WS Global CIO Office
11 September 2026

Weekly Market View

Inching towards a Fed ‘credibility’ hike

→ August’s strong US jobs and producer inflation reports mean the Fed is likely to hike next week or risk its credibility.

→ However, a rate rise is unlikely to be the start of a hiking cycle. While higher oil prices fuel near-term inflation, driving bond yields to multi-year highs, we see inflation easing next year as the impact of tariffs and oil prices fades.

→ There remains a residual risk that the Fed could be reluctant to hike rates next week, possibly due to pressure from the Trump administration. Any such hesitancy could lead to a short-term sell-off in equities and bonds as investors increasingly question the Fed’s independence.

→ We would use any market volatility to add equities, given the robust earnings outlook, and increase bond maturities to 3-7 years.

→ Regardless of the Fed decision, we are adding semiconductor equities as an Opportunistic idea.

Do you see any opportunities as rising memory chip prices are passed on to consumers?

Does the latest ECB meeting change your outlook on policy rates?

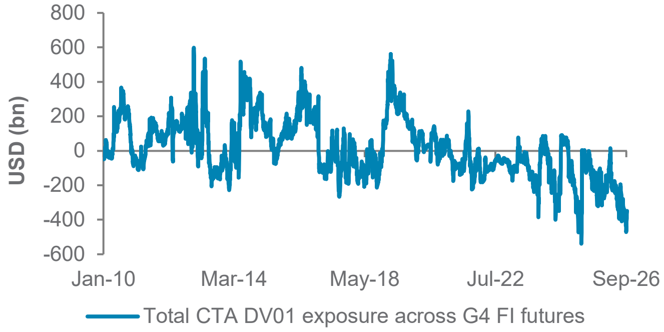
What is the outlook for EUR, GBP, JPY amid the latest and upcoming policy meetings?

Important disclosures can be found in the Disclosures Appendix.

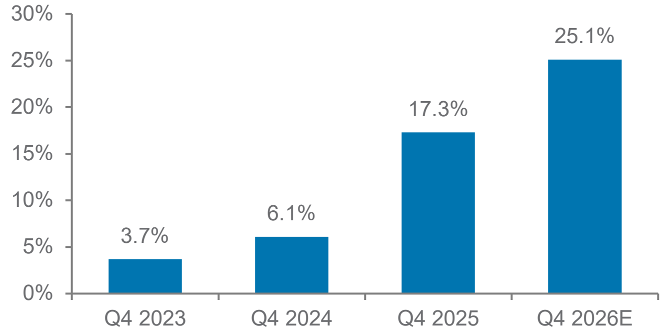
Charts of the week: Extremely bearish bond positions

Bond investor positioning extremely bearish, should limit yield spike; AI super-cycle gives structural support for equities

Managed futures positioning in US, Germany, Japan, UK bonds



AI adoption rates in the US



Source: Vanda Research, US Census Bureau, Bloomberg, Standard Chartered

Editorial

Inching towards a Fed 'credibility' hike

Strategy summary: August's strong US jobs and producer inflation reports mean the Fed is most likely to hike next week or risk its credibility. However, a rate rise is unlikely to be the start of a hiking cycle. While higher oil prices fuel near-term inflation, driving bond yields to multi-year highs, we see inflation easing next year as the impact of tariffs and oil prices fades.

There remains a residual risk that the Fed could be reluctant to hike rates next week, possibly due to pressure from the Trump administration. Any such hesitancy could lead to a short-term sell-off in equities and bonds as investors increasingly question the Fed's independence. We would use any market volatility to add equities, given the robust earnings outlook, and increase bond maturities to 3-7 years. Regardless of the Fed decision, we are adding semiconductor equities as an opportunistic idea.

A resilient job market. Last week, we said the chance of a Fed rate hike has risen above 50% after Chair Warsh's hawkish Jackson Hole speech. The two remaining requirements that would secure a hike would be: i) a robust jobs report for August, followed by ii) an inflation report showing core inflation at or above 0.2% m/m. The first requirement has been met – the US economy added 162,000 jobs in August, almost triple consensus estimates, with prior two months revised higher.

Although around 60% of the job gains were in only two sectors – leisure & hospitality and government – and average hourly earnings continued its slide to a five-year low of 3.1% y/y, the crucial unemployment rate remained steady at 4.1% as labour force participation rate rose. The unemployment rate suggests the US economy is running at full employment. Meanwhile, US headline and core producer inflation accelerated in August.

Inching towards a Fed 'credibility' hike: A 25bps Fed hike next week now looks most likely. The only caveat to this outlook would be an underwhelmingly soft inflation report for August due tonight. With Fed Chair Warsh already characterising the current US policy rate of 3.75% as not restrictive, any failure to hike, due to pressure from the administration, would hurt the Fed's credibility, impacting equities and bonds. The US 10-year yield surged this week 19bps to a three-year high of 4.97%.

Extremely bearish positioning to limit bond yield upside: The US 10-year bond yield faces a major resistance level – 2023 high of 5.02%. Moreover, investor positioning is extremely bearish (CTA short positions at record). Also, current yields are uncomfortably close to the "Trump put" levels. Authorities have several regulatory and bond supply and liquidity management tools to cap yields, at least in the near term. This implies limited scope for further upside in medium-to-long-term yields.

Key risks: i) if the Fed holds next week, we see further near-term sell-off on doubts about the Fed's independence, with the 10-year yield breaking above 5.02% briefly. ii) further oil spike. However, extreme positioning should still limit any bond yield upside. As such**, we see the yield rise as an opportunity to raise maturity of bond allocations to 3-7 years, preferring corporate bonds.** Longer-maturity bonds remain vulnerable to oil-driven inflation expectation and fiscal risks.

Adding one more ECB rate hike after hawkish outlook: The ECB raised its deposit rate 25bps to 2.5%, as expected, and upgraded its growth and inflation forecasts for the coming years, citing a resilient economy and higher energy prices. President Lagarde was decidedly hawkish, while declining to commit to another hike. The upgraded inflation forecasts, Lagarde's comments and recent surge in gas prices lead us to add one more 25bps rate hike by year end (see page 8).

Tactically adding semiconductor equities; using volatility to buy on dips: This week's softness in equity markets was mainly driven higher oil prices and bond yields. We would use any volatility to add equities, especially in the US and Asia-ex-Japan, where the corporate earnings outlook remains robust. In fact, we are using the weakness in semiconductor equities to add tactical exposure (see page 4 for more details).

— ***Rajat Bhattacharya***

The weekly macro balance sheet

Our weekly net assessment: On balance, we see the past week's data and policy as negative for risk assets in the near-term

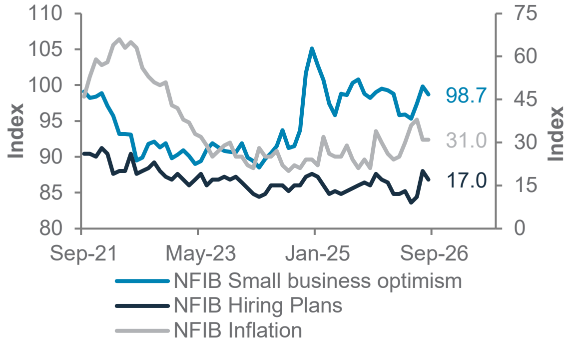
(+) factors: Stronger Euro area sentiment, dovish RBA

(-) factors: Hawkish ECB, Middle East geopolitical tensions

	Positive for risk assets	Negative for risk assets
Macro data	• Euro area Sentix Investor Confidence rose unexpectedly to 5.1 in September • China consumer price inflation was in line with estimates at 0.8% y/y	• US headline and core producer inflation accelerated to 5.4% and 4.6% y/y, respectively • US NFIB small business optimism index fell to 98.7 in August, below estimates • China import and export growth missed estimates at 28.2% and 25% y/y, respectively, in August • China producer price inflation rose by 3.8% y/y in August, above estimates
	Our assessment: Neutral – Stronger Euro area sentiment vs. softer-than-expected US business optimism and weak China trade activity	
Policy developments	• RBA Deputy Governor Hauser and Assistant Governor Hunter both signaled uncertainty on further rate hikes	• ECB raised its key interest rates by 25 bps as expected and hints at hike in subsequent meeting
	Our assessment: Neutral – Hawkish ECB, Dovish RBA	
Other developments	• Iran reportedly nearing a deal with Oman to manage shipping through Strait of Hormuz	• President Trump intensified pressure on the Fed Reserve to cut rates, threatening trade restrictions against economies with which the US runs a deficit if the Fed did not act • US and Iran trade attacks in Middle East conflict; Houthis attacked Saudi energy infrastructure
	Our assessment: Negative – Ongoing geopolitical tensions, political pressure on Fed to cut rates	

US small business optimism, hiring plans and inflation expectations appear to have peaked lately

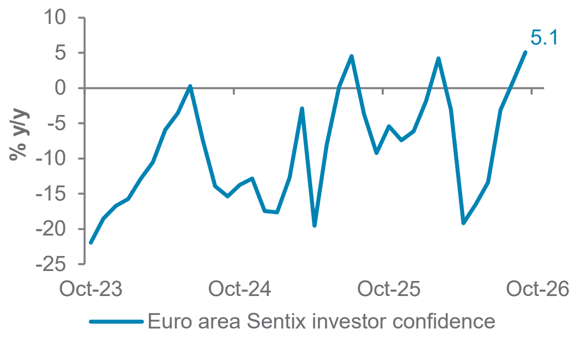
US small business optimism index; indices for hiring plans and 'inflation single-most important problem'



Source: Bloomberg, Standard Chartered

Euro area investor confidence has picked up lately

Euro area Sentix Investor Confidence



Source: Bloomberg, Standard Chartered

China's producer inflation remained elevated due to imported commodity prices, but consumer inflation remained subdued

China's producer and consumer price inflation

Source: Bloomberg, Standard Chartered

Top client questions

Do you see any opportunities for investors as rising memory chip prices are passed on to consumers?

Our view: Within technology, we prefer semiconductors over hardware. We are initiating an Opportunistic idea on global semiconductors on the back of sustained AI infrastructure spend and attractive valuations.

Rationale: Rising memory costs have contributed **to higher PC and smartphone prices**, yet hardware manufacturers have been unable to fully pass these costs on to consumers, resulting in **continued margin pressure**. In contrast, memory fundamentals remain supported by tight supply conditions and long-term agreements. That said, memory remains inherently cyclical and volatile, and investors should **right-size their exposure** to the industry appropriately.

Looking more broadly at semiconductors, earnings growth continues to be supported by ongoing AI infrastructure spend and **broadening AI adoption**, with US AI adoption expected to reach 25.1% in Q4. The results season reaffirmed strong demand trends for semiconductors, while guidance points to **persistent tightness in supply**. The industry trades at around 16x forward earnings, below its five-year average of around 20x, despite the strong growth outlook. We view the pullback in valuations as an **attractive entry point** and initiate an Opportunistic idea on global semiconductors.

— **Ryan Goh,** *Investment Strategist*

Global semiconductor valuations have become more attractive amid continued AI-driven earnings growth

Global semiconductors 12-month forward price-to-earnings (P/E) ratio

Source: Bloomberg, Standard Chartered

Does debt-funded AI capex pose a downgrade risk for hyperscalers? Does it create a material overhang for Developed Market (DM) investment-grade (IG) corporate bonds?

Our view: Rating agencies do not assess credit quality on leverage metrics alone; they look through the business cycle. DM IG corporate bond spreads could disperse across sectors.

Rationale: The picture is mixed across hyperscalers, but the trend uniformly points to **tighter credit headroom**. Rating agencies do not assess credit quality on leverage metrics alone. Rather, they look through the business cycle, weighing capex intensity against earnings trajectory and demand durability over a multi-year horizon.

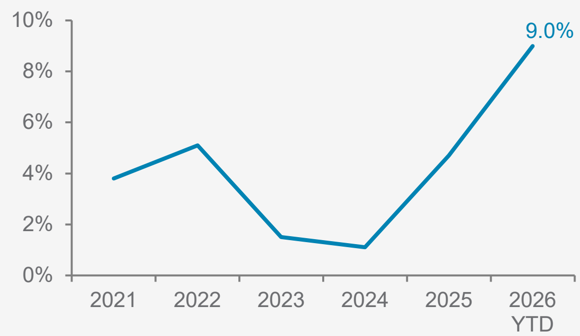
Currently, leading rating agencies **expect hyperscaler leverage to peak around 2027**, followed by deleveraging as capex subsides and earnings continue growing. That said, the **downgrade risk could rise** if deleveraging is delayed, demand weakens or idiosyncratic issues emerge, such as the use of unconventional, off-balance-sheet circular financing structures that obscure true leverage.

For **DM IG corporate bonds**, the bias is broadly negative, driven by **supply indigestion** from heavy AI-related issuance, downgrade risk and index concentration distortion as a few large issuers dominate benchmark weightings. However, **we do not expect a uniform sell-off**. Spreads could disperse across sectors, with **AI capex-heavy sectors** most likely to stay structurally wide.

— **Cedric Lam,** *Senior Investment Strategist*

Hyperscalers' bond issuance represents a growing proportion of US IG bonds

Percentage of hyperscalers' bond issuance against US IG bonds



Source: Bloomberg, Standard Chartered

Top client questions (cont'd)

Will long-dated US government bond yields rise further following the US Treasury's first expanded bond buyback?

Our view: The bond buyback should flatten the US yield curve, but is unlikely to mark a structural shift. Given higher yields, we cautiously extend duration and favour the 3-7-year segment.

Rationale: The US Treasury said it will purchase up to **USD 6bn of longer-dated government debt** in the first operation under an expanded buyback programme. However, **bond markets remain underwhelmed**, with investors viewing the scale of repurchases as insufficient relative to broader market expectations and the sheer volume of outstanding long-term debt. As a result, **yields have continued their upward trajectory**, with the US 10-year yield hitting a three-year high near 4.96% and the 30-year yield rising to 5.37%, suggesting markets are not yet convinced that the buyback will materially shift the supply-demand balance for long-duration debt.

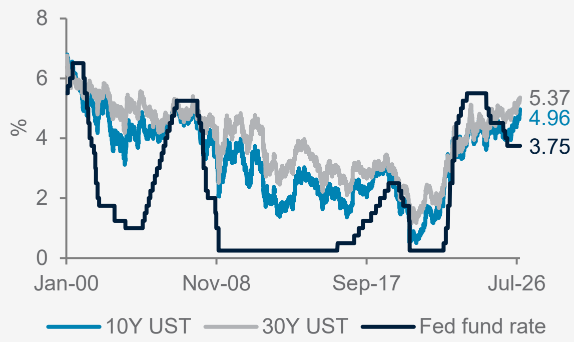
Mechanically, funding long-end purchases via increased Treasury-bill issuance introduces a flattening impulse to the yield curve. Still, we view this as a **liquidity management tool rather than a structural pivot**. We, therefore, do not expect it to be the dominant catalyst for a significant or sustained decline in long-term yields.

Compounding matters, **crude oil prices** breaching USD 100/bbl will revive inflation concerns, likely reinforcing a **'higher-for-longer' policy stance** and offsetting the buyback's marginal relief. Against, this backdrop, we advocate maintaining a defensive duration posture. Given higher yields, we **cautiously extend duration** and favour the **3-7 year maturity** bucket as inflation risks and heavy debt supply are keeping upward pressure on long-term yields near term.

— **Cedric Lam**, *Senior Investment Strategist*

US government bond yields have approached multi-year highs

US government bond yield curve (%)



Source: Bloomberg, Standard Chartered

Where is the RBA headed on interest rates, and what does it mean for the AUD and AUD bonds?

Our view: We see a rising probability of a September RBA rate hike, but a second hike in November is not our base case.

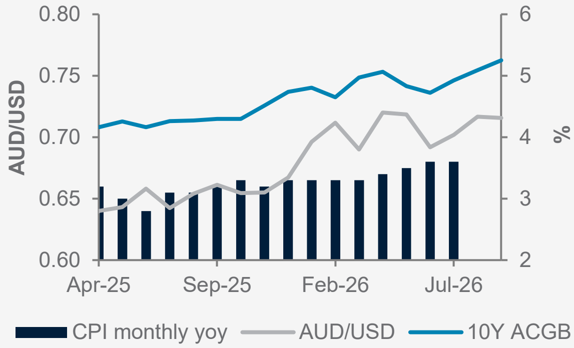
Rationale: The RBA remains **focused on inflation**, having already hiked its policy rate three times in 2026 – the most of any G7 central bank. Beyond a stronger-than-expected July CPI print, strong business investment and a tight labour market continue to reinforce the case for further tightening. A **further hike** is now more likely than we previously expected, but back-to-back hikes is not our base case.

Meanwhile, **AUD/USD** has risen to the 0.72 level, and the **Australia 10-year government bond yield has climbed over 70bps** over the past six months, with the move accelerating sharply since late August as rate-hike expectations surged. We expect both the AUD and bond yields to remain within their recent range, as the **hawkish policy shift has largely already been priced** in by markets.

— **Cedric Lam**, *Senior Investment Strategist*

We expect the AUD and the Australia 10-year government bond yield to remain rangebound, as the hawkish RBA policy shift is largely priced in

Australia monthly CPI y/y, AUD/USD and Australia 10-year government bond yield



Source: Bloomberg, Standard Chartered

Top client questions (cont'd)

How does the JPY appreciation affect your view on Japan equities and key sectors?

Our view: Japan equities remain a Core holding, with Japan financials as our preferred sector.

Rationale: The JPY appreciation sharpens the **earnings divergence** between domestically oriented sectors and exporters, given the significant share of overseas revenues across corporate Japan. Our preferred **financial sector** generates c.60% of its revenue domestically and stands to benefit from ongoing BoJ policy normalisation through wider net interest margins. Other domestic-demand sectors, including **services and construction**, face limited currency-translation headwinds and should benefit from stronger wage growth and improved cost pass-through. Within **technology**, the semiconductor supply chain remains attractive, given Japan's strong global market position and pricing power amid structural AI demand, offsetting the sector's c.78% overseas revenue exposure.

Conversely, **healthcare** has limited domestic offsets to absorb the JPY strength, while it has the highest overseas revenue exposure at c.80%. Similarly, **autos** are vulnerable, facing headwinds from currency appreciation, tariff pressures and intensifying competition.

— **Jason Wong,** *Senior Equity Analyst*

Our preferred Japan financial sector generates c.60% of its revenue domestically and stands to benefit from ongoing BoJ policy normalisation through wider net interest margins

Domestic and overseas revenue exposure by MSCI Japan sectors

	Domestic	Overseas
MSCI Japan	43.4	56.6
Health Care	21.3	78.7
Technology	21.7	78.3
Discretionary	30.9	69.1
Materials	36.4	63.6
Staples	37.4	62.6
Industrials	46.9	53.1
Energy	54.9	45.1
Financials	58.6	41.4
Communication	75.8	24.2
Real Estate	90.2	9.8
Utilities	95.0	5.0

Source: FactSet, Standard Chartered

Is there a risk of further oil price rise? How do we hedge it?

Our view: We forecast WTI oil at USD 90/bbl in three months, but risks are skewed to the upside. US Treasury Inflation-protected Securities (TIPS) remain our preferred hedge.

Rationale: Three developments would lead us to revise our forecast higher, with the first two already in motion: (1) **A prolonged disruption to Gulf exports that accelerates global oil inventory draws**. US crude oil stocks are visibly thinner, trending below their five-year range.

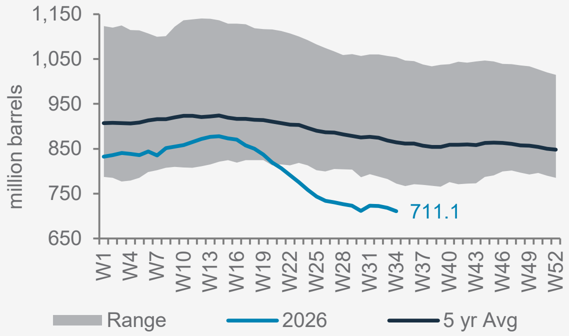
(2) **Lasting damage to production or export infrastructure.** Recent strikes on Saudi energy assets raise concerns more about the resilience of alternative export routes than about immediate production losses. Tighter US action against Iran-linked tankers could further constrain flows. (3) **Stronger-than-expected demand** that accelerates the tightening of physical balances. China appears to have resumed buying. Conversely, a credible normalisation in the Middle East remains the largest downside risk. With gasoline around USD 5 per gallon, the US administration has a clear incentive to facilitate a normalisation before the November US midterm elections.

We prefer to **hedge upside oil risk at the portfolio level** rather than through outright oil-sensitive exposure, with **US TIPS** being our preferred route against higher headline inflation.

— **Anthony Naab, CFA**, *Investment Strategist*

US crude oil stocks have fallen below their five-year average

Total US crude oil stocks (w/w), year-to-date (YTD) 2021-26



Source: EIA, Standard Chartered

Top client questions (cont'd)

What is your outlook for the EUR, GBP and JPY against the backdrop of this month's central bank policy meetings?

Our view: EUR/USD is supported by the ECB's monetary tightening path, but an increasingly likely Fed hike could limit its near-term upside. The JPY is likely relatively strong as we expect the BoJ to catch up with rate hikes. Meanwhile, the GBP remains vulnerable amid uncertainty around the UK's upcoming Autumn Budget.

Rationale: The ECB hiked rates by 25bps to 2.5% as expected, with the market now pricing in **another hike in December**. Euro area **annual consumer inflation rose to 3.3% in August** – the highest in nearly three years – driven by energy pass-through from the Middle East conflict. The ECB also raised its 2027 growth forecast to 1.4% from 1.2%, headline inflation forecast to 2.5% from 2.3% and core inflation forecast to 2.6% from 2.5%. **Greater economic resilience** and **persistent underlying inflation** leave the ECB open to another hike. However, wage growth moderated to 3.3% in Q2 (from 3.5%), approaching the ECB's c.3% compatibility threshold, which could temper the pace of subsequent hikes. We see **gradual upside risk for EUR/USD**, with resistance at 1.18 in the coming weeks, although a Fed hike could delay a sustained break higher.

We now see a Fed hike as increasingly likely next week, especially if core consumer price inflation rises by at least 0.2% m/m. August producer price inflation came in higher than expected. Firm **WTI oil prices above USD 100/bbl** increase the risk of higher inflation and inflation expectations in the months ahead. **A hike, or guidance signalling further tightening, would support the USD**, limiting the extent of EUR, JPY and GBP gains against it. We expect the USD Index (DXY) to be capped near 99.8.

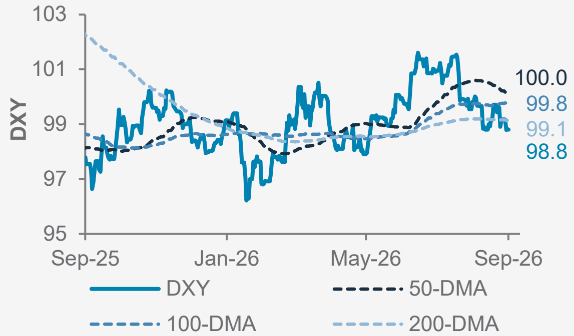
The **USD/JPY repricing** reinforces our concern about **BoJ policy normalisation**. Downside risks towards 150-152 remain significant, but a Fed hike and **still-large US-Japan yield and growth differentials** should provide some support. A cautious BoJ message could trigger a rebound, particularly after the recent sharp adjustment. We expect one hike next week, followed by another in Q4 (likely in December) and potentially one each in Q1 and Q2 2027.

BoE Governor Bailey has previously resisted calls for immediate tightening, preferring greater clarity on second-round inflation effects. However, **delayed energy price pass-through** and **rising food prices** are likely to push UK inflation higher. While renewed rate hike expectations provide a structural underpinning for the GBP, **the BoE's cautious stance relative to the ECB** and the **UK Autumn Budget uncertainty** remain significant headwinds. We expect GBP/USD to remain rangebound, with a bearish bias near 1.34. Above all, we see **some upside potential in EUR/GBP.**

— **Vincent Tan**, *Senior Investment Strategist*
— **Iris Yuen**, *Investment Strategist*

USD (DXY) index upside risk is likely limited

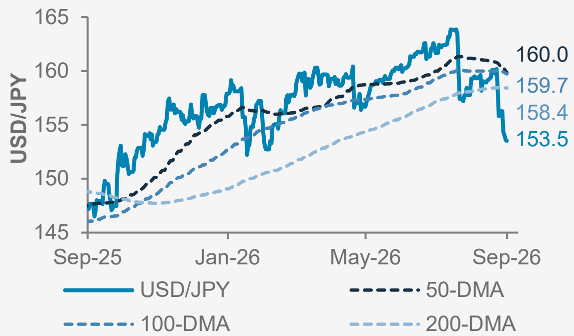
DXY and technicals



Source: Bloomberg, Standard Chartered

USD/JPY faces downside risks, with the support zone at 150-152

USD/JPY and technicals



Source: Bloomberg, Standard Chartered

Top client questions (cont'd)

Does the latest ECB meeting change your outlook on policy rates?

Our view: The ECB raised its deposit rate by 25bps for the second time this year, taking it to 2.5%, in line with our expectations coming into this meeting. Given the new ECB staff projections that show higher inflation and stronger growth over the next couple of years, as well as ECB President Lagarde's hawkish remarks at the press conference, we are now projecting another deposit rate hike to 2.75% before year end.

Rationale: The ECB cited the ongoing Middle East conflict as the primary driver of **renewed inflationary pressure**, with energy price shocks feeding through to broader price levels. The central bank stated that **inflation will likely remain above 2%** for an "extended period," and updated staff projections revised inflation higher for 2027 and 2028, with the 2028 inflation forecast now at 2.1%, slightly above the ECB's 2% target.

ECB President Lagarde described this week's hike as a "no brainer," with the decision bolstered by **stronger inflation and growth projections**. Key points from the press conference include:

- The ECB is not pre-committing to a particular rate path, reiterating **a meeting-by-meeting, data-dependent approach**.
- Lagarde noted that **the Governing Council did not discuss future meetings**, though the upward revision to the inflation and growth outlook has shifted the balance towards further tightening.
- The hawks within the Governing Council appear to be winning the internal debate and would prefer to continue hiking, with **the deposit rate potentially rising to at least 2.75%**.
- **The Euro area economy's surprising resilience** was acknowledged as a factor supporting the decision.
- **Core inflation remains above 2%** through the end of the forecast horizon, a signal that the ECB does not view the current tightening cycle as complete.

"Framework" guidance and market implications: The hawkish shift in the ECB's updated projections and Lagarde's decidedly hawkish comments lead us to **expect another 25bps hike by December**. The central bank's "meeting-by-meeting" stance means future decisions will be heavily influenced by incoming energy price data, second-round inflation effects and labour market developments. With seemingly no peace solution likely on the horizon in the Middle East, **risks could continue to skew to the upside for policy rates** as we head into 2027.

— **Jonathan Liang, CFA**, *CIO for Fixed Income and FX*

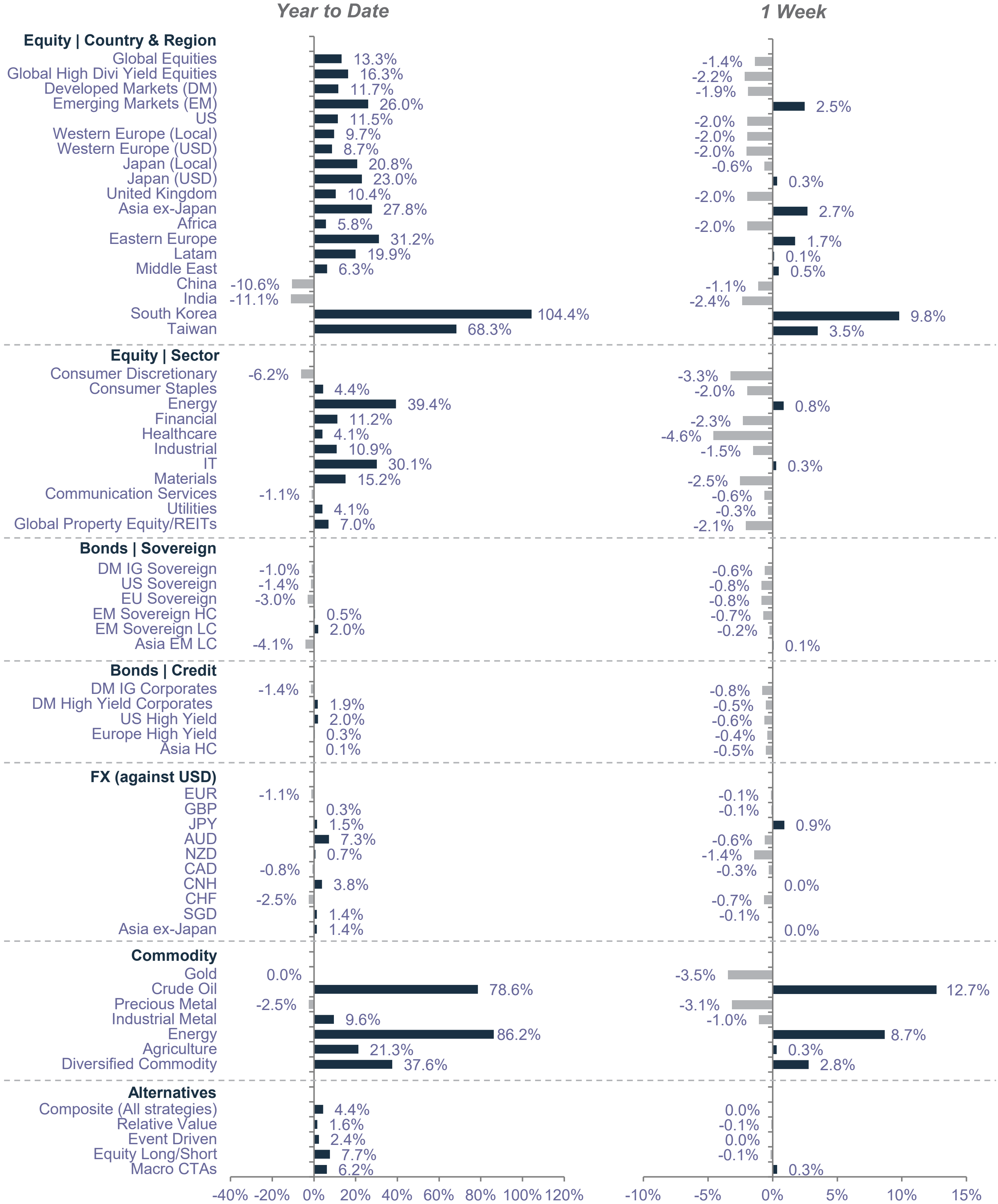
The new ECB staff projections show higher inflation and stronger growth over the next couple of years

ECB staff macroeconomic projections for the Euro area (% y/y)

		Jun 2026	Sep 2026
Growth	2026	0.8	0.9
	2027	1.2	1.4
	2028	1.5	1.5
Headline inflation	2026	3.0	3.0
	2027	2.3	2.5
	2028	2.0	2.1
Core inflation	2026	2.5	2.5
	2027	2.5	2.6
	2028	2.2	2.3

Source: European Central Bank, Standard Chartered

Market performance summary*



Sources: MSCI, JP Morgan, Barclays Capital, Citigroup, Dow Jones, HFRX, FTSE, Bloomberg, Standard Chartered

*Performance in USD terms unless otherwise stated, 2026 YTD performance from 31 December 2025 to 10 September 2026; 1-week period: 3 September 2026 to 10 September 2026

Our 12-month asset class views at a glance

Asset class			
Equities	▲	**Preferred Sectors**	
US	▲	US Technology	▲
Europe ex-UK	◆	US Communication	▲
UK	▼	US Financials	▲
Asia ex-Japan	▲	Europe ex-UK Financials	▲
Japan	◆	Europe ex-UK Industrials	▲
Other EM	◆	Japan Financials	▲
		China Communication	▲
Bonds	◆	China Technology	▲
Credit		**Govt**	
Asia USD	◆	Govt EM Local	◆
Corp DM HY	◆	Govt DM IG	▼
Govt EM USD	▲		
Corp DM IG	◆	**Alternatives**	◆
		Gold	▲

Source: Standard Chartered Global Investment Committee
Legend: ▲ Most preferred | ▼ Less preferred | ◆ Core holding

Economic and market calendar

	Market Event		Period	Expected	Prior
MON					
TUE	CNH	Retail Sales y/y	Aug	0.9%	0.6%
	CNH	Industrial Production y/y	Aug	4.8%	4.5%
	CNH	Fixed Assets Ex Rural YTD y/y	Aug	-7.1%	-6.7%
	CNH	Property Investment YTD y/y	Aug	-20.1%	-19.2%
	EUR	ZEW Survey Expectations	Sep	–	31.4
	USD	Empire Manufacturing	Sep	12.1	20.6
WED	USD	Import Price Index y/y	Aug	–	5.9%
	USD	Retail Sales Ex Auto & Gas	Aug	0.4%	-0.2%
	USD	FOMC Rate Decision (Upper Bound)	16-Sep	3.75%	3.75%
	USD	FOMC Rate Decision (Lower Bound)	16-Sep	3.5%	3.5%
THU	EUR	CPI y/y	Aug F	–	3.3%
	EUR	CPI Core y/y	Aug F	–	2.4%
	GBP	Bank of England Bank Rate	17-Sep	3.8%	3.8%
	USD	Philadelphia Fed Business Outlook	Sep	32.1	47.4
FRI/SAT	JPY	BoJ Target Rate	18-Sep	1.3%	1.0%

Source: Bloomberg, Standard Chartered
Prior data are for the preceding period unless otherwise indicated. Data are % change on previous period unless otherwise indicated
P - preliminary data, F - final data, sa - seasonally adjusted, y/y - year-on-year, m/m - month-on-month

The S&P500 has next interim resistance at 7,746

Technical indicators for key markets as of 10 Sep close

Index	Spot	1st support	1st resistance	12m forward P/E (x)	12m forward dividend yield (%)
S&P 500	7,592	7,509	7,746	19.1	1.2
STOXX 50	6,269	6,162	6,477	14.7	3.2
FTSE 100	10,609	10,495	10,821	12.6	3.5
TOPIX	4,055	3,967	4,181	15.8	2.3
Shanghai Comp	3,934	3,858	4,003	12.9	3.1
Hang Seng	24,954	24,543	25,713	10.5	3.4
Nifty 50	23,478	23,046	24,243	17.6	1.9
MSCI Asia ex-Japan	1,152	1,109	1,184	10.2	2.4
MSCI EM	1,745	1,681	1,789	10.0	2.7
Crude oil (WTI)	102.5	86.7	111.1	na	na
Gold	4,318	4,168	4,582	na	na
UST 10Y Yield	4.96	4.73	5.08	na	na

Source: Bloomberg, Standard Chartered
Note: These short-term technical levels are based on models and may differ from a more qualitative analysis provided in other pages

Investor diversity has normalised across asset classes

Our proprietary market diversity indicators as of 10 Sep close

Level 1	Diversity	1-month trend	Fractal dimension
Global Bonds	●	↓	1.54
Global Equities	●	→	1.57
Gold	●	↑	1.81
Equity			
MSCI US	●	→	1.63
MSCI Europe	●	→	1.54
MSCI AC AXJ	●	↓	1.69
Fixed Income			
DM Corp Bond	●	↓	1.52
DM High Yield	●	↑	1.91
EM USD	●	↓	1.69
EM Local	◐	↓	1.39
Asia USD	●	↓	1.72
Currencies			
EUR/USD	●	↑	1.84

Source: Bloomberg, Standard Chartered; **Fractal dimensions below 1.25 indicate extremely low market diversity/high risk of a reversal**
Legend: ● High | ◐ Low to mid | ○ Critically low

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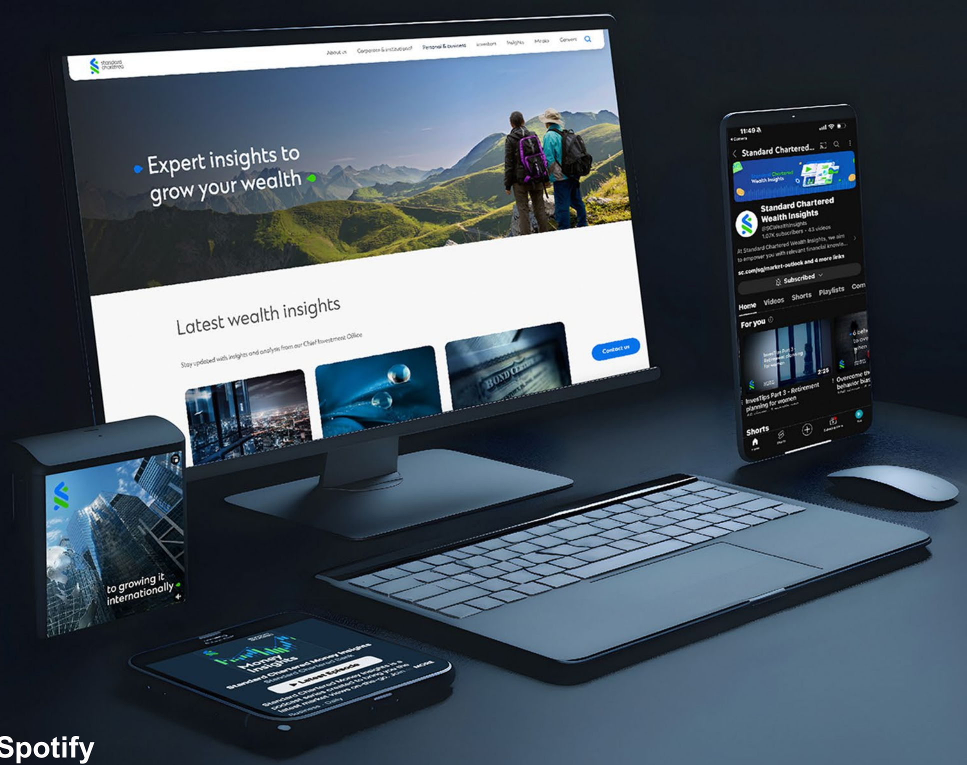

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