24 July 2026 – 31 July 2026

WEEKLY
MARKET INSIGHTS

Heritage wealth

THE WEEK'S BIG THEMES

ECONOMY

- **CENTRAL BANKS–** Following the ECB last week, the **Fed, BoE, and BoJ, left policy rates unchanged**
- **UNITED STATES – The Fed kept the federal funds target range unchanged at 3,50%-3,75%,** with three voting members dissenting in favor of a rate hike. K. Warsh's speech was judged unclear, giving little forward guidance. **June inflation eased,** with core PCE at 3,3% YoY, versus 3,4% in May, while headline data remained elevated at 3,7% YoY. **GDP growth slowed slightly to 1,5% annualised rate**, down from 2,1% in Q1, as federal spending and inventories weighed on activity. **Consumer confidence fell in July** for a third straight month.
- **EURO AREA – GDP growth surprised on the upside,** rising 0,4% in Q2, with Spain posted the strongest growth at 0,7%. **Annual inflation edged up to 2,9% YoY in Jul**y, from 2,8% in June, with services inflation rising to 3,3%. **German unemployment rate increased to 6,4% in July**.
- **UNITED KINGDOM – The BoE kept Bank Rate unchanged at 3.75%,** while highlighting upside inflation risks in the event of further escalation in the Middle East. The **Nationwide house price index rose 1.8% YoY**, down from 2.2% the previous month.
- **JAPAN - The country was hit by a strong earthquake**, whose economic impact has not yet been fully priced in. **The BoJ left rates unchanged at 1.0%**; one member voted for a 25 bps hike, with risks to economic activity and prices judged broadly balanced. FY2026 inflation forecasts were revised down to 2.6% from 2.8% on the back of government subsidies, while the growth outlook was slightly upgraded to 0.6% from 0.5%. **Tokyo inflation accelerated to 1.9% YoY** from 1.6% in June, and **retail sales rose only 0.5%,** well below the 3.1% consensus and the revised 5.0% in May.
- **CHINA** – The **Politburo reaiterated its commitment to a moderately loose monetary policy and a more proactive fiscal stance. Business activity slipped back into contraction territory in July**, with the composite PMI at 49.3 from 50.6, manufacturing at 49.2 from 50.3, and non-manufacturing at 49.0 from 50.2.
- **OF NOTE** – In Peru**, the first female president was elected in the country's history**, but the government lacks a congressional majority. In Indonesia, the **central bank governor resigned**, raising concerns about monetary-policy continuity. The **Chilean central bank held the policy rate** at 4.5%. **Brazilian inflation came lower** at 4,5% in July.

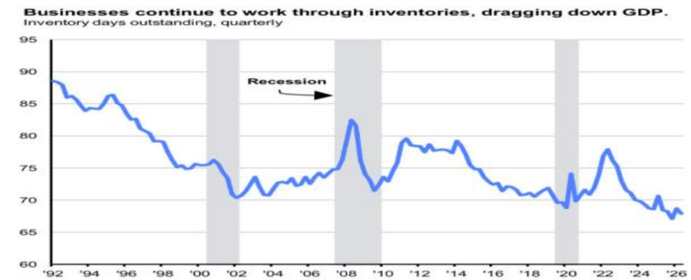
GEOPOLITICAL TENSION

- **Optimism around renewed US-Iran negociations** has reduced the risk of a near term military escalation.

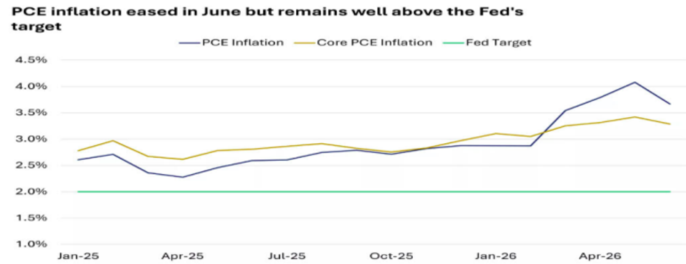
EARNINGS SEASON

- 66% of the companies have reported Q2 results. Among S&P 500 companies, 86% have posted a positive EPS surprise and 77% a positive revenue surprise. Earnings are now expected to rise by an aveage 47,4% in Q2 (FactSet).

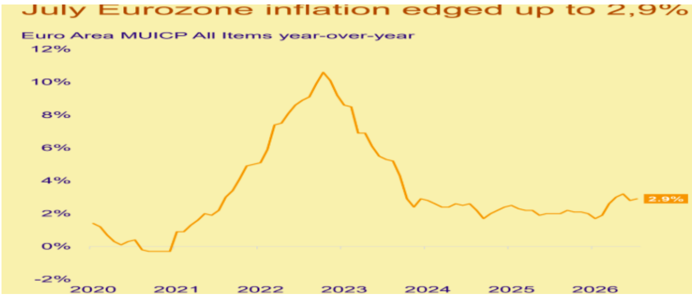
CHARTS OF THE WEEK



Source JPM Asset Management



Source Esward Jones



Source Baloise AM

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
• Manufacturing PMI (CN, AU, ID, JP)) • Manufacturing PMI (EA) • ISM manufacturing (US)	• Balance of trade, Jolt jobs, Factory orders (US) • Manufacturing PMI (CA)	• PMI Services (CN, AU) • PMI Services (EA) • ISM Services (US) • Policy rate (IN)	• Retail sales (EA) • Claims, Productivity, Labor costs (US) • Employment data (CA)	• Balance of trade (CN) • Inflation, PPI (MX) • Nonfarm payroll, unemployment rate, average weekly hours (US)

24 July 2026 – 31 July 2026

WEEKLY
MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- **Global equities advanced through a volatile week**. The MSCI World and the MSCI Emerging Markets indices both rose 0,2%.
- **Major U.S. equity indices ended the week mixed, closing out a turbulent month**, as mixed results from the hyperscalers triggered uneven market reactions. Early in the week, concerns about the sustainability of heavy AI investments continued, with several AI related stocks under pressure after weaker guidance from Apple and softer future growth expectations for Meta. Sentiment then improved sharply after Microsoft reported stronger than expected growth in its Azure cloud business and issued an encouraging outlook; Amazon also impressed, supported by accelarating AWS growth. As a result, hyperscalers posted their strongest weekly outperformance versus the Nasdaq. The S&P 500 gained 1%, outperforming the Nasdaq 100 (+0,5%),while small caps were little changed.
- **European equities also advanced.** The Stoxx 600 ended the week with up 0,7%. Among major markets: Germany's Dax gained 2,1%, and France's Cac 40 fell 1,6%. The UK's Footsie rose 1,2%.
- **Asian equity markets were mixed, seeing extreme AI-driven volatility.** Japanese stocks declined over the week with the Nikkei down 0,4%, amid uncertainty over the human and economic impact of the earthquake. In China, the Hong Kong index gained 1,7%, supported by strength in large internet platforms, while the mainland China index ended the week broadly flat. South Korean equities saw a sharp two-day selloff of roughly 22% as leveraged ETF positions were forcibly unwound, then bounced 18% on Friday, while Taiwan's TAIEX also staged a recovery on the back of stronger inflows. Of note that Samsung and SK Hynix posted strong Q2 profitability despite slight revenue misses.

FIXED INCOME

- **Global sovereign bond yields finished the week mixed**. Long-dated US Treasuries jumped after the Fed meeting, as Fed Chair Warsh's communication failed to convince investors: the 30-year yield climbed to about 5.25%, reclaiming levels last seen in 2007. The 10-year ended the week around 4.75% (+6 bps), its highest in more than 18 months, while short-dated yields eased following the FOMC's decision to pause. Germany's 10-year Bund yield was little changed at about 3.21% (+1 bp). UK gilts found support after a less hawkish-than-feared BoE, and Japan's 10-year yield slipped below 2.8%
- **Corporate bonds delivered slightly positive returns, outperforming Treasuries.** High yield outperformed investment grade credit, while emerging hard currency debt was the laggard. Spreads widened modestly in the high beta spectrum

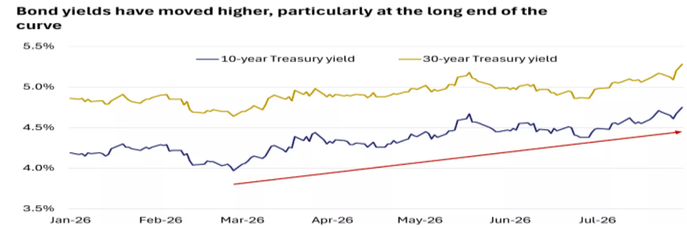
COMMODITIES

- **Oil prices drifted lower later as hopes of renewed diplomacy emerged**. WTI and Brent lost 5,2% and 6,9% respectively.
- **Precious metals suffered again this week.** Gold ended the week slightly lower (-0,5%), while silver underperformed (-1,8%). In its Q2 report, the World Gold Council shows still robust demand conditions across most sectors, with the exception of the jewellery industry.

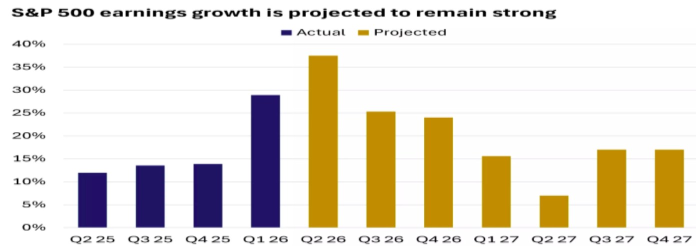
CURRENCIES & CRYTO

- **The US Dollar posted its worst week in over three months,** down 1,6%, on concerns the US Fed will not move enough to contain inflation**.** Japan conducted its largest one day intervention in history.to support its currency, along with the US.
- **Cryptocurrency markets were mixed,** with Bitcoin down 2%, Ethereum flat, and Ripple down 2,8%.

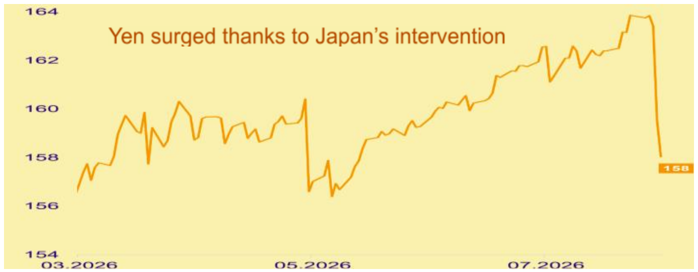
CHARTS OF THE WEEK



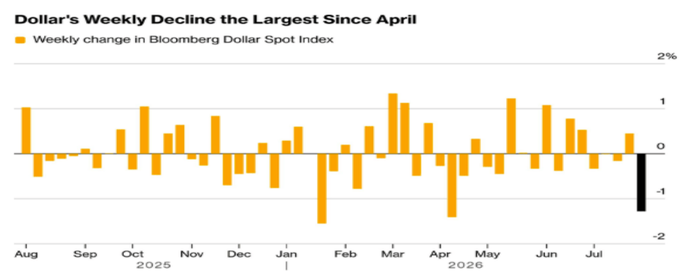
Source: EdwardJones



Source: EdwardJones



Source: Baloise AM



Source: Global Markets Investor

WEEKLY MARKET INSIGHTS

24 July 2026 – 31 July 2026

WEEKLY MARKETS REVIEW (As of 31 July 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	+0.2%	+0.0%	+9.0%
MSCI Emerging (USD)	+0.2%	-6.1%	+17.4%
S&P 500 (USD)	+1.0%	-0.1%	+9.4%
NASDAQ 100 (USD)	+0.5%	-6.6%	+12.0%
RUSSELL 2000 (USD)	+0.0%	-3.1%	+18.1%
STOXX 600 (EUR)	+0.7%	+1.2%	+9.5%
DAX (EUR)	+2.1%	+2.5%	+4.7%
CAC 40 (EUR)	+1.6%	+1.3%	+4.4%
FTSE 100 (GBP)	+1.2%	+3.5%	+9.4%
NIKKEI (JPY)	-0.4%	-8.1%	+27.9%
CSI 300 (CNY)	+0.0%	-9.0%	-2.2%
BOVESPA (BRL)	+2.3%	+3.5%	+10.5%
HANG SENG (HKD)	+3.7%	+13.1%	+1.0%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.2%	-1.0%	-0.2%
Global Aggregate EUR (Hedged)	-0.2%	-1.3%	-1.2%
US Investment Grade	+0.0%	-2.2%	-1.4%
US High Yield	+0.3%	-0.2%	+1.5%
EU Investment Grade	+0.0%	-1.1%	+0.3%
EU High Yield	+0.2%	-0.5%	+1.2%
EM Local Ccy. Gov (Unhedged)	+0.5%	+0.0%	+1.1%
EM Hard Ccy. Aggregate (Unhedged)	-0.1%	-1.7%	+0.4%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-2.0%	+7.3%	-28.2%
Ethereum	+0.0%	+18.5%	-37.3%
Ripple	-2.8%	+2.1%	-42.4%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-0.5%	+0.7%	-6.4%
WTI Crude	-5.2%	+21.8%	+47.5%
Brent Crude	-6.9%	+23.6%	+48.1%
Silver	-1.8%	-3.2%	-17.9%
Natural Gas	-4.3%	-16.1%	-25.5%
Copper	+1.8%	+3.9%	+14.3%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	-1.6%	-1.4%	+1.5%
EURUSD	+1.3%	+0.9%	-1.9%
GBPUSD	+1.1%	+1.6%	-0.0%
AUDUSD	+0.8%	+2.1%	+4.9%
USDCHF	-1.4%	-0.2%	+1.8%
USDJPY	-2.2%	-1.1%	+2.4%

Source: Yahoo Finance

GET IN TOUCH

E53, Avenue De La Cannelle, Ebene, Mauritius

heritagewealth.mu

+(230) 408 4130

info@heritagewealth.mu

DISCLAIMER