Equity Weekly

Syz Equity Research – week from 21 to 28 August 2026

The Chart of the Week

Nvidia CFO suggest 2028 capex consensus could be met a year early

Source: Marlin Capital

What happened last week?

Global markets

Global equity markets ended the week only slightly higher, with the MSCI ACWI up 0.3% from Friday 21 to Friday 28 August 2026. But that modest headline number hides a lot of movement underneath. The week had two main storylines, and they pulled in opposite directions. First, Nvidia's earnings reminded everyone that AI spending still has legs. Second, new Fed Chair Kevin Warsh gave a notably hawkish speech at Jackson Hole, which cooled the mood heading into the weekend. The S&P 500 gained 0.5% and the Nasdaq 100 added 0.3%, though both had been up considerably more before Friday's reversal. Markets outside the US were essentially flat.

Oil was the week's genuine surprise. Given the ongoing US-Iran war and threats of “economic D-Day” sanctions, one might expect crude to have spiked. Instead, Brent fell around 5.5% and US crude dropped by a similar amount. The reason: tankers slowly started moving again through the Strait of Hormuz, and Washington shifted its approach from military pressure toward economic sanctions on Iran. Oman and Qatar's mediation efforts helped too. None of this means the conflict is resolved, but the market read it as a step back from the brink, and the war-risk premium in oil prices eased accordingly. Energy shares fell in step. Separately, US-Canada trade tensions escalated further, with Washington threatening steep tariffs on Canadian autos and steel, adding one more layer of policy uncertainty to keep an eye on.

Sector performance told two very different stories. Software and cybersecurity had a strong week, helped by a run of individual earnings beats, particularly from Salesforce and CrowdStrike, both of which raised guidance. Communication services and parts of financials also did well. Health care, on the other hand, was the week's clear laggard on both sides of the Atlantic, with no obvious trigger, suggesting a rotation out of health care (which had led gains recently) back into AI and software. Energy was the other notable underperformer as oil fell. Smaller and mid-cap stocks broadly lagged large caps too, consistent with a market bracing for a less dovish Fed.

US

US equity markets closed the period higher but the path was far from linear. Wednesday and Thursday were dominated by Nvidia's fiscal second-quarter results, which more than doubled revenue year on year and, more importantly, guided to growth well ahead of consensus expectations for the coming year. It also said it expects datacentre capital investment this year and next to be well above current consensus expectations. Salesforce and CrowdStrike have also reported strong beats and raises, and the reaction rippled through: enterprise software, cybersecurity and several of the mega-cap platforms posted strong weekly gains, with the broader technology sector up 1.3% and communication services adding 1.4%. That said – the tech rally was not uniform: Philadelphia Semiconductor index was down 2.2%, despite Nvidia's blockbuster earning. A disappointing guidance from Marvell reminded investors about the need to be selective.

After a series of strong earnings mid-week, the tone shifted materially on Friday. Chairman Warsh's Jackson Hole address stopped short of offering explicit forward guidance but struck a clearly hawkish note on inflation, prompting traders to lift the implied probability of a September rate hike sharply from where it stood earlier in the week. Rate-sensitive and higher-beta segments bore the brunt of the reaction: the Russell 2000 fell 1.5% on the week, momentum factor exposure declined 1.3%, and real estate and industrials both retreated, the latter also pressured by weakness in capital goods. Financials were a bright spot throughout, with banks up 1.3% as steeper short-end yields supported the sector. Health care was the week's weakest sector.

Europe

European equities were more subdued than Wall Street over the period, with the STOXX Europe 600 broadly flat to modestly higher and the MSCI Europe index down 0.3%. Germany was the clear regional outperformer, with the DAX up 1.2% and the mid-cap MDAX advancing 2.4%, extending a run that has taken both indices to record territory this year on the back of resilient earnings and broadening domestic momentum. France told a different story: the CAC 40 fell 1.4% after a sharp midweek selloff in French banks tied to renewed fiscal and political uncertainty ahead of next spring's presidential contest, only partially reversed by a Friday rebound.

Sector rotation broadly mirrored the US pattern. Financials led the gains, while energy fell 3.0% as the same crude oil retracement that hit US energy shares weighed even more heavily on European names. Health care declined 2.3%, in step with its US counterpart and consistent with the same rotational dynamic rather than a distinct regional catalyst, while defence-linked names also pulled back after a strong preceding run. Technology and consumer discretionary both posted modest gains, the latter helped by strength in autos after favourable analyst commentary lifted several manufacturers.

Rest of the world

Emerging market performance was highly divergent over the period, leaving the MSCI Emerging Markets index essentially flat at 0.1%. Taiwan was the standout, with the TAIEX surging 3.3% as semiconductor supply-chain names took heart from Nvidia's guidance despite the softer reaction in US-listed chip stocks. Japan also performed well, with the MSCI Japan index up 1.3%, while Brazil advanced 1.5%. Korea was the notable laggard, with the MSCI Korea index down 2.7% as memory and chip-adjacent names gave back gains into the end of the week, and China eased 1.1% amid continued caution around domestic demand. India was little changed. Across the region, the same forces dominating developed markets, oil's retreat, dollar strength following Warsh's remarks, and selective participation in the AI supply chain, drove the dispersion, leaving broad emerging market benchmarks roughly where they started the week even as individual markets moved sharply in both directions.

Our view on equities

Equity asset class

We maintain a neutral equity exposure, balancing a constructive earnings outlook against the headwind from higher real rates.

Earnings

The outlook remains constructive, supported by AI-related investment, broadening earnings participation across sectors and regions, near-record margins and resilient management confidence.

Valuation

Valuations remain supported by earnings growth, with forward estimates rising faster than share prices. The S&P 500 trades at 20x forward earnings, while Europe, Japan and Asia remain closer to historical averages.

Risks

The main risk remains a further rise in real yields, increasing discount-rate pressure, although the Treasury's expanded long-dated buybacks provide some support at the long end.