

WEEKLY MARKETS ROUND-UP

Executive Summary

29th June 2026

Top news: Hormuz remains a key issue amid recent skirmishes, Warsh speech on Wednesday, NFPs on Thursday

– Last week, the Hormuz narrative followed a now-familiar pattern of early optimism as traffic recovered and talks seemed productive, followed by renewed skirmishes mid-week as the US struck Iranian military sites over alleged drone attacks on transiting ships and Iran retaliated against US facilities in Bahrain and Kuwait and closed the Strait again. This morning, both sides agreed to stand down and meet in Doha on Tuesday. The binary natures of these negotiations hence continue to dominate risk-assets pricing in coming weeks. Against this volatile backdrop, last week's macro data was constructive. The Flash PMIs beat on both sides of the Atlantic, Q1 final US GDP was revised up from 1.6% to 2.1%, and Core PCE came in line at +0.3% MoM or 3.4% YoY, its highest since Oct-23. UoM Consumer Sentiment rebounded to 49.5 yet missed expectations slightly, while the 12m inflation expectations held stubbornly at 4.6% despite oil's collapse. This week, Wednesday's ECB Forum will feature speeches by Warsh and Lagarde. The US ISM Manufacturing PMI will then follow (exp. 53.7 vs 54 prev.). With Friday being a US bank holiday prior to the 4th July weekend, Thursday's US Non-Farm Payrolls are the week's centerpiece. A decent +114k is expected (vs the blockbuster May +172k) with unemployment and Average Hourly Earnings both stable at resp. 4.3%% and +0.3% MoM.

Equities: slightly Overbought on average, and off their highs for the S&P500 and the Nasdaq100, due to a rather hawkish tilt and the Gulf negotiations adding further uncertainty. Q2 earnings season will kick off in a couple of weeks.

Fixed Income: US and Bund yields have dipped on safe-haven flows, and a flattening curve. TLT is even Slightly Overbought on the table below, which suggests that US yields at least may be ready to resume higher again.

Forex: USD is now Overbought on several pairs as geopolitics and the hawkish bias are supportive. These may still push it marginally higher into the Summer, yet at some point we expect a dovish pivot and a reversal down for USD.

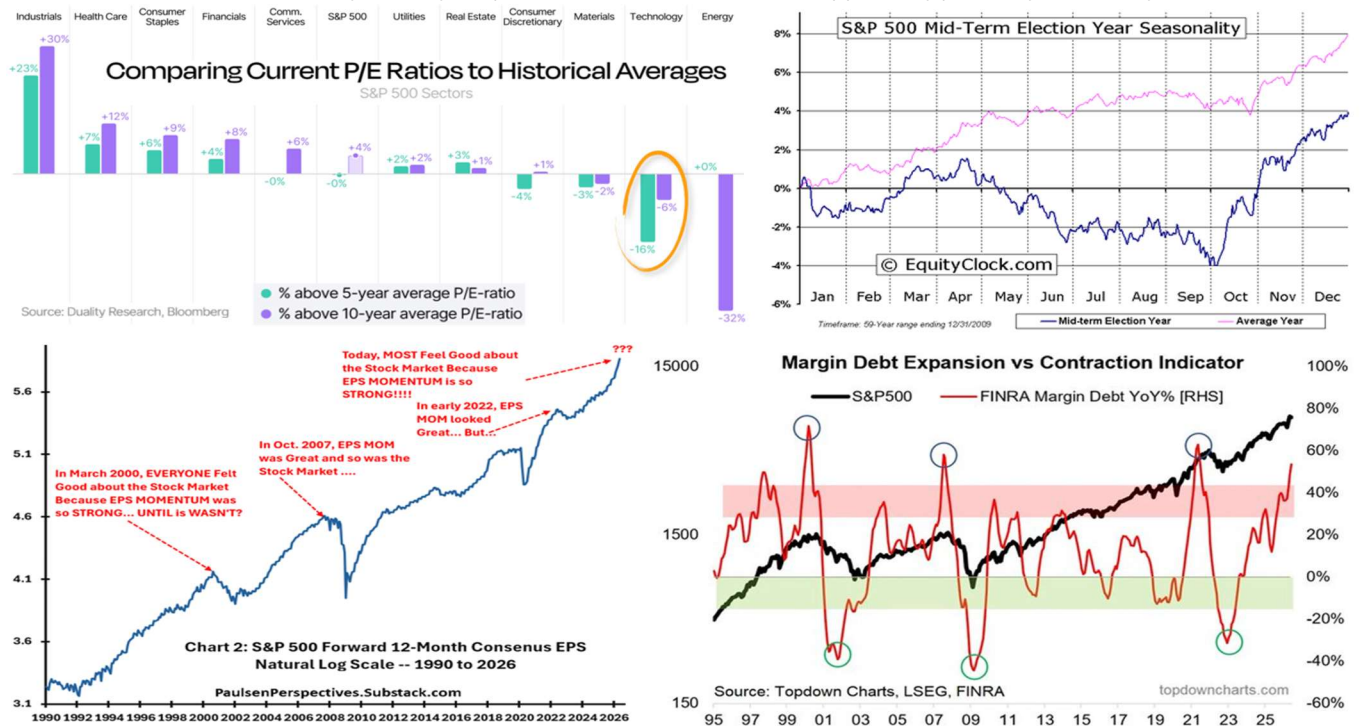
Commodities: Brent and Gold are now both Slightly Oversold but with no clear rebound signal yet. While Oil, short term, mostly depends on the Doha outcome, Gold is influenced by USD and the related rather hawkish environment.

	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %			
S&P500 Index	USD	7'354	Jul-25	6'198	18.7%	Jun-26	7'610	-3.4%	7.4%	up	neutral
Nasdaq100 Index	USD	29'118	Jul-25	22'478	29.5%	Jun-26	30'661	-5.0%	15.3%	up	slightly OB
Dow Jones Industrials Index	USD	51'876	Aug-25	43'589	19.0%	Jun-26	52'000	-0.2%	7.9%	up	slightly OB
EuroStoxx50	EUR	6'222	Aug-25	5'166	20.4%	Jun-26	6'331	-1.7%	7.4%	up	slightly OB
Swiss Market Index	CHF	14'173	Aug-25	11'755	20.6%	Jun-26	14'218	-0.3%	6.8%	neutral	slightly OB
Nikkei225	JPY	69'145	Jul-25	39'460	75.2%	Jun-26	72'366	-4.5%	37.4%	up	slightly OB
Shanghai Composite	CNY	4'028	Jun-25	3'444	17.0%	May-26	4'243	-5.0%	1.5%	neutral	neutral
US 10Y Treasury Yield	%	4.37%	Oct-25	3.95%	0.4%	May-26	4.67%	-0.3%	0.2%	up	neutral
German 10Y Bund Yield	%	2.85%	Oct-25	2.55%	0.3%	May-26	3.19%	-0.3%	-0.0%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	87	Jul-25	80	9.0%	Feb-26	89	-1.4%	2.9%	neutral	slightly OB
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	110	Jul-25	102	7.3%	Jun-26	110	0.0%	2.0%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	80	Jul-25	75	6.1%	Jun-26	80	-0.3%	1.7%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	97	Jul-25	87	11.0%	Jun-26	97	-0.2%	2.5%	neutral	neutral
EUR/USD		1.14	Jun-26	1.14	0.2%	Jan-26	1.20	-5.4%	-3.1%	neutral	OS
GBP/USD		1.32	Nov-25	1.30	1.3%	Jan-26	1.38	-4.7%	-2.1%	neutral	slightly OS
USD/JPY		162	Jul-25	143	12.8%	Jun-26	162	-0.0%	3.2%	neutral	neutral
USD/CHF		0.81	Jan-26	0.76	6.2%	Jul-25	0.81	-0.6%	2.2%	neutral	OB
AUD/USD		0.69	Aug-25	0.64	7.4%	May-26	0.73	-5.0%	3.3%	neutral	neutral
Brent Oil (per Barrel)	USD	72	Dec-25	59	22.2%	Apr-26	118	-39.0%	18.3%	neutral	slightly OS
Gold Spot (per Ounce)	USD	4'075	Jul-25	3'275	24.4%	Jan-26	5'416	-24.8%	-5.6%	down	slightly OS

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Q2 earnings focus: strong momentum, yet entering the danger zone

As we approach Q2 earnings season, the debate is on between proponents that believe valuations are still very decent (top left graph), especially in the leading US Tech sector, which is trading resp. at 16 and 6% below its 5 and 10Y P/E averages, and other more skeptical analysts which are flagging that forward earnings momentum is currently at all-time highs (bot-left). While the valuation argument is cosmetically correct, historical parallels are uncomfortable for EPS momentum, which did look equally compelling in Mar-00, Oct-07 and Jan-22, just before it wasn't anymore. In this context, we are hence referring to further inputs in assessing possible outcomes for equity markets into the Summer. First, seasonality, with the July to October window historically the weakest periods of the year for the S&P500, especially in midterm election years (top-right). Then, regarding leverage, as YoY margin debt growth has now risen above its usual 40% danger zone, a threshold that preceded the 2000, 2007 and 2021 peaks. While US Tech valuations look reasonable historically, leverage and seasonality are clear headwinds, and strong earnings expectations have a habit of disappointing precisely when they matter most.



Notes:

- Trend last 6 months:** this Primis original algorithm, weighs the slope of the trend over the last 6 months vs the slope of the trend over the last 3 months yet factorised by the Fibonacci retracement ratio (0.618). Values are normalised using the average price over each period. If this combined slope is above +0.08% the trend is then "up", below -0.08% then "down", otherwise it is "neutral".
- Overbought (OB) / Oversold (OS) measures:** this Primis original algorithm is computed by comparing the difference between the 8 days moving average and the 100 days combined with the 3 days vs the 15 days one and normalises this difference by dividing it by the 1 year standard deviation (circa 260 open market days). Values above 225% or under -225% are Overbought "OB", resp. Oversold "OS", values above 100% or under -100% are "slightly OB", resp. "slightly OS", otherwise there is no relevant exaggeration and the situation is then "neutral".

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