WEEKLY
MARKET INSIGHTS

THE WEEK'S BIG THEMES

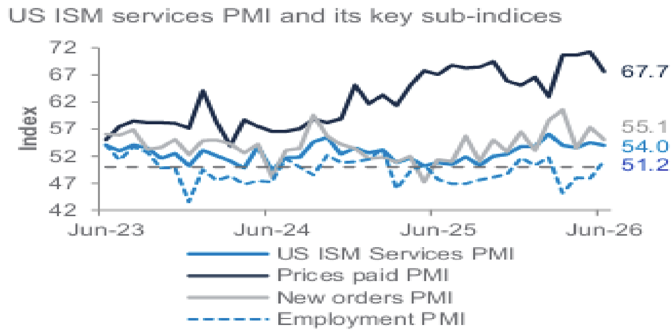
ECONOMY

- **UNITED STATES -** June **FOMC minutes contained no major surprises** but indicated worries about persistant underlying inflation risks. Households continued to anticipate higher inflation, according to the latest New York Fed survey, while market-based measures maintained a more benign inflation outlook. The **ISM services PMI eased slifghtly to 54.0 in June**, marking a 24th consecutive month of expansion. Employment returned to growth (world cup-related hiring!). Input prices fell the lowest since February, while remaining elevated**. Initial jobless claims declined slightly to 215K,** although continuing claims increased to 1.814 million. Meanwhile, the **housing market remained under pressure**, with existing home sales falling 2.4%, as affordability constraints continued to weigh on demand.
- **EURO AREA – Investor entiment improved** in the region according to the latest Sentix survey**. Producer price inflation accelerated more than expected** to 5,9% YoY in May. Regional data also provided encouraging signs: i/ inflation eased in both Germany and France, ii/ German exports surprised to the upside while imports declined, ii/ household consumption in the Netherlands reached its strongest level in more than a year.
- **EUROPE - In the UK, A. Burnham secured majority backing** to lead UK's Labour Party, while the latest residentieal property survey indicated that the **housing market remains subdued. Swedish economy expanded by 0,9% MoM in May**, marking a third consecutive month of growth, whiler inflation rose by 0,7% YoY in June.
- **JAPAN - Recent economic data pointed to ongoing inflationary pressure**, with the PPI rising to 7,1% YoY in June. At the same time, **household income growth showed signs of easing**, as nominal wages increased by 3,2% YoY, down from 3,6% in April,, while real wages rose by 1,4%, easing from a revised 2%.
- **CHINA –** June inflation figures continued to reveal **a divergence between consumer (+1% YoY) and producer prices (+4,1% YoY)**, reflecting subdued domestic demand alongside stronger producer pricing driven by robust AI-related export demand. The **PBOC maintained an accomodative policy stance**, reaffirming its commitment to ample liquidity and support for domestic demand, innovation, and SMEs. While policymakers acknowledged weak domestic demand and persistent structural imbalances, they stopped short of announcing broad-based stimulus measuress.
- **OF NOTE - New Zealand's central bank raised rates by 25bps to 2,50%,** its first rate increase in three years, citing persistent inflation and stronger growth prospects. **Benign inflation prints in Brazil and Mexico,** but central banks remains cautious

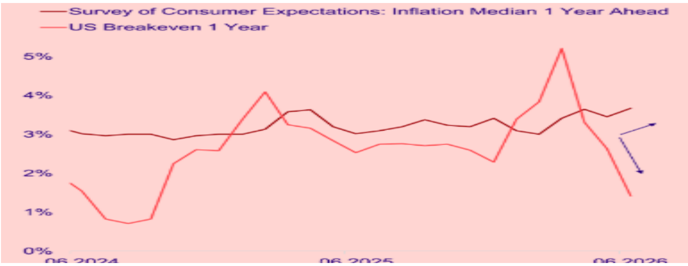
GEOPOLITICAL TENSION

- **Geopolitical tensions intensified after** renewed military exchanges between US and Iran in the Strait of Hormuz, even as diplomatic efforts persisted following President Trump's declaration that the U.S./Iran ceasefire was over.
- **The Ukraine conflict remained unresolved,** with continued military escalation and limited diplomatic progress. International support remained in focus at the NATO summit , where allies discussed additional military assistance.

CHARTS OF THE WEEK



Source Standard Chartered Bank



Source LinkedIn, Baloise Asset Management

Source Standard Chartered Bank

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
• Balance of trade, Inflation (IN) • Federal Budget Balance (US)	• Balance of trade (CN) • Industrial production (JP) • ADP, CPI, TIC flows (US)	• GDP, Industrial prod.., Retail sales, unemployment rate (CN) • Industrial prod. (EA) • Empire Manuf., PPI, Beige Boo (US)	• GDP, Industrial prod. (UK) • NY Fed Services Business Activity, Philadelphia Fed Business outlook, Retail Sales, Claims (US)	• CPI, Current account (EA) • University of Michigan sentiment, Industrial and Manufacturing production (US)

03 July 2026 – 10 July 2026

WEEKLY
MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- As geopolitical tension remained a source of market volatility**, global equities delivered mixed performance across regions**. The MSCI World index gained 0,3% over the week, while the MSCI Emerging Markets index declineed 1,1%.
- **Major U.S. equity indices ended the week mixed.** A late-week rebound in semiconductor and AI-related stocks lifted the Nasdaq (1,7%) and S&P 500 (1,2%), offsetting earlier weakness triggered by higher oil prices and renewed U.S.–Iran tensions. Small caps underperformed, with the Russell 2000 declining 0.6%. Growth stocks outpaced value stocks. As the second-quarter earnings season approachs, FactSet estimates that S&P 500 companies will report average earnings growth of 23,6%.
- **European equities underperformed their US counterparts.** The Stoxx 600 fell 1,8%, as renewed tensions in the Middle East weighed on investor sentiment. Performance was negative across major markets: Germany's Dax declined 2,8%, France's Cac 40 fell 2%, and the UK's Footsie lost 1,7%.
- **Asian equity markets also delivered mixed results.** Japan's tech-heavy Nikkei declined 1,7%, with geopolitical tensions weighing on sentiment given the country's dependence on imported energy. In China, a late-week rally in AI-related stocks helped the Hong Kong index gain 3,5%, while mainland China index declined 1,3%.

FIXED INCOME

- **Global sovereign bond yields moved higher across the board.** U.S. Treasuries posted negative returns, as yields rose higher across the curve, supported by higher oil prices and slightly hawkish FOMC minutes. The US 10-year ended the week at 4,56%, up from 4,49% at the end of last week. The German Bund and UK Gilt yields also moved higher (3,03% and 4,87%, respectively). In Japan, the 10-year government bond yield briefly climbed to its highest level since 1996 before ending the week broadly unchanged at around 2.78%, following comments by the Finance Minister encouraging Japanese pension funds to increase allocations to domestic financial assets.
- **Corporate bonds delivered poor performance.** Rising sovereign yields weighed on investment-grade credit, which underperformed sovereign debt, particularly in the US, despite solid demand for new issuance. High yield credit came under pressure midweek as higher oil prices and geopolitical tensions revived inflation concerns, before sentiment stabilised toward the end of the week. Emerging market hard-currency debt declined, while local-currency debt ended the week broadly unchanged.

COMMODITIES

- **Oil prices advanced as tensions in the Middle East escalated,** with WTI and Brent crude gaining 4% and 5,9%, respectively.
- **Gold edged** 0,2% lower as expectations of higher interest rates for longer continued to weigh on precious metals, with silver also declining (-1,4%).

CURRENCIES & CRYTO

- **The US Dollar Index was little changed** overt the week, rising 0,1%. The Japanese Yen was supported by comments from Japan's Finance Minister encouraging domestic pension funds to increase their holdings of Japanese financial assets.
- **Cryptocurrency markets also stregthened,** with Bitcoin gaining 2,5% and Ethereum rising 2,2%. Ripple declined 2,6%, reflecting consolidation and a lack of fresh catalysts.

CHARTS OF THE WEEK

US 10-year breakeven inflation and 10-year real yield

Source: Standard Chatered Bank

Source: Standard Chatered Bank

US bond & equity correlation (24-month rolling average)

Source: BofA Research Investment Committee, Bloomberg. MSCI indices in net USD total returns.

Source: R. Lemand, Linkedin

WEEKLY MARKET INSIGHTS

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WEEKLY MARKETS REVIEW (As of 10 July 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	+0.3%	+0.9%	+10.0%
MSCI Emerging (USD)	-1.1%	-2.0%	+22.5%
S&P 500 (USD)	+1.2%	+1.0%	+10.7%
NASDAQ 100 (USD)	+1.7%	-1.5%	+18.1%
RUSSELL 2000 (USD)	-0.6%	-1.5%	+20.0%
STOXX 600 (EUR)	-1.8%	-0.1%	+8.2%
DAX (EUR)	-2.8%	+0.3%	+2.4%
CAC 40 (EUR)	-2.0%	-0.8%	+2.3%
FTSE 100 (GBP)	-1.7%	+0.0%	+5.7%
NIKKEI (JPY)	-1.7%	-2.1%	+36.2%
CSI 300 (CNY)	-1.3%	-4.0%	+3.3%
BOVESPA (BRL)	+2.1%	+3.4%	+10.4%
HANG SENG (HKD)	+3.5%	+5.7%	-5.7%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.3%	-0.4%	+0.5%
Global Aggregate EUR (Hedged)	-0.3%	-0.6%	-0.4%
US Investment Grade	-1.1%	-1.1%	-0.3%
US High Yield	+0.0%	+0.1%	+1.8%
EU Investment Grade	-0.4%	-0.5%	+0.9%
EU High Yield	+0.1%	+0.0%	+1.7%
EM Local Ccy. Gov (Unhedged)	+0.1%	+0.6%	+1.6%
EM Hard Ccy. Aggregate (Unhedged)	-0.4%	-0.3%	+1.9%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	+2.5%	+9.5%	-26.7%
Ethereum	+2.2%	+14.4%	-39.5%
Ripple	-2.6%	+6.3%	-40.0%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-0.2%	+2.0%	-5.1%
WTI Crude	+4.0%	+2.7%	+24.4%
Brent Crude	+5.9%	+4.2%	+24.9%
Silver	-1.4%	+0.6%	-14.7%
Natural Gas	-8.0%	-10.2%	-20.2%
Copper	+1.9%	+0.7%	+10.7%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+0.1%	-0.2%	+2.7%
EURUSD	+0.1%	+0.1%	-2.7%
GBPUSD	+0.6%	+1.2%	-0.4%
AUDUSD	+0.4%	+0.9%	+3.7%
USDCHF	+0.3%	-0.1%	+1.9%
USDJPY	+0.6%	+0.3%	+3.8%

Source: Yahoo Finance

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