

Market Brief

- U.S. equities finished lower as a broad selloff in artificial intelligence and semiconductor shares outweighed support from generally strong bank earnings and cooler inflation data. The S&P 500 declined 1.55%, the Nasdaq fell 2.90%, the Dow lost 0.93%, and the Russell 2000 slipped 0.50%, as concerns around renewed U.S.–Iran hostilities.
- European equities finished mixed. The Euro STOXX 50 declined 0.62% and the DAX fell 0.94%, while the FTSE 100 gained 0.98% and the CAC 40 finished essentially unchanged. The broader STOXX 600 was also nearly flat, as technology shares declined more than 3% but defensive and energyrelated sectors provided support.
- Treasury yields moved slightly lower as cooler inflation data reduced expectations for an immediate Federal Reserve rate increase. The 10-year Treasury yield finished around 4.55%, down from 4.56% a week earlier, while the 2-year yield declined to approximately 4.18% from 4.21%, leaving the broader rate backdrop elevated but somewhat less restrictive.
- WTI crude finished around \$82.49 per barrel, while gold traded near \$4,017/oz and silver ended around \$56/oz. WTI gained approximately 15.52% for the week as renewed U.S.–Iran attacks reduced traffic through the Strait of Hormuz, while gold declined around 2.49% and silver fell approximately 6.61%.
- Volatility increased sharply as Middle East conflict drove greater demand for portfolio protection. The VIX finished at 18.77, up from 15.03 a week earlier and briefly reaching 19.50 during Friday's session, although it remained slightly below the 20 level generally associated with more elevated market stress.
- Global equity funds recorded \$12.46 billion in net inflows, extending their buying streak to eight consecutive weeks. European funds attracted \$9.49 billion, respectively, while U.S. equity funds recorded \$4.80 billion of outflows. Global bond funds drew \$16.16 billion, while money-market funds experienced \$102.53 billion in net redemptions.

Market Data Snapshot

Index	Value	WTD	1-Month	YTD
DOW JONES INDUS.	52,146.42	-0.93%	1.27%	8.50%
S&P 500 INDEX	7,457.69	-1.55%	0.51%	8.94%
NASDAQ COMPOSITE	25,520.24	-2.90%	-1.93%	9.80%
RUSSELL 2000 INDEX	2,962.22	-0.52%	1.52%	19.35%
S&P 500/TSX COMPOSITE INDEX	35,263.86	-0.12%	0.40%	11.20%
EURO STOXX 50 PR	6,230.87	-0.62%	-1.10%	7.59%
FTSE 100 INDEX	10,600.37	0.98%	0.87%	6.64%
DAX INDEX	24,830.98	-0.94%	-0.42%	1.39%
CAC 40 INDEX	8,338.81	0.00%	-1.09%	2.32%
NIKKEI 225	64,141.12	-6.44%	-8.24%	27.42%

Commodities	Value (\$)	WTD	1-Month	YTD
Crude Oil (WTI)	82.49	15.52%	7.42%	43.66%
Gold	4,017.39	-2.49%	-5.63%	-6.99%
Silver	55.9114	-6.61%	-17.69%	-21.98%
Natural Gas	2.91	-0.99%	-7.44%	-21.03%

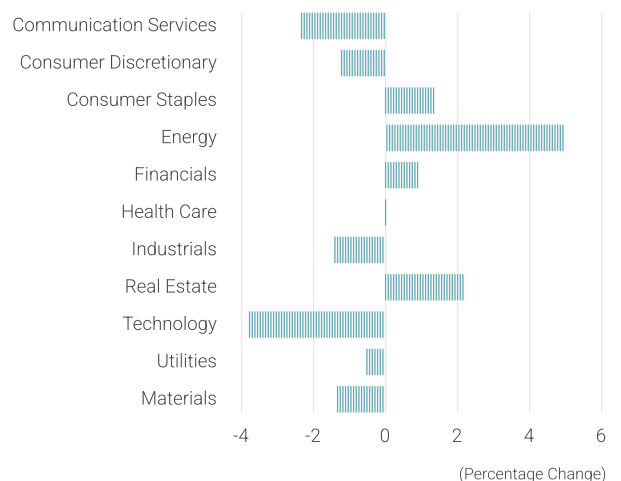
Fixed Income	Yield	WTD	1-Month	YTD
U.S. 2 Year Treasury	4.183%	-3.30	-0.40	70.00
U.S. 10 Year Treasury	4.550%	-1.20	9.00	37.80
Germany 2 Year Bund	2.803%	14.09	13.82	67.02
Germany 10 Year Bund	3.151%	7.98	15.89	29.07

(Basis Point Change)

Currency	Value	WTD	1-Month	YTD
U.S. Dollar Index (DXY)	100.77	-0.19%	0.68%	2.48%
EUR/USD	1.1439	0.20%	-0.54%	-2.61%
USD/JPY	162.4	0.45%	1.09%	3.63%
GBP/USD	1.3452	0.36%	1.20%	-0.17%
USD/CAD	1.4022	-0.93%	-0.55%	2.17%
USD/CHF	0.8073	-0.16%	0.95%	1.85%
EUR/JPY	185.81	0.68%	0.56%	0.98%
EUR/CHF	0.92304	0.01%	0.35%	-0.83%

Risk Free Rates	1M	3M	6M	12M
CHF (SARON)	-0.04%	-0.04%	-0.05%	-0.04%
EUR (EURIBOR)	2.21%	2.48%	2.69%	2.87%
USD (SOFR)	3.68%	3.75%	3.87%	4.03%
GBP (SONIA)	3.74%	3.75%	3.76%	3.93%
JPY (TORF)	0.97%	0.99%	1.08%	–

S&P 500 Weekly Sector Performance



Market Drivers

U.S. Markets

Wall Street ended the week lower, as a sharp selloff in semiconductor and AI-linked shares outweighed cooler inflation data, solid bank earnings, and strength in selected defensive areas. The S&P 500 declined 1.55%, the Nasdaq fell 2.90%, and the Dow slipped 0.93%, while the Russell 2000 lost approximately 0.52%. Markets initially advanced after June inflation came in softer than expected and several major banks reported encouraging second-quarter results, reducing expectations for an imminent Federal Reserve rate increase. However, sentiment deteriorated later in the week as investors reduced exposure to highly valued technology companies and questioned the sustainability of AI-related capital spending. The unveiling of Moonshot AI's Kimi K3 model added to concerns about rising competition and potentially lower development costs, while chip shares remained under pressure for a third consecutive session on Friday. Escalating U.S.-Iran hostilities also lifted oil prices sharply, with WTI crude gaining 15.52% for the week, although energy was confirmed as the only S&P 500 sector to advance specifically during Friday's session rather than over the full week. The 10-year Treasury yield finished near 4.55%, slightly lower on the week as government bonds attracted safe-haven demand. U.S. equity funds recorded approximately \$4.8 billion of outflows in the week through July 15, while global technology funds still attracted \$3.37 billion. Overall, earnings and softer inflation remain supportive, but elevated valuations, semiconductor volatility, higher energy prices, and geopolitical uncertainty could keep broader market participation uneven.

European Markets

European markets finished the week mixed and broadly unchanged, as weakness in technology shares and escalating Middle East tensions offset gains in luxury companies, utilities, energy, and parts of the UK market. The STOXX Europe 600 was largely flat, while Germany's DAX declined approximately 0.94%, France's CAC 40 ended close to unchanged, and the FTSE 100 gained around 0.98%. Technology was the weakest major European sector, declining 3.27% as the global semiconductor selloff spread to chipmakers and equipment suppliers. ASML raised its 2026 sales forecast, but investors remained cautious about AI investment, elevated expectations, and the amount of capital spending required across the industry. Higher oil prices increased concern that renewed energy inflation could complicate the outlook for consumers and monetary policy, while attention turned toward the European Central Bank's July 23 meeting, where rates were expected to remain unchanged. European equity funds attracted approximately \$9.49 billion in the week through July 15. Overall, European equities remain supported by strong fund demand and broader sector diversification, but technology volatility, energy costs, geopolitical risks, and changing ECB expectations could keep performance uneven.

Asia-Pacific Markets

Asia-Pacific markets finished mostly lower, as semiconductor weakness weighed on Japan, South Korea, Taiwan, and mainland China, while Hong Kong outperformed. Japan's Nikkei 225 declined 6.44% and the TOPIX lost approximately 2.9%, while South Korea's KOSPI fell around 8.8% during its four-session week amid sharp losses in Samsung Electronics and SK Hynix. The Bank of Korea also raised its policy rate by 25 basis points to 2.75%. Mainland China's CSI 300 declined 5.26%, while Hong Kong's Hang Seng gained 1.60%. Asian equity funds attracted approximately \$5.4 billion in the week through July 15. Overall, the region remains divided, with Hong Kong showing relative resilience while technology-heavy markets remain vulnerable to semiconductor volatility, higher rates, and shifting AI sentiment.

Emerging Markets

Emerging markets ended the week lower overall, as steep losses across technology-oriented Asian markets outweighed gains in India and an improvement in dedicated fund flows. The MSCI Emerging Markets Index declined approximately 4.14%, as India was a notable outperformer, with the Nifty 50 gaining approximately 0.5% and the Sensex advancing around 0.8%, supported by a 4.3% rise in information technology shares following stronger results from TCS, HCLTech, and Tech Mahindra. However, small- and mid-cap indexes declined 0.6% and 1.0%, respectively, highlighting continued caution beneath the headline benchmarks. The 15.52% weekly increase in WTI crude remained an important risk for oil-importing economies, raising concerns around inflation, trade balances, and currency stability. Emerging-market equity funds attracted approximately \$2.74 billion after 11 consecutive weeks of redemptions, while bond funds received around \$795 million. Overall, emerging-market assets remain supported by selective earnings strength, a slightly softer dollar, and renewed investor demand, but a more durable recovery will likely require steadier oil prices, reduced technology volatility, and greater clarity around geopolitical and monetary-policy risks.

Technical Update

The S&P 500 closed the week at 7,457.69, declining 1.55% and more than reversing the prior week's advance as renewed weakness in semiconductor and AI-linked shares pulled the index back toward its rising 50-day moving average. Monday opened at 7,547.53 but fell to 7,506.41 before closing at 7,515.34. Tuesday stabilized modestly, while Wednesday delivered the week's strongest session, reaching 7,581.50 and closing at 7,572.40 as the index retested the record-high area but failed to break through. Thursday reversed lower to close at 7,533.77, before Friday extended the weakness to an intraday low of 7,431.26 and a closing level of 7,457.69. That finish left the index slightly below its rising 50-day moving average near 7,465 and roughly 2% below the previous record closing high near 7,610. The short-term setup has weakened after the index failed to sustain Wednesday's advance and closed below its 50-day moving average for the first time since early July. The 7,450 to 7,465 area is now the first level to watch, though it should be viewed as an active support test rather than firmly established support. More clearly demonstrated support sits around 7,420 to 7,435, reflecting Friday's intraday low and several recent tests of the lower end of the trading range. A sustained break below that area would shift attention toward 7,350 to 7,365, followed by stronger support near 7,290 to 7,300. Holding above the 7,420 area would preserve the recent pattern of higher lows and leave the broader recovery structure largely intact. The index also remains comfortably above its rising 200-day moving average near 6,985, keeping the longer-term uptrend intact. On the upside, initial resistance sits around 7,495 to 7,510, which includes several intraday turning points and the psychological importance of 7,500. A recovery above that area would place renewed focus on 7,530 to 7,545, followed by more important resistance between 7,570 and 7,585. A sustained move through that zone would repair much of the late-week technical damage and reopen the path toward 7,600 to 7,621. A decisive close above roughly 7,610 would still be required to confirm a renewed breakout into record territory. Until that occurs, the upper 7,500s are likely to remain an area where sellers become more active. Breadth remained firmer than the headline index suggested, with approximately 65% of S&P 500 constituents trading above their 50-day moving averages and roughly 68% above their 200-day averages. However, Friday's session showed some deterioration, as declining stocks significantly outnumbered advancing issues and the technology-led selloff broadened. The 14-day RSI finished near 48, leaving momentum neutral but noticeably weaker than the prior week's reading near 60.

In all, the market has moved from a constructive retest of the record-high area into a more important test of short-term trend support. The 7,450 to 7,465 area is the first support zone, followed by 7,420 to 7,435 and the stronger late-June support range near 7,350 to 7,365. To the upside, a recovery through 7,500 to 7,510 would be the first sign of stabilization, while a sustained move above 7,545 would improve the short-term picture and bring 7,570 to 7,585 back into focus. Until then, the setup should be viewed as neutral to cautiously constructive over the longer term, but weakened in the short term and dependent on buyers successfully defending the 50-day moving average.

S&P 500: 50 & 200 Day Moving Average

Source: WSJ



The Week in Focus

The coming week brings a relatively light U.S. economic calendar but a much heavier corporate earnings schedule, with investors shifting their attention toward labor market conditions, business activity, housing demand, and results from several of the largest technology, automotive, industrial, communications, and financial companies. The Conference Board's Leading Economic Index is due Monday, the ADP NER Pulse and regional labor data Tuesday, weekly jobless claims Thursday, and July flash PMIs and June new-home sales Friday. Earnings from General Motors, 3M, Alphabet, Tesla, AT&T, IBM, Intel, Comcast, Lockheed Martin, American Express, Verizon, and NextEra Energy should provide important read-throughs on consumer demand, artificial-intelligence investment, advertising, automotive conditions, credit spending, communications, and industrial activity. With the Federal Reserve's July 28–29 meeting approaching, even the lighter economic releases could influence expectations around the policy outlook.

Monday, July 20 starts with the Conference Board's June Leading Economic Index at 10 a.m. ET, which should provide a broad indication of whether economic momentum is strengthening or weakening heading into the second half of the year. Domino's Pizza, Steel Dynamics, Crown Holdings, and W.R. Berkley are among the companies reporting, offering updates across consumer spending, restaurants, steel demand, packaging, and insurance, while markets will also remain sensitive to oil prices, geopolitical developments, Treasury yields, and positioning ahead of the week's larger technology earnings reports.

Tuesday, July 21 brings ADP's NER Pulse at 8:15 a.m. ET, providing a high-frequency estimate of weekly private-sector employment growth, while state employment, unemployment, and usual weekly earnings data are also due later in the morning. General Motors, 3M, Halliburton, Northrop Grumman, Charles Schwab, Danaher, and Capital One report, providing updates across automotive demand, industrial activity, energy investment, defense spending, brokerage activity, healthcare equipment, consumer credit, and household financial conditions. General Motors will be closely watched for commentary on vehicle pricing, incentives, inventories, tariffs, electric vehicle demand, and consumer affordability.

Wednesday, July 22 has no major national economic releases beyond weekly mortgage applications, although annual state job-openings and labor turnover data are due at 10 a.m. ET. Corporate earnings should therefore remain the main market driver, with Alphabet and Tesla reporting after the close and AT&T, IBM, Philip Morris, GE Vernova, Texas Instruments, and ServiceNow also releasing results. Alphabet will be closely examined for advertising demand, cloud growth, artificial-intelligence revenue, and capital spending, while Tesla should provide updates on vehicle margins, pricing, deliveries, energy storage, robotics, and broader investment plans.

Thursday, July 23 brings weekly jobless claims at 8:30 a.m. ET, with investors watching for evidence that labor market conditions remain stable despite signs of slower hiring in parts of the economy. Intel, Comcast, Lockheed Martin, Blackstone, Thermo Fisher Scientific, HCA Healthcare, Honeywell, RTX, and T-Mobile are among the companies reporting, providing a broad assessment of semiconductor demand, media and broadband trends, defense spending, private-market activity, health care, aerospace, and wireless competition. Intel's outlook will be particularly important for the semiconductor sector, while Blackstone's results should offer insight into fundraising, asset sales, commercial real estate, private credit, and institutional investor appetite.

Friday, July 24 closes the week with July flash manufacturing and services PMIs at 9:45 a.m. ET, followed by June new home sales at 10 a.m. ET. The PMI reports should provide one of the earliest indications of third quarter business conditions, while new-home sales will test whether elevated mortgage rates and affordability pressures are continuing to restrain housing demand. American Express, Verizon, NextEra Energy, Charter Communications, and SLB also report, offering additional information on consumer spending, credit quality, telecommunications demand, utility investment, household subscription spending, and global energy activity.

For U.S. markets, the week's direction will likely depend more on corporate guidance than on the comparatively light economic calendar. Alphabet, Tesla, and Intel will test whether enthusiasm around artificial intelligence and technology investment remains supported by revenue growth and improving profitability, while General Motors, American Express, Capital One, and Charles Schwab should provide a clearer view of consumer demand, credit conditions, trading activity, and household finances. Guidance or disappointing technology spending trends could reinforce concerns around elevated valuations and slowing economic momentum.