Weekly Market Update

The week was dominated by macroeconomic fundamentals, with markets focusing on the Federal Reserve's June meeting minutes, which reinforced expectations of higher US interest rates for longer. Investors grew more confident that global growth was slowing gradually rather than weakening sharply, supporting equity markets despite higher bond yields.

US

FOMC minutes reinforced a cautious Fed stance: Minutes from the June meeting indicated policymakers remained concerned about inflation risks, with markets scaling back expectations for rapid interest-rate cuts despite moderating economic growth.

Rising tensions: The continued tensions between the US and Iran pushed oil prices higher and briefly lifted Treasury yields on renewed inflation concerns.

Trade and tariff policy returned to focus: The administration continued discussions around trade measures targeting strategic industries, with investors monitoring potential impacts on manufacturing and technology supply chains.

Corporate earnings season optimism built: Investors positioned ahead of the Q2 earnings season, expecting AI investment, technology spending and financial sector resilience to underpin S&P 500 earnings growth.

UK

Political attention: Nigel Farage’s resignation as an MP, triggered a by-election that he intends to contest amid ongoing scrutiny over donor-related disclosures.

Gilt markets remained stable: UK government bond yields traded within a relatively narrow range as investors assessed fiscal policy alongside Bank of England expectations.

Housing and construction received attention: Measures to accelerate housing development and planning reform were viewed positively by property and construction sectors.

Sterling remained resilient: The pound was supported by relatively stable macroeconomic data and expectations that UK fiscal policy would remain broadly disciplined.

Europe

ECB rate expectations dominated markets: Officials continued signalling a data-dependent approach, with inflation remaining above target but continuing its gradual moderation.

German industrial weakness remained a concern: Manufacturing output and export performance continued to weigh on Europe's largest economy despite signs of stabilisation elsewhere in the Eurozone.

Defence spending accelerated: Several EU members announced additional defence procurement and investment commitments, reflecting continued geopolitical uncertainty.

Trade competitiveness discussions intensified: European policymakers continued examining measures to strengthen industrial competitiveness against the US and China.

Global

Exports showed resilience: External demand continued providing an important offset to softer domestic consumption, particularly in advanced manufacturing sectors.

Technology and industrial policy remained priorities: Investment in semiconductors, AI and advanced manufacturing continued under China's industrial strategy.

Yen volatility continued: Currency movements reflected shifting US Treasury yields and changing expectations for Federal Reserve policy.

Global commodity markets remained stable: Industrial metals and energy prices traded within relatively narrow ranges as investors balanced geopolitical risks against moderate global growth.

Performance

Asset Class/Region	Currency	Week ending 10 July 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	1.2%	1.0%	11.2%	21.6%
United Kingdom	GBP	-1.6%	0.2%	7.8%	21.2%
Continental Europe	EUR	-1.9%	-0.6%	10.6%	18.0%
Japan	JPY	-0.7%	1.0%	19.8%	46.8%
Asia Pacific (ex Japan)	USD	-1.6%	-1.6%	21.9%	37.3%
Australia	AUD	-0.4%	0.3%	2.7%	5.9%
Global	USD	0.5%	0.9%	10.7%	21.3%
Emerging Markets Equities					
Emerging Europe	USD	0.0%	3.0%	17.7%	31.6%
Emerging Asia	USD	-2.2%	-2.4%	25.1%	43.6%
Emerging Latin America	USD	1.9%	2.8%	13.6%	38.2%
BRICs	USD	2.1%	3.3%	-8.1%	-1.6%
China	USD	3.1%	4.6%	-11.1%	-0.9%
MENA countries	USD	-0.2%	0.4%	0.7%	-1.9%
South Africa	USD	-2.0%	0.7%	-4.5%	30.2%
India	USD	-0.5%	0.6%	-12.1%	-13.2%
Global emerging markets	USD	-1.7%	-1.7%	21.7%	39.8%
Bonds					
US Treasuries	USD	-0.4%	-0.5%	-0.1%	2.7%
US Treasuries (inflation protected)	USD	-0.2%	-0.3%	0.9%	3.2%
US Corporate (investment grade)	USD	-0.6%	-0.7%	0.3%	4.0%
US High Yield	USD	0.0%	0.1%	2.0%	5.8%
UK Gilts	GBP	-0.6%	-0.8%	-0.6%	2.6%
UK Corporate (investment grade)	GBP	-0.5%	-0.6%	0.3%	4.0%
Euro Government Bonds	EUR	-0.7%	-1.1%	0.2%	0.8%
Euro Corporate (investment grade)	EUR	-0.4%	-0.5%	0.9%	1.8%
Euro High Yield	EUR	0.0%	0.1%	2.0%	3.8%
Global Government Bonds	USD	-0.4%	-0.4%	-1.1%	-0.6%
Global Bonds	USD	-0.4%	-0.6%	-0.7%	1.3%
Global Convertible Bonds	USD	0.1%	-2.1%	15.6%	26.2%
Emerging Market Bonds	USD	-0.2%	-0.4%	1.6%	8.7%

Performance

Asset Class/Region	Currency	Week ending 10 July 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	-0.8%	0.6%	17.6%	20.1%
Australian Property Securities	AUD	-1.1%	-1.6%	-8.2%	-8.3%
Global Property Securities	USD	-0.8%	0.9%	9.0%	13.2%
Currencies					
Euro	USD	-0.1%	0.1%	-2.6%	-2.2%
UK Pound Sterling	USD	0.4%	1.2%	-0.3%	-1.1%
Japanese Yen	USD	-0.1%	0.7%	-2.9%	-9.3%
Australian Dollar	USD	0.3%	0.7%	4.3%	5.9%
South African Rand	USD	-0.5%	0.5%	1.6%	8.9%
Swiss Franc	USD	-0.4%	0.2%	-1.7%	-1.2%
Chinese Yuan	USD	0.1%	0.2%	3.1%	5.9%
Commodities & Alternatives					
Commodities	USD	3.0%	3.0%	24.8%	29.8%
Agricultural Commodities	USD	4.0%	4.9%	11.8%	8.7%
Oil	USD	5.4%	4.2%	24.9%	10.7%
Gold	USD	-1.7%	1.9%	-5.0%	23.8%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

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Important notes