08 May 2026 – 15 May 2026

WEEKLY MARKET INSIGHTS

THE WEEK'S BIG THEMES

ECONOMY

- Amid **escalating geopolitical risks, stubborn inflation, and fresh uncertainty surrounding the trajectory of US interest rates**, J. Powell steps down from the US FED. While K. Warsh has been confirmed as FED Chair, **the U.S. inflation picture worsened in April**, with CPI rising 0.6% MoM and 3.8% YoY (core CPI: + 0.4% MoM and 2.8% YoY). **Producer prices added to the concern**, rising 1.4% and 6.0% YoY, suggesting price pressures remain broad and persistent. Energy was a major driver in both reports. Chicago Fed Pst said the U.S. has an inflation problem, reinforcing expectations that the FED may need to keep policy tight for longer. **U.S. consumer spending remained resilient in April**, with retail sales up 0.5% after a strong March.
- **Eurozone industrial production rose slightly in March**, (+0,2%, below forecasts). Germany saw a drop in output, while France, Italy, and Spain all posted gains. **France's unemployment rate rose more than expected to 8.1% in Q1 26**, its highest level since early 2021, with youth unemployment remaining very high. **Germany's ZEW economic sentiment improved in May**, beating expectations. The index remained negative, reflecting continued investor caution amid weak industrial output, higher energy prices, and inflation above 2%
- **Political uncertainty in the UK weighed on markets** as Prime Minister K. Starmer came under pressure, with ministerial resignations and speculation about a Labor leadership challenge adding to investor caution. **UK retail sales also weakened**, falling 3.0% YoY in April and undershooting the 12-month average growth rate of 1.8%.
- **Japan saw a sharp rise in input costs**, with the corporate goods price index up 4.9% YoY in April, driven by petroleum and chemicals, while household spending weakened, down 2.9%YoY in March.
- **China's services sector expanded faster than expected in April**, with both the services PMI and composite output index improving from March, driven by stronger domestic demand and faster new business growth, though **export orders fell again**, showing that external demand remained soft.
- **China's inflation data improved in April**, with producer prices rising at their fastest pace since July 2022 (+2,8% YoY) and consumer inflation edging higher (+1,2%). The figures suggest industrial activity and pricing conditions are stabilizing. **China's trade data showed strong momentum in April**, with exports and imports both rising more than expected.

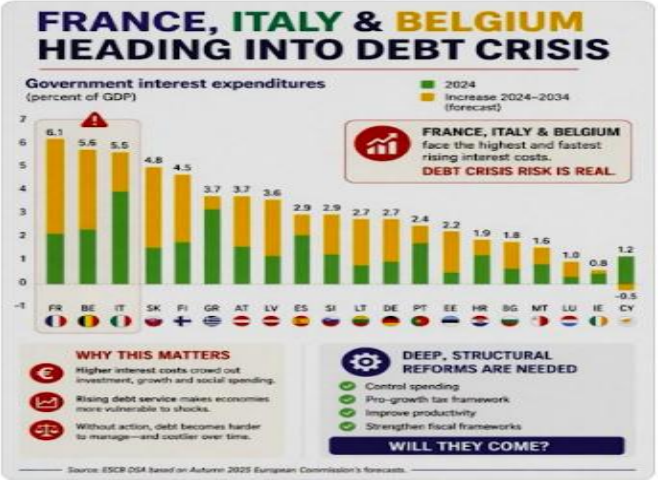
GEOPOLITICAL TENSION

- **U.S.-Iran tensions stayed elevated,** with a fragile ceasefire, renewed incidents near the Strait of Hormuz, and sharper rhetoric from both sides
- **The US and Chinese presidents concluded a two-day Beijing summit on May 15,** stabilizing US-China ties, without major breakthroughs.

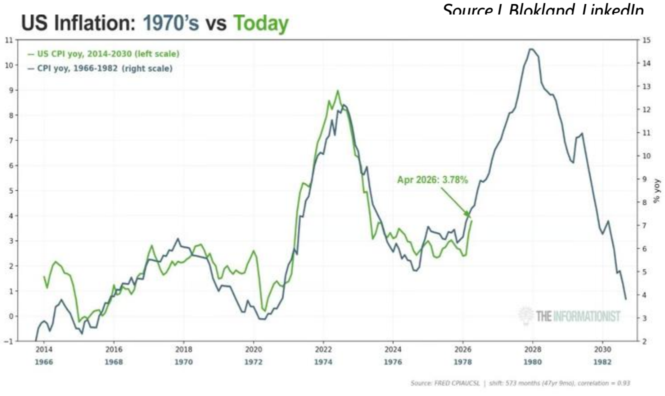
REPORTING SEASON

- Of the 454 S&P 500 companies reporting so far, **73% have beaten revenue estimates and 81% have beaten earnings expectations**. Q1 growth remains solid, with revenue up 10.50% and EPS up 25.09% (source: Schwab)

CHARTS OF THE WEEK



Source J. Blokland LinkedIn



Source Syz Private Banking

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
• Retail sales, Fixed asset invest. (CN) • NAHB Housing market index (US)	• Unemployment rate, earnings (UK) • Housing data (US) • Inflation (CA)	• Inflation Final April (EA) • Inflation, PPI, Retail sales (UK) • Interest rate decision (IN)	• Exports & Imports, PMI (JP) • PMI (EA) • Continuing & Initial claims, Philadelphia Fed index (US)	• Inflation (JP) • Retail sales (UK) • University of Michigan consumer sentiment (US)

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WEEKLY MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- **Investors shifted toward a risk-off stance this week** as sentiment weakened across most markets. Equity volatility drifted higher, with the VIX recording its first week-on-week rise since late March.
- **Global equities ended the week mixed,** with the MSCI World flat over the week while the MSCI Emerging Markets posted negative return of -3,7%.
- **Optimism surrounding tech and AI-related stocks was largely outweighed by concerns around accelerating inflation.** After reaching new record highs, US indices pulled back to close the week in negative territory. Except the S&P 500 which came at +0,1%, Nasdaq 100 edged down 0,4% and the Russell 2000 -2,4%.
- **European equities closed the week lower,** showing mixed results. While the Stoxx 600 ended at -0,9%, the French and German indices showed poorest results (CAC 40: -2%, DAX: -1,6%). The UK market was surprisingly more resilient (Footsie 100: -0,4%)
- **Asian equity markets saw mixed results:** Japanese Nikkei lost 2,1% while the onshore Chinese equities edged down 0,3%. Semiconductor- and AI-related shares were subject to some profit taking.

FIXED INCOME

- **Broader increase in global bond yields,** with markets repricing the risk of a more persistent energy-driven inflation shock. The US 10-year closed at 4,60%, the highest level in over one year. Performance was weaker at the front end as investors reconsidered the likely path of the Federal Reserve's next policy decision, with a 65% of tightening before year end and fully discounting an additional 25bps of hikes by Q1 2027. In Europe, worries about persistently high energy costs drove government bond yields to multi-year-high, with UK gilts underperforming their European peers: the German 10-year drifted up to 3,15% and the UK gilt to 5,18%. The Japanese government bond yield reached its highest levels since 1997 at 2,72%.
- **Corporate bonds posted negative returns** as government bond yields moved higher, outweighing generally stable to modestly tighter credit spreads. Emerging debt underperformed developed markets, especially local currency debt. Europe modestly outperformed the US. High beta outperformed quality bonds.

COMMODITIES

- **Oil prices rose last week** (Brent: +6,5%, WTI: +10,5%) as Pst Trump stated that he was losing patience with Iran. Reports showed falling global oil inventories.
- **The metal complex was clearly risk-off over the week**, with gold down by 3,5% and silver down by 4%, on high inflation readings, a stronger US dollar, and dwindling hopes of Fed rate cuts.
- **Copper gave back gains into the end of the week to close the period flat,** as deepening inflation concerns tied to the Iran weighed on industrial commodities

CURRENCIES & CRYTO

- **The US dollar index rose by 1.5% last week, hitting a five-week high.** The yen saw renewed volatility, while U.S. officials reiterated Japan's view that excessive foreign exchange swings are undesirable
- **Crypto assets were mixed,** with the Bitcoin ending the week in negative territory (-1,4%) , as did the Ethereum (- 3,6%), while the Ripple edged up by 1,1%.

CHARTS OF THE WEEK

Source: A. Vogt, LinkedIn, from Goldman Sachs

Source: Muzinich & Co

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WEEKLY MARKETS REVIEW (As of 18 May 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-0.0%	+2.5%	+7.3%
MSCI Emerging (USD)	-3.7%	+3.0%	+19.0%
S&P 500 (USD)	+0.1%	+2.8%	+8.2%
NASDAQ 100 (USD)	-0.4%	+6.1%	+15.3%
RUSSELL 2000 (USD)	-2.4%	-0.2%	+12.5%
STOXX 600 (EUR)	-0.9%	-0.7%	+2.4%
DAX (EUR)	-1.6%	-1.4%	-2.2%
CAC 40 (EUR)	-2.0%	-2.0%	-2.4%
FTSE 100 (GBP)	-0.4%	-1.8%	+2.7%
NIKKEI (JPY)	-2.1%	+3.6%	+22.0%
CSI 300 (CNY)	-0.3%	+1.1%	+5.0%
BOVESPA (BRL)	-3.7%	-5.4%	+10.0%
HANG SENG (HKD)	-1.6%	+0.7%	+1.3%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.9%	-0.6%	-0.5%
Global Aggregate EUR (Hedged)	-1.0%	-0.7%	-1.2%
US Investment Grade	-1.2%	-0.5%	-0.6%
US High Yield	-0.8%	-0.6%	+0.5%
EU Investment Grade	-0.4%	-0.2%	-0.3%
EU High Yield	-0.1%	+0.4%	+0.5%
EM Local Ccy. Gov (Unhedged)	-2.3%	-0.9%	-0.9%
EM Hard Ccy. Aggregate (Unhedged)	-1.1%	-0.3%	+0.2%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-1.4%	+3.6%	-9.6%
Ethereum	-3.6%	-1.5%	-25.1%
Ripple	+1.1%	+4.8%	-22.1%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-3.5%	-1.3%	+5.3%
WTI Crude	+10.5%	+0.3%	+83.6%
Brent Crude	+7.9%	-4.2%	+79.6%
Silver	-4.0%	+4.9%	+10.0%
Natural Gas	+7.4%	+7.0%	-19.7%
Copper	+0.0%	+5.5%	+11.0%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+1.5%	+1.2%	+1.0%
EURUSD	-0.6%	-0.2%	-0.7%
GBPUSD	-1.2%	-0.7%	-0.6%
AUDUSD	+0.1%	+1.2%	+7.7%
USDCHF	+0.5%	-0.8%	-0.9%
USDJPY	+1.0%	-1.1%	+1.3%

Source: Bloomberg

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