WEEKLY UPDATE | August 7, 2026

U.S. & World News

This week rare joint U.S.–Japan intervention helped lift the beleaguered yen off a 40 year low. After sinking near ¥164 per dollar, its weakest level since 1986, the yen rebounded to around ¥157 following coordinated action, with the U.S. buying large amounts of yen by selling euros. Japan's reserves are overwhelmingly U.S. Treasuries, holding roughly $1.1 trillion in Treasuries at the end of May. A sustained defense of the yen financed the conventional way would mean Tokyo unloading U.S. Treasuries, a move Washington wants to avoid because it would push U.S. yields higher and raise borrowing costs across the economy. Japan's ultra low interest rates are a key reason the yen keeps weakening. If the yen continues to fall despite interventions, the Bank of Japan may need to raise rates to make holding yen more attractive. This threatens the massive global carry trade, where investors borrow cheap yen to buy higher yielding assets like U.S. tech stocks. If Japanese rates rise, those trades could unwind fast, sending shockwaves through global markets. As Nabil Milali, a portfolio manager at Edmond de Rothschild warns, "A lot of investors are clearly positioned for a continuation in this carry trade. And if we had a reversal in Japanese interest rates and the yen, it could be a huge risk for these investors."

Markets

- Equity markets climbed higher this week with the S&P 500 up 3.59% and closing at an All Time High of 7,757. The Dow was up 2.96% and closed at 54,036. The year to date returns for the S &P 500 and the Dow are 14.07% and 13.43%, respectively.

- Bond markets rose as yields fell, resulting in a 0.58% gain for the US Aggregate Bond Index. The year to date return for the US Aggregate Bond Index is 0.02%.

- The yield on 2-year treasuries fell to 4.19% and the yield on 10-year treasuries decreased this week to 4.64%.

- The spot price of WTI Crude Oil fell -9.21% this week and closed at $76.87/barrel. Oil prices this year have risen 33.86%

- The spot price of Gold rose 7.20% this week to close at $4,349/ounce. So far this year, gold has risen 0.69%.

Economic Data

- Initial jobless claims slightly increased to 199,000, below the median forecast of 205,000.
- JOLTS job openings declined by 178,000 in June to 7.359 million, somewhat below expectations of 7.454 million. The decline of openings in June was driven mostly by a 147,000 decline in health care job openings, reflecting a normalization from a large increase in April.
- Non-farm payrolls declined by -23,000 in July vs. median forecast of +80,000. The decline was led by a drop of 53,000 government jobs and slower than usual growth in healthcare jobs. The prior two months were revised down by a total of 103,000, bringing the three month average payroll growth to 20,000.
- The headline unemployment rate ticked down to 4.1%, led by a decline in the labor force participation rate to 61.4% from 61.5%.
- Average hourly earnings were essentially unchanged in July, bringing the 12-month growth in wages to 3.2%, lower than the expected 3.5%.

Fact of the Week

BACK TO RECORDS. Back-to-school and back-to-college shopping this year are forecast to hit record highs of $43.3 billion and $103.5 billion, respectively. The total projected spending of $146.8 billion would be a 14.5% increase over 2025 and would surpass 2023's record by 8%.

(Source: National Retail Federation)

Questions?

Your Wealth Management team is here to answer.

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