Monthly Recap

Markets

Data as of 30-06-2026		Returns to date				Returns from highs			
Name	Price	Week	Month	Quart	Year	20 Year	2020	2007	2000
S&P 500	7,499.4	0.8	-1.2	14.4	10.0	-1.6	99.4	376	383
NASDAQ 100	30,276	1.7	-0.7	26.2	20.5	-1.6	134	1252	529
Euro STOXX 50	6,328.1	1.6	5.0	12.4	10.6	-0.6	63.6	38.4	14.6
FTSE 100	10,497	0.1	1.7	2.1	7.4	-4.0	36.5	55.4	51.5
Nikkei 225	70,062	0.9	4.7	30.5	36.3	-3.8	154	283	236
Hang Seng	22,881	-0.6	-9.3	-8.3	-12	-32	-22	-28	24.4
CSI 300	4,979.4	1.1	3.3	10.9	6.6	-16	-4.5	-15	
MSCI UAE	1,108.4	-0.9	5.0	5.1	0.9	44.6			
Dollar	1,222.2	0.1	1.7	0.8	1.5	-10	-5.8		
EUR/USD	1.142	0.3	-1.8	-1.1	-2.8	-29	-7.2	-24	9.7
USD/JPY	162.6	0.6	1.8	2.4	3.7	-0.2	44.8	30.9	41.3
Bitcoin	58,642	-1.6	-18	-14	-33	-54	100		
Gold	4,008.0	-1.8	-11	-14	-7.7	-28	93.1	374	1145
Brent Oil	72.920	-0.3	-23	-30	18.9	-51	1.6	-25	107
Natural Gas	3.275	-0.2	3.0	13.7	-18	-76	-3.6	-62	-68
VIX	16.450	-6.8	2.5	-33	13.4	-82	-81	-56	-52
MOVE	71.960	5.6	-1.9	-20	15.4	-64	-56		

		Yield chng to date, bp				Yield chng from highs, bp			
Bond name	Yield	Week	Month	Quart	Year	20 Year	2020	2007	2000
US 10Y	4.466	8.0	1.2	16.9	29.9	-53	255		
Germany 10Y	2.858	0.2	-14	-8.7	0.4	-185	300	-185	-289
Japan 10Y	2.673	4.5	-0.2	34.3	61.4	-8.4	261	72.3	

What to watch

Date	Cntry	Event	Period	Surv	Prior
2026-07-02 16:30	US	Change in Nonfarm Payrolls	Jun	113k	172k
2026-07-02 16:30	US	Unemployment Rate	Jun	4.30	4.30
2026-07-02 16:30	US	Average Hourly Earnings YoY	Jun	3.50	3.40
2026-07-08 22:00	US	FOMC Meeting Minutes	17-Jun	--	--
2026-07-14 16:30	US	CPI YoY	Jun	--	4.20
2026-07-14 16:30	US	Core CPI YoY	Jun	--	2.90
2026-07-15 16:30	US	PPI Final Demand YoY	Jun	--	6.50
2026-07-15 17:45	CA	Bank of Canada Rate Decision	15-Jul	2.25	2.25
2026-07-21 13:00	GE	ZEW Survey Expectations	Jul	--	10.5
2026-07-22 10:00	UK	CPI YoY	Jun	--	2.80
2026-07-23 16:15	EC	ECB Deposit Facility Rate	23-Jul	--	2.25
2026-07-24 04:30	JN	S&P Global Japan Manufacturing PMI (P)	Jul	--	54.8
2026-07-24 12:00	EC	S&P Global Eurozone Manufacturing PMI (P	Jul	--	51.4
2026-07-24 17:45	US	S&P Global US Manufacturing PMI (P)	Jul	--	53.9
2026-07-29 22:00	US	FOMC Rate Decision (Upper Bound)	29-Jul	3.75	3.75
2026-07-30 15:00	UK	Bank of England Bank Rate	30-Jul	--	3.75
2026-07-30 16:30	US	GDP Annualized QoQ	2Q A	--	2.10
2026-07-30 16:30	US	Core PCE Price Index YoY	Jun	--	3.40
2026-07-30 16:30	US	PCE Price Index YoY	Jun	--	4.10
2026-07-30 16:30	US	Personal Spending	Jun	--	0.70

Top stories

Markets

- Over the last month, global equities showed a clear rotation rather than a uniform trend. In the US, performance was slightly negative with the S&P 500 down 1.22% and the NASDAQ 100 down 0.71%, reflecting some growth fatigue. Europe and Japan outperformed, with the Euro STOXX 50 up 4.96% and the Nikkei 225 up 4.74%, supported by stronger cyclical sentiment. Asia was mixed: the Hang Seng Index fell 9.27%, while the CSI 300 gained 3.33%. The MSCI UAE also rose 4.99%. In commodities, risk-off pressure dominated: Bitcoin fell 17.8%, Gold dropped 10.6%, Brent crude declined 23.2%, while natural gas edged higher. The US dollar strengthened, with EUR/USD down 1.8% and USD/JPY up 1.8%.
- Fixed income markets reflected a hawkish short-end repricing and mixed global growth signals. US yields rose sharply at the front end, with the 2Y up 14bp and 3M up 11.7bp, while the 10Y increased only modestly, signaling a flattening curve and tighter near-term policy expectations. In contrast, German yields declined notably across maturities, with the 10Y down 14.4bp, suggesting softer European growth expectations. Japanese yields rose across the curve, especially long-end, while China remained relatively subdued with slight upward pressure in parts of the curve. Volatility indicators were mixed, with the VIX Index rising slightly, while MOVE declined, indicating calmer bond market volatility despite shifting rate expectations.

THIS MONTH

- This month is likely to be driven by inflation and central bank communication. In the US, CPI, PCE, and labor-related data will be key for shaping expectations around the Federal Reserve's next move, especially after recent signs of a softer labor market. Markets will be sensitive to whether inflation continues to moderate toward target or shows persistence in services components.
- Central bank decisions and updates will also be in focus globally. The FOMC minutes and rate decision will guide expectations for US policy direction, while the ECB and Bank of England releases will be watched for confirmation of a broader easing cycle or continued caution. PMI data across major economies will help gauge whether growth momentum is stabilizing or weakening into Q3.

US

- **The Fed's Inflation Standoff -** The Fed remains under scrutiny as new Chairman Kevin Warsh warned that "prices are too high" as Treasury yields rose, while June private payrolls rose just 98,000, below expectations. Headline PCE inflation hit 3.5% through March 2026, 1.1 points above a year earlier, partly from Iran-conflict energy costs. Tariff policy is in flux: a blanket 10% Section 122 tariff expires July 24, 2026, with new Section 301 tariffs under review, and roughly $165 billion in previously collected tariffs must be repaid after a Supreme Court ruling voided the emergency-powers basis. Treasury Secretary Bessent says GDP growth could return to 3% by year-end, and business investment is running strong.
- **SCOTUS Closes Term, Congress Stalls -** The Supreme Court closed its term with major rulings: it upheld birthright citizenship on constitutional grounds, while separately giving the Trump administration room to strip temporary protected status from Haitians, Syrians, and other groups. Trump's reported income topped $2 billion in 2025, boosted by cryptocurrency and digital-token partnerships. In Congress, House Republicans cut floor work short for a second week amid a rebel-driven freeze, and Sen. John Hickenlooper fended off a primary challenge from state Sen. Julie Gonzales as midterm primary season heats up ahead of November.
- **Hormuz on Edge, Ukraine Braces-** The US-Israel-Iran war, launched February 28, has cooled into fragile diplomacy: the US and Iran held separate meetings in Qatar on July 1 and agreed to continue discussions, though Iran says it isn't currently negotiating directly with Washington. A June 17 memorandum commits Iran to "best efforts" toward toll-free Hormuz passage for 60 days, but Iranian officials keep threatening "service fees" on transiting vessels, and the IMO has logged 49 confirmed regional incidents as of June 30. Separately, Zelensky warned of a massive Russian strike being planned against Ukraine, while Vance signaled the US could resume military action against Iran depending on Tehran's conduct.

Top stories

EUROPE

- **Growth Gap Widens With Washington -** urope's economy remains stuck near 1% growth in 2026, roughly flat with 2025 and far behind the US pace, which is being lifted by AI-driven investment. Germany is a relative bright spot at around 1% thanks to Friedrich Merz's roughly €850 billion, decade-long recovery plan, while France's outlook sits at just 0.6% amid persistent fiscal and political uncertainty. Volkswagen announced plans to cut 15% of its workforce and close four German plants. Meanwhile Chinese overcapacity keeps depressing prices and squeezing margins for European manufacturers, and the EU's Draghi-recommended €750-800 billion in annual competitiveness investment remains under-mobilized due to member states' budget constraints and reluctance to issue joint debt.
- **Brussels Shuffles Leadership and Ledgers -** Ireland took over the rotating EU Council presidency on July 1, steering priorities for the next six months. The same day, the EU introduced a temporary €3 customs duty on low-value parcels under €150 from outside the bloc, aimed at e-commerce fairness. Parliament is pushing for a €200 billion FP10 research budget against a smaller Commission/Council proposal. This week's plenary also covers Ukraine and Moldova's EU accession progress, fertiliser prices, and Serbia's membership track, while the EU has activated civil protection aid for Venezuela's earthquake response.
- **Energy Strain and War Fatigue -** Russia's own fuel shortages are signaling growing strain on its energy infrastructure even as its war on Ukraine grinds on, with Kyiv warning of a major incoming Russian strike. Europe is also grappling with the Iran war's fallout — severe heatwaves are becoming a recurring risk investors now track, and NATO members face pressure to close chronic defense-spending gaps highlighted by the conflict. The UK, meanwhile, is wrestling with its own fiscal strain, as businesses warn additional tax hikes from Chancellor-level pressure could push firms "over the edge."

ASIA

- **Japan Sheds Pacifism, Tokyo Hikes Tolls -** Japan raised single-entry visa fees to ¥15,000 for visitors from India, China, and Vietnam starting July 1, part of a broader pivot that includes a record ¥9 trillion defense budget for hypersonic missiles and long-range strike weapons — Tokyo's first offensive capability since 1945. Japan exited the World Cup in the round of 32. Regionally, the Iran war continues rippling through Asian trade, with Tehran insisting on the right to control Hormuz traffic and Chinese petrochemical flows swinging wildly. Meanwhile speculation persists about a possible Trump-Kim summit after Washington and Beijing quietly dropped denuclearization language from key security documents in late 2025, and at least four Trump-Xi meetings are expected in 2026, including state visits.

LATAM

- **A Region Turns Right Amid Aftershocks -** Colombia's runoff delivered a sharp rightward turn, with hardline outsider Abelardo de la Espriella defeating Petro-ally Iván Cepeda on security and anti-establishment messaging. Venezuela is still reeling from twin late-June earthquakes that killed nearly 1,000 people, with international aid arriving slowly amid a sluggish government response — this following the January US strike that removed Maduro. Peru heads toward a polarized presidential race between Keiko Fujimori and Roberto Sánchez. Brazil's October elections loom as the region's biggest test, with Lula, now nearing 80, facing questions about his capacity to serve again, while regional growth is projected to decelerate to 2.2% in 2026.

MIDDLE EAST

- **Fragile Truces, Frozen Funds -** Indirect US-Iran talks in Doha concluded July 1 without a scheduled high-level meeting, even as Trump claimed Iran's denuclearization is "moving along well." Iran is pushing for the release of billions in frozen assets and an end to Israeli strikes on Lebanon as conditions of the interim deal, while a ship ran aground in the Strait of Hormuz on an unauthorized route, a report Tehran used to reassert its claim over the waterway. Israel's defense minister said troops will stay in security zones across Lebanon, Syria, and Gaza "until further notice," and Netanyahu visited troops in southern Lebanon vowing to remain as long as Hezbollah poses a threat, even as fighting there continues to displace over a million people.

CMDTY

- Gold closed June at $4,014, down 14% for the quarter — its steepest quarterly loss since Q2 2013 — as hawkish Fed Chair Kevin Warsh and a strong dollar (near 101.2 on the DXY) drove rate-hike bets, even with a record 76 central banks in the World Gold Council's June 16 survey saying they still plan to keep buying. Silver held up better, ending June near $58-59. Crude spent most of the month sliding below $70 as the US-Iran ceasefire held and Hormuz shipping normalized, despite oil having spiked above $100 in March at the war's peak.

Top stories

CORPORATE

- **SpaceX's Record Nasdaq Debut -** SpaceX completed the largest IPO in history on June 12, pricing at $135/share and raising $75 billion at a $1.75 trillion valuation under ticker SPCX. Shares jumped 19-20% on debut, pushing the market cap past $2 trillion and making Elon Musk the first dollar trillionaire. The deal folded in xAI, which SpaceX acquired in February, and included a $1.25 billion/month Anthropic compute deal seen as key to the IPO story. Analysts are split — CFRA initiated at "sell" with a $115 target on valuation concerns, while others argue the 20-25 year growth story justifies it. Nasdaq's former CEO predicted OpenAI and Anthropic could follow SpaceX to public markets this year; Anthropic has since confidentially filed its own IPO prospectus.
- **Micron's Blowout AI-Driven Quarter -** Micron reported record fiscal Q3 results on June 24: revenue of $41.46 billion (up from $9.3 billion a year earlier), non-GAAP EPS of $25.11 versus $20.71 consensus, and gross margin hitting a record 84.9%. The stock surged roughly 15% after hours. Management also disclosed new "Strategic Customer Agreements" — take-or-pay contracts through 2030 worth about $100 billion in committed minimum revenue — designed to smooth out memory's historic boom-bust cycle, and guided Q4 revenue to $50 billion, well above the $43.45 billion consensus. The results underscore how central memory chips have become to the AI infrastructure buildout, alongside Micron's new strategic agreement with Anthropic and its New York semiconductor project with Bechtel.
- **AI Labs Push New Models and Face New Gatekeepers -** Anthropic restored global access to Claude Fable 5 on July 1 after the U.S. Commerce Department lifted export controls that had suspended it since mid-June, and simultaneously launched Claude Sonnet 5 as the new default model for Free and Pro users. California separately announced a partnership making Claude available to all state agencies, cities, and counties. Google released two new image-generation models, Gemini 3.1 Flash Image and Gemini 3 Pro Image, on June 30.
- **Apple's AI-Driven Price Hikes -** On June 25, Apple raised prices on 14 products — all Macs, iPads, the Apple TV, HomePod, HomePod mini, and Vision Pro — averaging around 20%, with the Mac Studio jumping as much as $1,300 and the base MacBook Air rising from $1,099 to $1,299. Apple blamed a severe memory-chip shortage caused by AI data-center demand, saying "we have never seen a component price increase this much, this quickly." iPhone, Apple Watch, and AirPods prices were spared for now, though analysts expect the fall iPhone to carry a hike too. Apple's stock fell more than 6% on the news — its steepest drop since last year's tariff announcement — and Microsoft followed with $100-150 price increases on Xbox consoles for the same reason. It's a direct downstream effect of the memory boom benefiting Micron: the same AI-driven chip demand fueling Micron's record quarter is now squeezing consumer electronics margins across the industry.
- **Dealmaking and Autos Under Pressure -** Global M&A is on pace for roughly $4 trillion in 2026. Qualcomm agreed to buy Modular for nearly $4 billion, Adobe acquired Topaz Labs, and NextEra Energy proposed a $67 billion combination with Dominion Energy. On the downside, Volkswagen announced plans to cut 15% of its workforce and close four German plants amid Chinese competition and slowing European demand.

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