THE FINANCIAL BUDDY

MONTHLY DIGEST

Market Pulse

Gold's Debasement Rally Meets a Hawkish Fed

August 2026: How a Jackson Hole Pivot and a Hormuz Oil Shock Rewired Global Markets

AUGUST 2026

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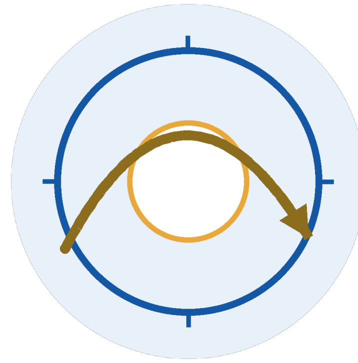
GLOBAL MARKETS

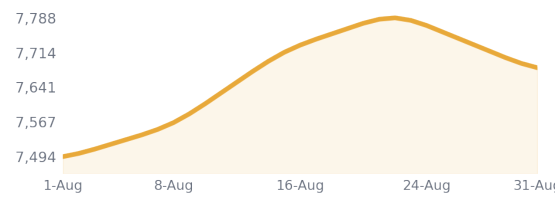
The Throughline

For most of August, a revived 'debasement trade' sent gold and silver soaring after the US Treasury doubled its long-bond buybacks. Then Fed Chair Kevin Warsh's hawkish Jackson Hole speech and fresh US-Iran strikes near the Strait of Hormuz flipped the script — reviving rate-hike bets, lifting oil, and unwinding much of the metals rally into month-end.

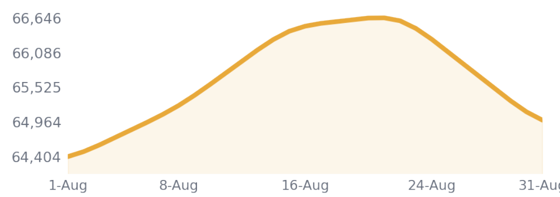


Global Indices

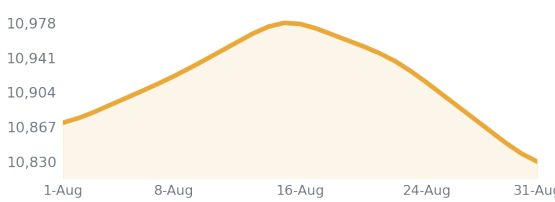
S&P 500 (US) **+2.50%**



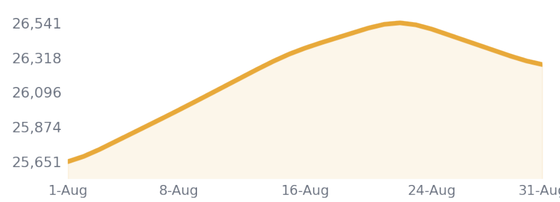
Nikkei 225 (JP) **+0.86%**



FTSE 100 (UK) **-0.40%**



DAX (DE) **+2.45%**

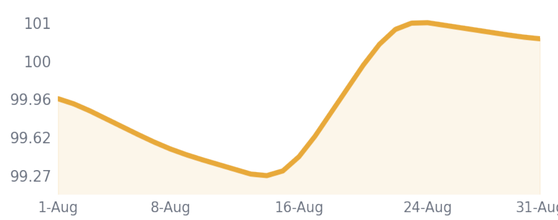


Source: NSE, Yahoo Finance, Trading Economics.

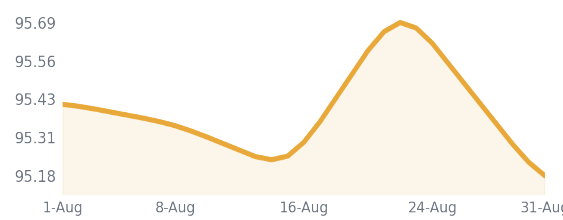
CURRENCY

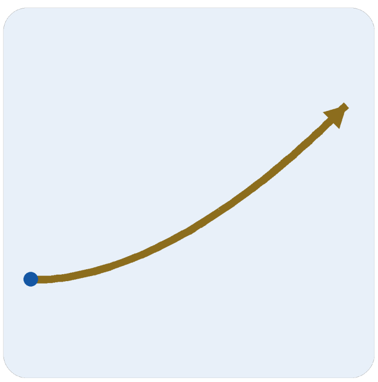
The dollar chopped higher through August as Treasury's bond-buyback plan first weakened it on debasement fears, then Warsh's hawkish Jackson Hole turn and rising Fed rate-hike odds pulled it back up. The rupee stayed comparatively steady, supported by RBI intervention and easing crude prices for most of the month.

US Dollar Index (DXY) **+0.50%**



USD/INR Currency Pair **-0.28%**



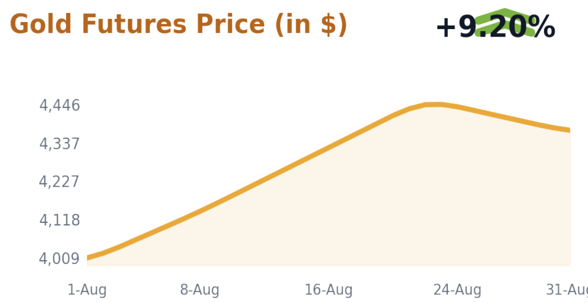


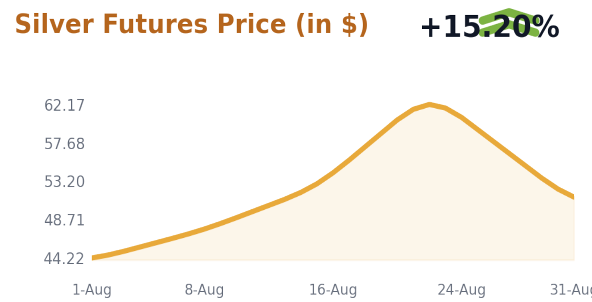
India's Forex Reserve

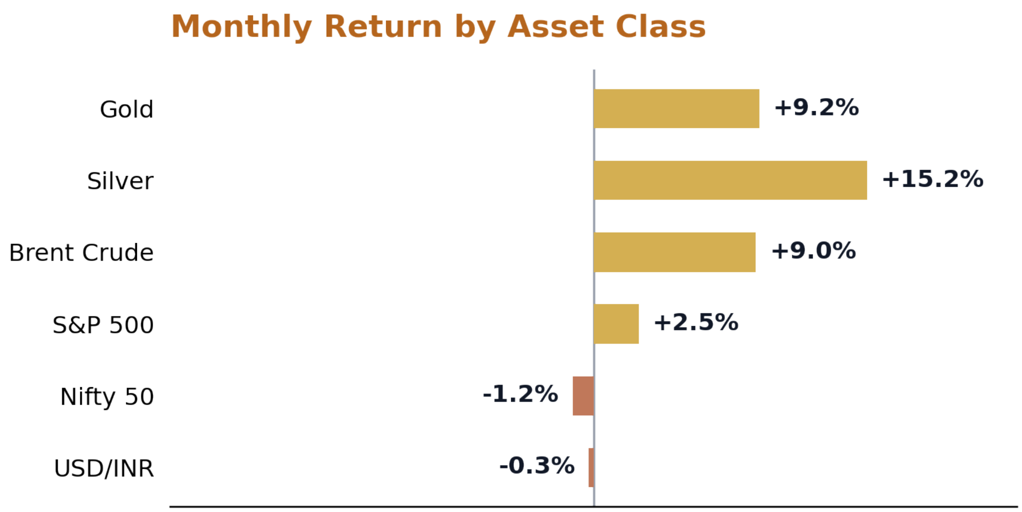
The rupee held a relatively tight band for most of August even as global rate expectations swung sharply, with RBI intervention and softer crude prices through mid-month offsetting the drag from renewed dollar strength after Jackson Hole. It ended the month roughly 0.3% stronger against the dollar, closing near a multi-week high as crude eased slightly off its highs.

COMMODITIES

Gold and silver posted their strongest month since January as the Treasury's bond-buyback announcement reinforced the 'debasement trade' narrative — but both gave back a chunk of those gains in the final week as Warsh's hawkish tone and a Strait of Hormuz flare-up put rate hikes back on the table.



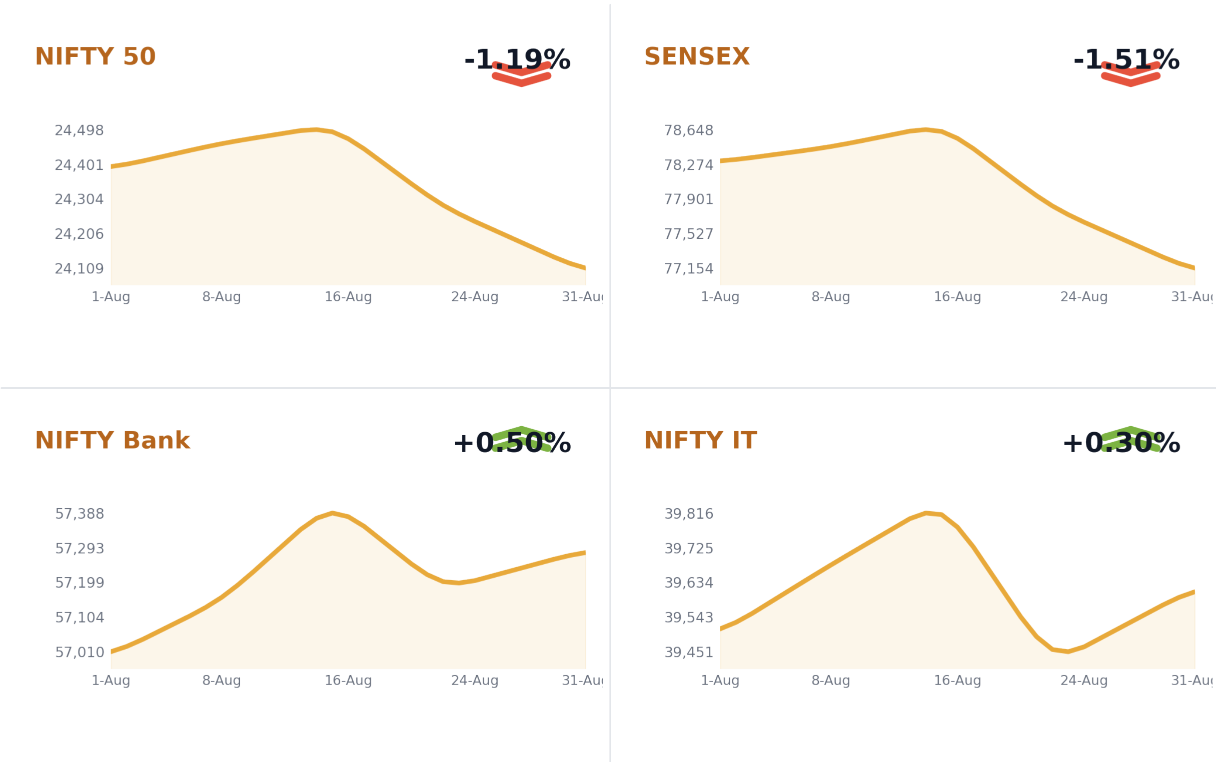




Monthly return by asset class.

NDIAN INDICES

Nifty and Sensex snapped a two-month winning streak, ending August in the red as high crude prices and renewed Middle East tensions capped the market's tightest monthly range in nearly a year. Banks and IT held up relatively better while metals, telecom and FMCG lagged.



Index paths for the month.

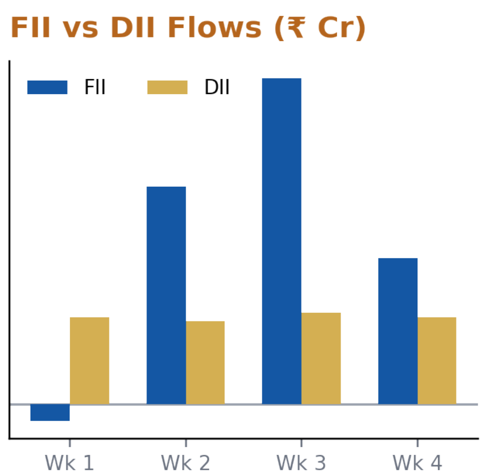
EQUITIES & FLOWS

Top Gainers | NIFTY 50

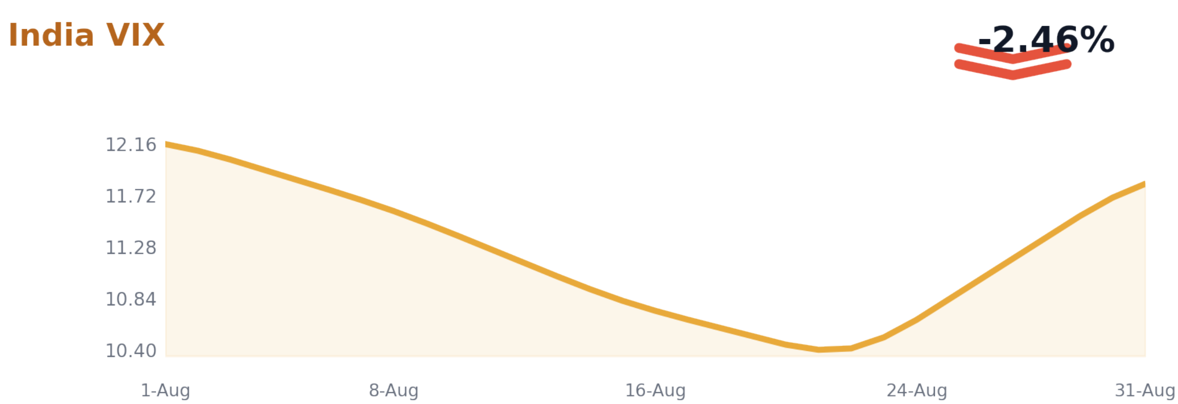
Company Name	Change (%)
Eternal Ltd.	+15.7
Jio Financial Services Ltd.	+11.5
Trent Ltd.	+11.1
Bharti Airtel Ltd.	+9.1
Bharat Electronics Ltd.	+7.9

Top Losers | NIFTY 50

Company Name	Change (%)
Asian Paints Ltd.	-5.5
NTPC Ltd.	-5.2
Kotak Mahindra Bank Ltd.	-3.5
Eicher Motors Ltd.	-2.6
Shriram Finance Ltd.	-2.0



FIIs stayed net buyers in August for a second straight month, deploying roughly Rs 30,900 crore through primary and secondary markets even amid bouts of selling around the Jackson Hole and Hormuz-driven volatility. DIIs continued their steady, uninterrupted buying throughout.



EVENTS ARCHIVE

August 2026

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Indian Events

3 **NSE Rolls Out New Closing Auction Session**

The new closing-price mechanism sparked unusual swings, most notably during the Aug 27 Sensex derivatives expiry.

5 **RBI Holds Repo Rate at 5.25%, Lifts Growth Forecast**

The MPC kept rates unchanged for a fourth straight review and raised its FY27 GDP forecast to 6.7%.

12 **July Retail Inflation Cools to 4.45%**

Headline CPI stayed comfortably within the RBI's tolerance band, aligning with market expectations.

Global Events

19 **US Treasury Doubles Long-Bond Buybacks**

The move to steady long-term yields reinforced the 'debasement trade' narrative that drove gold and silver higher.

28 **Fed Chair Warsh Opens Door to a Rate Hike at Jackson Hole**

Warsh called inflation 'concerning,' pushing September hike odds to near a coin flip from about one-third.

31 **US-Iran Strikes Near Strait of Hormuz Reignite Oil Fears**

Renewed military action between the US and Iran pushed Brent crude above $90 a barrel and revived concerns over inflation and global energy supply.

OPINION POLL

I stand here today committed to a discipline, not to a decision.

— Kevin Warsh, Federal Reserve Chair, Jackson Hole, Aug 28, 2026

Based on Treasury Department statements, market participants believe the government bond market interference may get even more aggressive.

— Bart Melek, Head of Commodity Strategy, TD Securities

One institution has a tightening bias, the other a loosening bias, aimed at the same curve.

— Nicky Shiels, Head of Research and Metals Strategy, MKS PAMP

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