y	5.05%	29 bps	55 bps
JGB 10Y	2.81%	12 bps	74 bps
DE 10Y	3.21%	35 bps	35 bps
ETF	**Yield**	**1M Change**	**YTD Change**
LQD (iShares Inv. Grade Corp. Bond ETF)	5.90%	0.33%	0.61%
HYG (iShares iBoxx High Yield Corp. Bond)	7.50%	0.25%	0.66%
EMB (iShares J.P.Morgan EM Bond ETF)	6.82%	0.31%	0.55%
EMLC (V.E J.P. Morgan EM Local Currency Bond)	7.29%	0.17%	0.36%

Other Assets & FX Rates

Asset	Price (USD)	1M Change	YTD Change
Brent	90.1	23.56%	45.57%
Gold	4,046.1	0.95%	(6.76)%
Silver	57.6	(1.71)%	(24.51)%
Uranium	86.5	1.47%	5.68%
Soft Commodities	27.5	3.15%	7.56%
Bitcoin	62,899.2	7.26%	(28.67)%
Currency Pair	**Rate**	**1M Change**	**YTD Change**
EUR/USD	1.15	0.92%	(1.88)%
USD/JPY	157.4	(3.17)%	0.64%
GBP/USD	1.35	1.67%	0.10%
USD/CHF	0.81	(0.11)%	2.00%
USD/CAD	1.40	(1.23)%	2.37%
AUD/USD	0.70	1.45%	4.84%

August Outlook

- The US intervention in the Japanese currency markets demonstrates that despite Trump's bluster, the US Treasury market remains heavily reliant on foreign buyers. This is likely to remain topical in the coming weeks.
- Later in August we get the July Federal Reserve minutes, and for the first time in many years we are dealing with a less "telegraphing" Fed and an increasing number of dissenters. This will keep volatility in the treasury market high.
- Oil is again likely to remain in focus. It would take a brave man to bet on the short-term gyrations from a directional perspective; however, the overall range looks clearer. It comes as a surprise to us that fundamental supply issues have still not played out fully.

Interesting (Crazy) Numbers

- **3.4% –** of working age people in South Korea have been margin called last month after excessive leverage in semiconductors and memory stocks
- **$449.7bn –** increase in Microsoft valuation, the largest single-day increase in history after its shares rose following strong Cloud and AI results
- **5.23% –** the yield on the US 30-year bond hit after the Fed held rates steady, increasing inflation fears
- **$5.036tn –** Apple briefly became only the second company in history to cross a $5 trillion market valuation, before a -7.4% fall on the final trading day of the month.
- **62.8% –** increase in South Korean exports year-on-year to a record $98.89 billion in July, driven by surging shipments of semiconductors and AI-related computer equipment

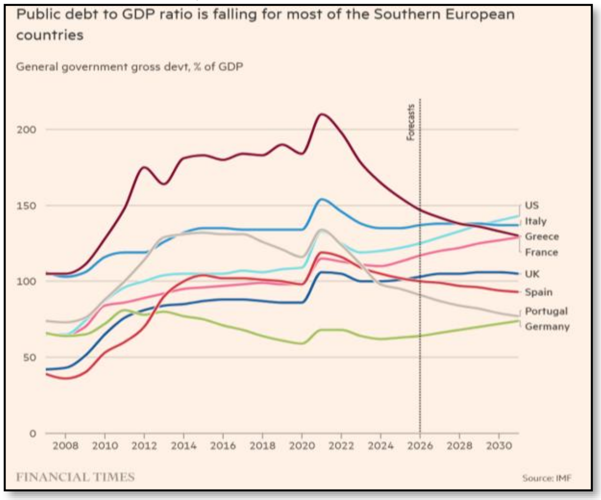
What Has Caught Our Attention

What is beyond the Fires and Boats Arriving?

- For more than a decade, Portugal, Italy, Greece and Spain were defined by the sovereign debt crisis. The “PIGS” label became shorthand for weak growth, excessive debt and fragile banks, but it now describes a version of Southern Europe that increasingly no longer exists. Spain is among the eurozone’s fastest-growing economies, Greece and Portugal have delivered significant fiscal improvement, and even Italy is performing better than its long-term record. Banking systems have also been rebuilt, with stronger capital positions, sharply lower bad debts and profitability returning to the mid-teens in parts of the region. These are no longer economies trapped in permanent crisis management, but countries benefiting from reform, investment and a more resilient financial base.

Economy	Real GDP Growth (2025E)	Real GDP Growth (2026E)	Unemployment Rate (June 2026)
Spain	2.9%	2.8%	10.83%
Portugal	2.0%	1.8%	6.5%
Greece	2.1%	1.9%	8.0%
Italy	0.7%	0.5%	5.0%
Germany	0.3%	0.5%	6.0%
France	0.9%	0.9%	7.4%
Eurozone Avg.	1.4%	1.1%	6.3%

- The investment case rests on the gap between this improvement and how the region is still perceived. Greek banks, for example, trade at around 9.5x forward earnings, compared with 14.5x for the wider European market, while global investors remain structurally underweight Southern European assets. Sovereign spreads have compressed, but equity valuations and investor allocations still suggest that many portfolios are anchored to memories of the last crisis rather than current fundamentals. The old risks have not disappeared: debt remains high, productivity is uneven and political uncertainty can return. However, these concerns are already well understood. What appears less appreciated is the extent to which economic momentum, fiscal discipline, bank profitability and financial resilience have improved.



- Poland and the wider Central and Eastern European bloc offer a similar opportunity. Although still associated with geopolitical risk and lower-cost manufacturing, the region is increasingly benefiting from nearshoring, defence spending, infrastructure upgrades and deeper integration into European supply chains. Poland stands out for its large domestic market, diversified industrial base, established banking system and growing strategic importance within the EU and NATO. Yet these markets remain under-researched and poorly represented in global indices, allowing investor allocations to lag improving fundamentals. Italy and Greece also provide links to the region through banking, energy, logistics and transport corridors. The opportunity lies in markets where outdated perceptions continue to obscure stronger economic and corporate prospects.