PRIMIS® INVESTMENT

Swiss Independent Wealth Manager,
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Supervisory Authority FINMA

WEEKLY MARKETS ROUND-UP

Executive Summary

27th July 2026

Top news: Warsh's 2nd FOMC on Wednesday, further US Big Tech earnings on Wednesday and Thursday – this morning started with a welcome TACO trade (Trump Always Chickens Out) as talks seem to have resumed between the US and Iran. Last week had indeed triggered some AI earnings disappointments on Wednesday: Alphabet did beat on both revenue and earnings yet record Q2 capex pushed free cash flow to a first time negative, while full-year capex guidance was raised again. The stock fell circa 7% into Friday's close, now -20% below its early May peak. Tesla also beat on revenue yet widely missed on EPS while free cash flow also turned negative again. TSLA fell 16% into Friday's close, now -34% below its December highs. The ECB then held rates on Thursday as Lagarde appeared rather cautious and vigilant on inflation. Friday's Flash PMIs were more encouraging as the Eurozone beat expectations, while US Manufacturing missed slightly, yet US Services remained very strong. This week is consequential in terms of releases. Wednesday concentrates 3 market-moving events: Warsh's second FOMC press conference (markets expect a hold at 3.5-3.75% with 66% probability, and then a September +0.25% hike), followed by Microsoft's and Meta's earnings in the evening. Thursday is also eventful, with the BoE likely holding at 3.75% in the morning, Advanced Q2 GDP (2.3% exp. vs 2.1 in Q1) and the June Core PCE (exp. +0.1% MoM vs +0.3% in May) pre the US open, and Apple and Amazon reporting post close. Friday, the BoJ is then likely to hold rates at 1% and Exxon and Chevron will release pre-open.

Equities: attempted a bounce today on the resumption of the US/Iran talks. We remain wary of further consolidation this week considering the upcoming newsflow, i.e. the FED and then US Big Tech earnings and their capex projections.

Fixed Income: US and Bund 10Y yields made new highs last week and are currently in a shallow retracement down. The FED and Core PCE as well as any resumptions of the Middle East strikes will be key influence factors for LT yields.

Forex: USD is still Overbought vs EUR or CHF yet is correcting this morning, probably following yields up or down.

Commodities: Brent briefly rose back above 100 $/bbl last week, yet is back around 90 today considering the TACO trade. Gold rose slightly last week and yet again today, holding around 4'100 $/oz, yet remains in a downtrend for now.

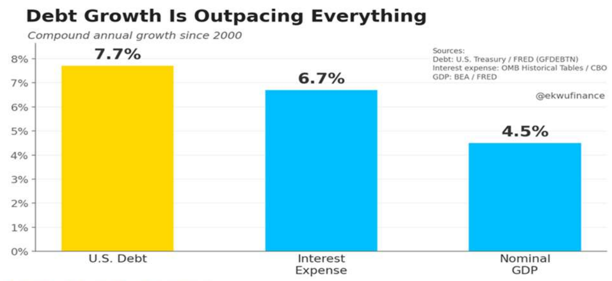
	Currencies	Price	Performance since 52 Week Low			Performance since 52 Week High			Performance	Trend	Exaggeration
			Date Low	Low Price	Rise %	Date High	High price	Decline %	YTD in %	last 6m[1]	OB / OS[2]
S&P500 Index	USD	7'398	Aug-25	6'238	18.6%	Jun-26	7'610	-2.8%	8.1%	up	neutral
Nasdaq100 Index	USD	28'117	Aug-25	22'763	23.5%	Jun-26	30'661	-8.3%	11.4%	up	neutral
Dow Jones Industrials Index	USD	51'865	Aug-25	43'589	19.0%	Jul-26	53'056	-2.2%	7.9%	up	neutral
EuroStoxx50	EUR	6'281	Aug-25	5'166	21.6%	Jul-26	6'413	-2.1%	8.4%	up	neutral
Swiss Market Index	CHF	14'330	Aug-25	11'755	21.9%	Jul-26	14'424	-0.7%	8.0%	up	slightly OB
Nikkei225	JPY	64'449	Aug-25	40'291	60.0%	Jun-26	72'366	-10.9%	28.0%	up	neutral
Shanghai Composite	CNY	3'810	Aug-25	3'560	7.0%	May-26	4'243	-10.2%	-4.0%	neutral	slightly OS
US 10Y Treasury Yield	%	4.68%	Oct-25	3.95%	0.7%	Jul-26	4.70%	-0.0%	0.5%	up	slightly OB
German 10Y Bund Yield	%	3.12%	Oct-25	2.55%	0.6%	May-26	3.19%	-0.1%	0.3%	neutral	neutral
US 20Y Treasuries (TLT ETF, 17-18Y duration)*	USD	83	Aug-25	80	4.4%	Feb-26	88	-5.0%	-0.8%	neutral	neutral
US Investment Grade (LQF ETF - 8-9Y duration)*	USD	106	Jul-25	102	3.7%	Jun-26	109	-2.5%	-0.4%	neutral	neutral
US High Yield (HYG ETF, 3-4Y duration)*	USD	79	Aug-25	75	5.3%	Jul-26	80	-0.8%	1.5%	neutral	neutral
EM USD Sovereigns (EMB ETF, 7-8Y duration)*	USD	95	Jul-25	88	8.0%	Jul-26	96	-1.8%	0.9%	neutral	neutral
EUR/USD		1.14	Jun-26	1.14	0.1%	Jan-26	1.20	-5.5%	-3.2%	neutral	slightly OS
GBP/USD		1.33	Nov-25	1.30	2.3%	Jan-26	1.38	-3.8%	-1.1%	neutral	neutral
USD/JPY		164	Sep-25	146	11.9%	Jul-26	164	0.0%	4.6%	neutral	neutral
USD/CHF		0.82	Jan-26	0.76	7.3%	Jul-26	0.82	0.0%	3.2%	neutral	slightly OB
AUD/USD		0.70	Aug-25	0.64	8.8%	May-26	0.73	-3.8%	4.6%	neutral	neutral
Brent Oil (per Barrel)	USD	97	Dec-25	59	64.3%	Apr-26	118	-18.0%	59.0%	down	neutral
Gold Spot (per Ounce)	USD	4'054	Jul-25	3'275	23.8%	Jan-26	5'416	-25.1%	-6.1%	down	neutral

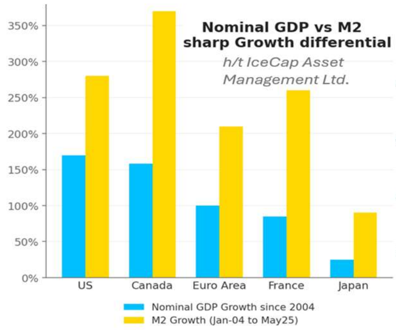
* These large fixed income ETFs are used as proxies to assess the state of duration trades as well as of credit markets

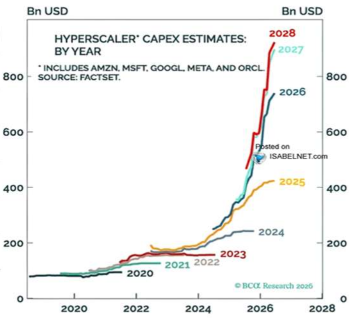
Source: Primis Investment (Suisse) SA

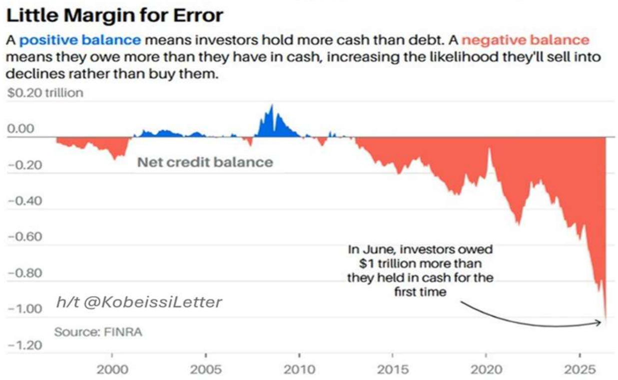
FED focus: structural financing stress as leverage meets expected hikes

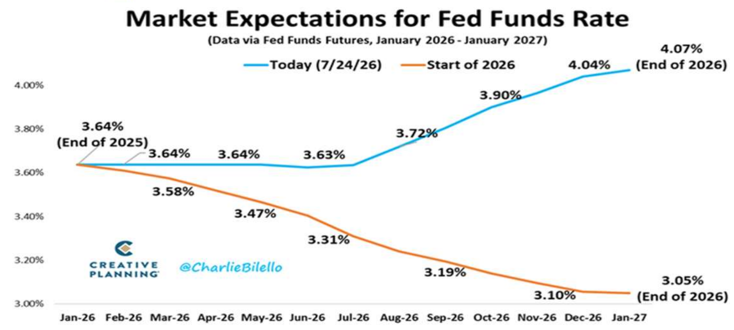
Since 2000, US debt and interest expenses have widely outpaced nominal GDP (top-left). This structural rise was only sustainable thanks to relentless injections of liquidity. Indeed, since 2004, M2 in developed countries has outpaced nominal GDP growth by 100 to 200% (top-center) or circa 5 to 8% p.a. Such monetary profligacy now seems embedded in the system along with the fiscal dominance it monetizes. While the COVID fiscal stimulus widely benefited corporates and individuals, rapid debt accumulation is now also appearing in these other layers of the economy. In the corporate world, hyperscalers are expected to commit almost $1Tr Capex in both 2027 and 2028 (top-right). They are now generating negative free cash flow and drawing on debt markets at record scale. As for retail investors, for the first time in history, in June, they owed $1Tr more than they held in cash (bot-left), while more generally, Cash on the sidelines for all US market participants is at a record low in % of total US market cap (a BCA statistic). Sovereign, corporate and retail investors balance sheets hence seem simultaneously stretched, while the market now expects 2 rate hikes into yearend (bot-right), a dramatic 1% rise from what was priced in late last year. As the FED gets ready to meet this week, we wonder how it intends to reconcile these high levels of leverage with the current rate hikes expectations, and in doing so, avoid creating systematic financing stress.











Notes:

1. **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".
2. **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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