



Market Update – August 2021

August brought yet more record highs for equity markets as they extended another monthly gain with expanding vaccinations underpinning economic reopening in addition to strong company profits and moderate monetary policy. While most sectors benefitted, the energy sector lagged alongside global the metal and mining sector. Attention turned to The Jackson Hole Economic Symposium for indication from the Fed where Jerome Powell indicated via a virtual speech that US debt purchases are set to slow while carefully separating any tapering activities, likely announced in the Autumn, from the rising of rates. The Fed reiterated their view on the transitory nature of inflation while pressures from certain underlying drivers such as used cars in US inflation have appeared to have abated under the headline figures whilst supply bottle necks remain in certain areas. Changes within the Chinese regulatory landscape continued in the month with a widening number of sectors and industries affected.