WORLD MARKET PROGNOSIS

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MARKETS NOW

Wall Street fell hard on Wednesday after the Federal Reserve held rates but struck a hawkish tone. The Dow dropped 2.19%, or 1,153 points, to 51,594 — its worst day in over a year — while the S&P 500 lost 1.52% to 7,316 and the Nasdaq slid 1.74% to 24,443. Three FOMC members dissented in favour of a hike, and Chair Kevin Warsh said there is no soft inflation target. Thirty-year Treasury yields hit their highest since 2007. Tokyo's Nikkei fell 1.49% to 61,434, Hong Kong's Hang Seng rose 1.96% to 25,808 and Frankfurt's DAX added 0.31%.

COMMODITIES

Oil drove the session: Brent jumped 7.9% to settle at $90.74 and WTI rose 6.6% to $84.46 after Iranian missiles struck US forces and joint US-Saudi strikes hit targets in Iraq. Both eased marginally on Thursday, Brent near $90.4. Gold slipped about 0.5% to roughly $4,044 an ounce, still up 23% on the year. Silver fell to $57.20, its weakest since December 2025 and down 3% this month. Copper firmed 0.5% to $6.31 a pound. Soybeans touched a one-month low near $1,172; wheat held around $662.

THE PROGNOSIS

The base case is an uneasy range, with rate risk now pointing up rather than down. Swaps price roughly a 60% chance of a September hike, so long yields rather than earnings are setting the tone. The clearest inflation risk sits in the Strait of Hormuz, where Tehran has rejected Oman's joint-management proposal; renewed escalation could push Brent back above $100. Chinese equities at a 16-week low point to soft demand. Watch this week's Bank of England and Bank of Japan decisions, the 30-year yield and Hormuz headlines.