

The Navigator - Issue No. 102 - Beta | August 11, 2026 | NAV News

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Tuesday, August 11, 2026

Market Snapshot

S&P 500: Futures +0.1% | The broad index held near flat while Nasdaq futures gained about 0.3% before Wednesday's CPI

Brent Crude: \$87.61 | An early gain near 2.5% reversed as the market reassessed the Hormuz reopening risk premium

Gold: \$4,107 area | Haven demand remained firm while oil volatility and the coming inflation print kept real-rate risk elevated

Fed Funds Rate: 3.50-3.75% | Held July 29 - Wednesday's CPI and Thursday's PPI frame the next policy debate

The Lead

Oil Reversed the Spike. CPI and AI Spending Still Own the Next Move.

Tuesday's pre-market session opens with S&P 500 futures up about 0.1%, Nasdaq futures up roughly 0.3%, Brent near \$87.61 after reversing an early 2.5% jump, gold around \$4,107, Henry Hub natural gas near \$2.72 per mmBtu, the dollar index near 100.9, EUR/USD around 1.1445, and USD/JPY near 163.4.

Oil's reversal is the morning's most useful signal. Brent initially extended Monday's more than 5% rise as uncertainty around reopening the Strait of Hormuz sustained the supply-route premium, then surrendered the advance. The retreat reduces immediate inflation pressure without resolving the physical-shipping risk that pushed energy shares higher a day earlier.

Equity futures are treating that reversal as permission to stabilize rather than a full risk-on signal. The S&P 500 is close to flat, the Dow is fractionally lower, and Nasdaq futures are modestly stronger. That leadership split says investors are willing to support growth duration when oil cools, but broad conviction remains constrained ahead of Wednesday's July CPI.

Today's domestic calendar is lighter. The NFIB small-business survey at 6:00 a.m. ET and existing-home sales at 10:00 a.m. ET provide reads on hiring, pricing plans, affordability, and mortgage-rate sensitivity. Neither release is likely to displace CPI, but a weak housing print would reinforce the view that restrictive rates are transmitting unevenly through the economy.

The inflation setup remains difficult because last week's payroll contraction increased growth concern just as oil rebuilt an inflation premium. A benign CPI would allow Treasury yields and the dollar to ease while preserving equity multiples. A firm core reading would instead revive the risk that the Fed must keep policy restrictive even as hiring loses momentum.

Currency and commodity positioning reflects that tension. The dollar index near 100.9 remains firm enough to tighten global conditions, EUR/USD near 1.1445 is holding above recent support, and USD/JPY around 163.4 keeps intervention risk visible. Gold near \$4,107 can retain support from geopolitical uncertainty even if nominal yields resist falling, while subdued natural gas argues against a generalized energy-demand boom.

Corporate results add a second test after the close. CoreWeave and Super Micro put AI infrastructure demand, financing intensity, backlog conversion, and component availability under scrutiny; Sea and On provide cleaner reads on digital consumption and premium discretionary demand. Strong revenue will matter less if capex, funding costs, or gross-margin guidance suggests that the AI buildout is becoming more expensive to finance.

Callout

Key insight: Oil's intraday reversal buys the market time, not closure. The durable direction now depends on whether CPI validates lower discount rates and whether AI-infrastructure earnings show that revenue growth is keeping pace with capital intensity.

What Moves Today

NFIB Small Business Optimism (6:00 AM ET)

Macro The survey's hiring and planned-price components matter more than the headline index. Firmer pricing intentions would reinforce inflation persistence, while weaker hiring plans would extend the labor-cooling signal from Friday's payroll report.

July Existing-Home Sales (10:00 AM ET)

High Impact Consensus centers near a four-million annualized pace, with affordability and limited inventory still constraining turnover. A miss would pressure housing-linked cyclical and support duration; a beat would suggest demand is absorbing elevated mortgage rates.

CoreWeave and Super Micro Earnings (After the close)

Earnings CoreWeave is expected to show rapid revenue growth alongside continued losses, while Super Micro tests server demand and execution. Backlog quality, financing needs, component costs, and customer concentration will determine whether AI spending broadens or becomes a margin concern.

Sea, On and Cardinal Health Earnings (Today)

Earnings Sea provides a cross-market read on digital commerce and gaming, On tests premium consumer demand, and Cardinal Health measures medical-distribution volumes and margins. Guidance can clarify whether global demand remains resilient beneath the headline macro slowdown.

July CPI and Fed Commentary (Watch this week)

High Impact CPI arrives Wednesday at 8:30 a.m. ET, followed by PPI and jobless claims Thursday; Cleveland Fed President Beth Hammack is scheduled Thursday morning. The sequence will test whether officials emphasize renewed inflation pressure or the abrupt weakening in

hiring.

Three Signals

Signal 01 - Energy / Inflation

The oil premium is volatile, but it has not disappeared.

Brent's reversal from an early surge limits the immediate hit to inflation expectations and margins. Holding above the mid-\$80s would still keep transport costs, consumer purchasing power, and Fed communication sensitive to every Hormuz headline.

Signal 02 - Equities / AI

The AI trade is moving from demand proof to financing proof.

CoreWeave and Super Micro can confirm strong compute and server demand, but investors also need evidence that backlog converts without escalating funding costs or compressing margins. That distinction matters for semiconductors, data-center suppliers, utilities, and credit.

Signal 03 - FX / Rates

A strong dollar and a stretched yen raise the cost of a hot CPI.

DXY near 100.9 and USD/JPY above 163 show that rate differentials remain powerful despite weaker U.S. hiring. A firm inflation print could lift Treasury yields and intensify global tightening, while a benign result would give EUR/USD and the yen room to recover.

Possible Paths - Tuesday, August 11, 2026

CPI and AI earnings decide whether oil's reversal becomes relief, rotation, or another false dawn.

Relief path: Brent holds below \$90, housing is orderly, CPI cools, and AI companies pair strong demand with controlled spending. Equities broaden, Treasury yields fall, the dollar softens, EUR/USD rises, USD/JPY retreats, gold consolidates, natural gas stays subdued, credit spreads remain contained, and earnings estimates hold.

Stagflation path: Oil resumes its climb and CPI runs firm while housing weakens. Equities lose breadth, Treasury curves bear-steepen, the dollar and gold retain support, EUR/USD slips, USD/JPY presses intervention-sensitive levels, commodities stay volatile, credit spreads widen, and consumer and industrial margin estimates fall.

AI-capex fracture path: Inflation is manageable but CoreWeave or Super Micro exposes funding, execution, or margin strain. Mega-cap equities and semiconductor suppliers underperform, Treasury yields can ease without lifting growth shares, the dollar response stays mixed, gold remains supported, energy follows geopolitics, high-yield technology credit weakens, and earnings revisions concentrate in data-center beneficiaries.

Disclosure

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