WEEK IN REVIEW · 15 TO 19 JUN 2026

Macro Weekly Brief

The week belonged to the unwind. A Gulf war scare that had bid up oil, gold and volatility in the prior weeks reversed hard once Washington and Tehran stepped back and traffic moved again through the Strait of Hormuz. WTI fell 9.8% over the five days, the VIX dropped 15.6% to 16.4, and the MOVE index sank to 65, its 9th percentile of the last five years. This was relief, not easing. The Warsh Fed held at 3.75% and took the cutting bias out, so the 2-year sold off 7bp on the week while the long end rallied (30-year minus 10bp) as falling oil pulled breakevens down 13bp at the 5-year. The result was a bull-flattening with a hawkish front end underneath it. Equities paid for beta and duration: the Nasdaq 100 rose 3.26% and the Nikkei ran 7.92%, while energy (minus 5.86%) and defensives lagged. The dollar firmed 0.99% on a beta bid rather than a haven one, sterling fell 1.58% on UK fiscal worries, and the stagflation regime held in the background (growth Z minus 0.49, inflation deviation plus 60, core PCE 3.2%). Into the new week, fresh Hormuz headlines and Thursday's PCE are the obvious tests of the calm.

CROSS-ASSET WRAP

DOLLAR

DXY gained 0.99% on the week to 100.85, and the make-up matters more than the move. This was a beta bid that rode the risk rally rather than a flight to safety. The Swiss franc weakened (USD/CHF up 1.57%) and the won softened (USD/KRW up 1.35%) even as risk assets rallied, the pattern J.P. Morgan's mid-year FX team described on At Any Rate as long beta and long dollar at the same time. Sterling was the clear loser, down 1.58%, and the euro slipped 1.15%.

RATES

A hawkish front end inside a bull-flattening. The 2-year sold off 7bp over the week as the Warsh Fed pulled the cutting bias, while the 30-year rallied 10bp and the 10-year 6bp as the oil collapse dragged breakevens lower. The 5-year breakeven fell 13bp and 2s10s compressed 13bp to plus 27bp. Real yields rose at the front (5-year TIPS plus 13bp), so the message was fewer cuts priced, not more inflation.

EQUITIES

Leadership ran to beta and duration. The Nasdaq 100 rose 3.26%, the Russell 2000 2.01%, and Japan's Nikkei led the world at plus 7.92%. Underneath, the spread was wide: technology (XLK plus 4.49%) and industrials (plus 3.29%) carried the tape while energy (minus 5.86%), health care (minus 3.04%) and communication services (minus 2.38%) dragged. The Hang Seng was the regional laggard, down 1.34%.

COMMODITIES

The geopolitical premium drained out. WTI fell 9.8% and Brent 7.72% as Hormuz reopened, gold slipped 1.0% and silver 4.35%, and copper eased 1.45%. Natural gas bucked the move, up 2.5% on its own storage and power-burn story rather than anything in the Gulf.

VOLATILITY

A clean, broad vol crush. The VIX fell 15.64% on the week to 16.4 (35th percentile), the 3-month dropped 8.64%, and the MOVE index sank to 65, the 9th percentile over five years. Realized sits near

16.1, so the vol risk premium is thin at 0.3. Both equity and rate vol are now priced for a smooth path.

01 The war trade round-tripped

The single biggest story of the week was the reversal of a trade that had run for weeks. A US and Iran de-escalation, plus the reopening of the Strait of Hormuz, pulled the floor out from under every asset that had been carrying a Gulf premium. WTI fell 9.83% over the five days and Brent 7.72%, gold gave back 1.0% and silver 4.35%, and the VIX dropped 15.64% to 16.4. CNBC captured the mood in its framing of markets moving from panic to pricing in, quoting Global X's Billy Leung that the reaction function is no longer as extreme as before. Morgan Stanley used the unwind to question gold's role in portfolios after a long run. The catch is timing. By the weekend, fresh headlines had Iran reportedly closing Hormuz again over a claimed ceasefire violation, with the US denying any closure, so the premium that bled out all week may not stay out.

> **FLOWS & POSITIONING INFERENCE**
>
> *The symmetry of the move, stocks up and hedges down at the same speed, points to positioning rather than fundamentals. Protection bought into the spike was monetised on the de-escalation, which pushed vol lower and fed the rally in spot. The risk now is asymmetric: dealers likely sit shorter gamma into any relapse in the Gulf headlines, and a crowded short in oil and precious metals would squeeze on a single confirmation that Hormuz traffic is actually disrupted.*

WTI CRUDE, 1-WEEK: THE WAR PREMIUM BLEEDS OUT *1W · Jun 15 → Jun 22*

SOURCES: CNBC · INVESTING.COM · FT · MORGAN STANLEY

02 Carry the day, vol the tail

Volatility was crushed across asset classes. The VIX ended the week at 16.4 in the 35th percentile, the 3-month fell 8.64%, and the MOVE index sank to 65, its 9th percentile of the last five years. Rate vol in the single digits is the more remarkable of the two, because it sits under every carry and risk-parity book in the market. J.P. Morgan's second-half volatility piece on At Any Rate put the trade in its title, carry the day and vol the tail: sell vol to earn carry, but respect the left tail. With realized near 16.1 and the vol risk premium at 0.3, sellers are not being paid much to be short the tail.

> **FLOWS & POSITIONING INFERENCE**
>
> *Suppressed rate vol is the base of the whole carry complex, and it is also the most asymmetric short on the board. A flare-up in the Gulf or a hawkish repricing of the Fed would hit short-vol, carry and risk-parity at the same time, which is how low-vol regimes tend to end. For now the term structure is upward at 0.84, consistent with a market that is comfortable being short the front of the vol curve.*

SOURCES: J.P. MORGAN AT ANY RATE · FRED

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03 The Warsh Fed takes cuts off the table

The first FOMC of the Warsh era held at 3.75% and removed the cutting bias, with the dots tilting toward officials who see the next move as a hike rather than a cut. The front end took the message: the 2-year sold off 7bp on the week and the 1-year 8bp, unwinding cuts that a war scare would otherwise have pulled forward. CNBC carried J.P. Morgan Asset Management's Bob Michele making the case that the bond market is an inviting place to invest at these yields, a reasonable view if the policy rate is genuinely on hold near 3.75% with inflation sticky at a 3.2% core PCE. Thursday's PCE print, now four days out, is the next read on whether the no-cuts stance holds.

FLOWS & POSITIONING INFERENCE

Anyone receiving the front end on a geopolitical cut got squeezed during the week. The directional skew in the data still leans bearish on 2-year and 10-year price, yet the longer end rallied, so part of the move looks like a positioning trap rather than fresh conviction. Watch whether real money fades the front-end cheapening into PCE, or sits tight for a hawkish confirmation.

UST 2Y, 1-MONTH: THE FRONT END REPRICES HIGHER

1M · May 13 → Jun 17

SOURCES: FRED · CNBC · J.P. MORGAN AT ANY RATE

04 A bull-flattening with a hawkish front end

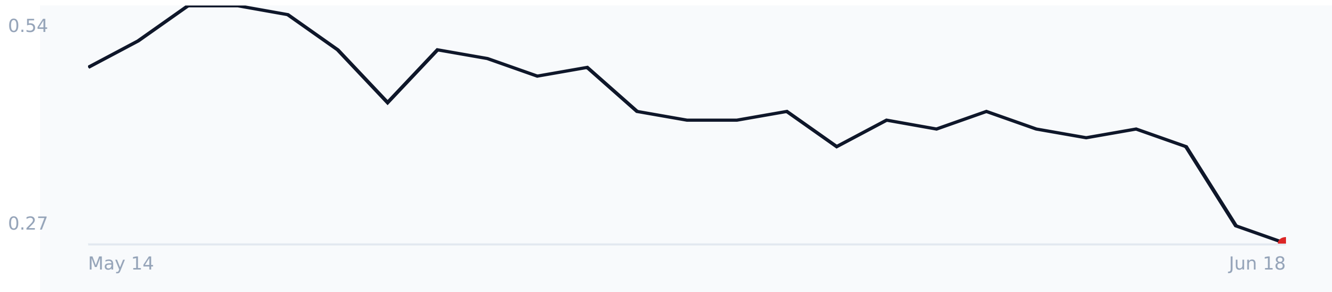
The curve did something that looks contradictory until you split it. The front end sold off (2-year plus 7bp) while the long end rallied (30-year minus 10bp, 20-year minus 9bp, 10-year minus 6bp), so 2s10s compressed 13bp to plus 27bp. The driver was the oil collapse, which took the 5-year breakeven down 13bp and the 10-year breakeven down 4bp. Real yields tell the rest: the 5-year TIPS real yield rose 13bp while the 10-year real yield was up just 2bp. So the long-end rally was a breakeven story, the front-end selloff a real-rate story, and the net is a market reading higher-for-longer as ultimately growth-negative.

FLOWS & POSITIONING INFERENCE

Real-money receivers in the belly and long end appear to be adding on the view that a Fed on hold with no inflation acceleration eventually slows growth. The 20-day trend reinforces it, with 2s10s down 26bp, so the structural direction is flatter. The squeeze risk is a reflationary PCE or a Gulf re-escalation that lifts oil and breakevens together, which would steepen the curve against the consensus.

US 2S10S, 1-MONTH: BULL-FLATTENING AS BREAKEVENS FALL

1M · May 14 → Jun 18



SOURCES: FRED · CNBC

05 Bullish beta, bullish dollar

The dollar rose 0.99% on the week to 100.85, and the composition is the point. This was a beta bid that tracked the risk rally, not a haven flow. J.P. Morgan's mid-year FX view on At Any Rate argued for exactly this pairing, long beta and long dollar, on the case that the greenback can climb without a fear premium when US carry stays high and growth holds. The week fit the script: the franc and the won softened alongside a firmer dollar, while the euro slipped 1.15% and the Australian dollar 0.84%. The yen, down 0.83%, kept the carry trade intact as global yields fell.

> **FLOWS & POSITIONING INFERENCE**
>
> *If the Street is converging on long beta and long dollar, the crowded risk is a consensus long-dollar book that snaps back on a soft US print or a dovish Fed surprise. Positioning, not rate differentials, is the soft spot. A weak PCE on Thursday is the obvious catalyst for an unwind, and the flash PMIs on Tuesday are the warm-up.*

DOLLAR INDEX, 1-MONTH: A BETA-LED GRIND HIGHER *1M · May 18 → Jun 22*

SOURCES: J.P. MORGAN AT ANY RATE · FRED

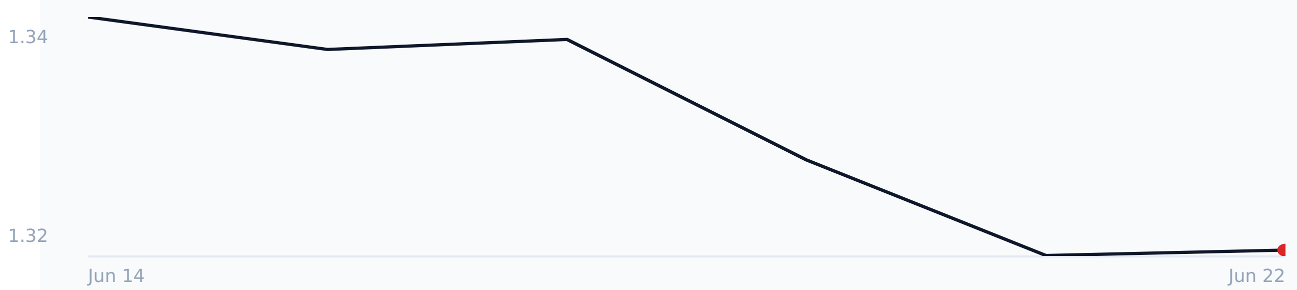
06 Sterling sinks on fiscal and political noise

Cable fell 1.58% on the week, the worst of the majors, and the reason was domestic. The BoE held Bank Rate at 3.75% with a hawkish tilt earlier in the period, which would normally support the pound, but UK politics overwhelmed the rate story. The FT reported the Burnham camp divided over the next chancellor pick as UK finances worsen, and J.P. Morgan's Global Rates podcast on At Any Rate walked through the by-election and the fiscal backdrop alongside the Riksbank, Norges Bank and BoE meetings. A hawkish central bank cannot offset a market that is questioning the fiscal anchor, and gilts rallied across the curve (10-year minus 4.4bp) even as sterling fell, an unusual pairing that usually signals fiscal risk rather than growth optimism.

> **FLOWS & POSITIONING INFERENCE**
>
> *Sterling weakness with a gilt rally is the tell that this is a fiscal-credibility trade, not a rates trade. Real money fading any belly steepening in gilts is consistent with that read. The risk into the new week is the UK flash PMIs on Tuesday and the run of BoE speakers (Taylor and Dhingra), which could either steady the pound or confirm the soft tape.*

GBP/USD, 1-WEEK: FISCAL WORRIES WEIGH ON THE POUND

1W · Jun 14 → Jun 22



SOURCES: FT · J.P. MORGAN AT ANY RATE · BANK OF ENGLAND

07 Japan runs away from the pack

The Nikkei 225 rose 7.92% on the week, the standout move in global equities and far ahead of the 3.26% in the Nasdaq 100 and the 1.44% in the S&P 500. A softer yen did the heavy lifting, with USD/JPY up 0.83% as global yields fell and the carry trade stayed live, which flatters Japanese exporters directly. The move was not matched elsewhere in Asia, where the Hang Seng actually fell 1.34%, so this was a Japan story rather than a regional risk-on. The BoJ remains the swing factor, and a market pricing carry and a weak yen at the same time is the engine under the rally.

FLOWS & POSITIONING INFERENCE

The pairing of a 7.9% equity week and a softer yen points to foreign inflows hedged back into a cheap currency, the classic Japan trade when global vol is low and carry is paid. The vulnerability is the same as the carry book everywhere: a sharp yen reversal, whether from a BoJ surprise or a global risk-off, would hit equities and the currency together. For now the soft yen and the falling-vol backdrop keep the trade working.

NIKKEI 225, 1-WEEK: JAPAN LEADS ON A SOFT YEN

1W · Jun 15 → Jun 22

SOURCES: FRED · J.P. MORGAN AT ANY RATE

08 Tech led, the rest of the tape lagged

Technology did most of the work and most of the index. XLK rose 4.49% on the week and added the largest slice of the S&P's move by a wide margin, with the Nasdaq 100 up 3.26%. Falling nominal yields and compressing breakevens revalued long-duration cash flows, which is why duration-sensitive growth led. The dispersion underneath is the story for anyone looking past the index: energy fell 5.86% with crude, health care lost 3.04%, communication services 2.38%, and real estate 2.36%. Industrials (plus 3.29%) and financials (plus 1.81%) were the only other clear winners, the latter helped by the steeper-than-feared front end. This was a duration-and-quality tape, not a broad cyclical reflation.

FLOWS & POSITIONING INFERENCE

A vol crush flips dealer gamma longer and tends to pin the mega-cap leaders, which fits a week where XLK carried the index while breadth stayed narrow. The flow looks like a re-leveraging of the AI and tech book after the war scare squeezed shorts. The risk is concentration: if the leaders wobble on a hawkish PCE, there is little underneath to cushion the index.

XLK, 1-WEEK: TECHNOLOGY CARRIES THE INDEX

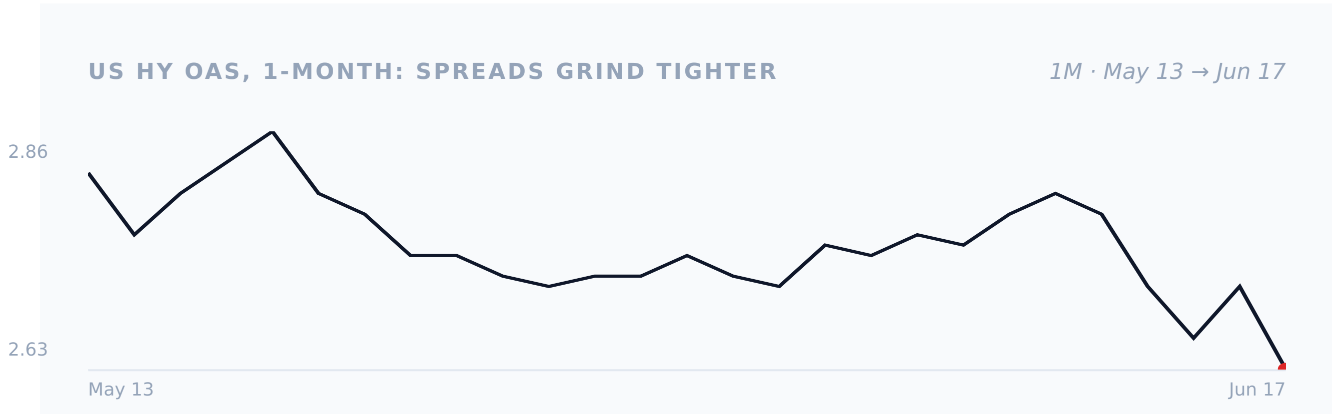
1W · Jun 09 → Jun 18

SOURCES: FRED · INVESTING.COM

09 Credit priced for perfection, breadth is not

The internals are less convincing than the headline indices. High-yield OAS tightened 17bp on the week to 263bp, which is 59bp inside its three-year average, and investment-grade at 74bp is 19bp rich. Credit is priced for a clean outcome with very little margin for error. Breadth is going the other way. Only 45% of S&P sectors trade above their 50-day average even as 82% hold above the 200-day, the strong-index, soft-median pattern that tends to show up late in a cycle. Financial conditions are still loose, with the NFCI at minus 0.51 in the 27th percentile, so nothing is forcing the issue yet.

> **FLOWS & POSITIONING INFERENCE**
>
> *Tight spreads with narrowing breadth is the setup where an index near its highs hides rising dispersion underneath. That favours relative value and quality over adding more beta. The reach-for-carry in credit is the same trade as the short-vol position elsewhere, so a single risk-off catalyst would hit spreads, vol and breadth together. Net liquidity easing 58.6bn over four weeks to 5, 849bn is a mild headwind that does not yet bite.*



SOURCES: FRED · CNBC

The week ahead: PCE, PMIs and a fragile ceasefire

Three things can break the calm. The first is data: US PCE lands Thursday (four days out, prior core near the 3.2% the regime model carries), and Tuesday brings global flash PMIs for the euro area, the UK and the US, the cleanest mid-quarter read on growth. The second is central-bank communication, with Lagarde and Lane for the ECB, Waller for the Fed, BoE's Taylor and Dhingra, and BoC's Macklem all speaking, plus Canada CPI on Monday and Australia CPI on Tuesday. The third is the Gulf. The ceasefire that drove the whole week's unwind already looks shaky, with Iran reportedly closing Hormuz again over a claimed violation and the US denying any closure. A market this short of vol and this long of carry does not need much to wobble.

> **FLOWS & POSITIONING INFERENCE**
>
> *The asymmetry runs one way. Positioning is long beta, long dollar, short vol and long carry, all of which lean on a smooth path. A hot PCE, a soft PMI or a confirmed Hormuz disruption would each hit several of those books at once. The base case is that the calm holds into PCE, but the cost of protection is cheap enough that hedging the tail is the better-priced trade than chasing the rally.*

VIX, 1-MONTH: CALM PRICED INTO A HEAVY DATA WEEK

1M · May 14 → Jun 18

SOURCES: FRED · CNBC · J.P. MORGAN AT ANY RATE

CENTRAL BANK SPEECHES & QUOTES

BANK OF ENGLAND 1W

Andrew Bailey, Governor

Pooled broadcast interview (Sky News) · Jun 18

Bailey framed the June hold as encouraged but not finished. He welcomed the drop in oil and the Middle East de-escalation, then leaned on an inflation overshoot he openly admitted to keep Bank Rate at 3.75%, while pointing to a softened economy as the reason cuts are not off the table later. On the politics and fiscal strain weighing on sterling he refused to engage beyond saying stability matters. This is the only G4 speech with a full transcript in the week's data; the others (Fed, ECB, BoJ) had no transcript to quote.

> “We've obviously now got this understanding about what's going to happen in the Middle East and energy prices have come down quite a lot, but they're still above where they were before this conflict started.”
>
> Welcomes the oil relief that drove the week's risk rally, but flags crude has not fully round-tripped, a brake on how fast UK inflation falls.
>
> “Inflation is higher than we expected it to be. I really expected, and I really believe we would have been back in a 2% target by now.”
>
> A candid admission of an inflation overshoot, the core reason for the hawkish hold and why the gilt front end stayed heavy.
>
> “Holding is the right position to be in at the moment... it's a sensible decision in the light of the news.”
>
> Confirms Bank Rate stays at 3.75%; the ceasefire did not pull a cut forward.
>
> “Now what we've got to do is get it back to 2%.”
>
> Frames disinflation, not growth support, as the priority and pushes back on market cut pricing.
>
> “We need to see the assessment of how much damage has been done to the infrastructure for supplying energy. That's probably a bit more of an issue with gas then oil.”
>
> Singles out gas supply risk over oil, consistent with natural gas bucking the week's energy selloff (up 2.5%) and Europe's energy-inflation tail.
>
> “Mistrust, I think, would be an overstatement... I'm very, very, very pleased to see this agreement has been reached.”
>
> A cautious endorsement of the ceasefire that drained the war premium, without calling it settled.
>
> “The conditions are one where the economy has softened. So that's the backdrop against which I'm judging it.”
>
> The dovish counterweight under the hold; a softening economy limits inflation persistence and keeps later cuts alive.
>
> “Obviously I never comment on politics. And today is a by-election day. So I'm particularly never going to comment on politics today.”

Pointedly sidesteps the leadership and fiscal turmoil weighing on sterling, leaving the fiscal-risk premium for the market to price.

"Stability is important. I think everybody recognises that... it's our job, of course, to deliver our part of that picture."

The closest he comes to the fiscal worry behind cable's 1.58% drop; signals the Bank holds its line while politics churn.

"The level of activity and growth in the economy has been lower... if you reduce the size of the markets that we trade with... that does tend to have a negative impact on growth... and productivity."

Restates the structural growth and productivity drag, a reminder the UK rate ceiling sits lower than the inflation print alone implies.

"In the long run, trade and markets adapt. But the long run, it's hard to ask people how long is the long run."

Tempers the structural-pessimism case and keeps the door open to a slower supply-side recovery.

SOURCE: HTTPS://WWW.BANKOFENGLAND.CO.UK/NEWS/2026/JUNE/THE-GOVERNOR-INTERVIEW-TRANSCRIPT-18-JUNE-2026

ASSET CLASS BREAKDOWN · THE 'WHY' (WEEKLY MOVES)

EQUITY INDICES · 1-WEEK

S&P 500

+1.44%

7,501 · 1D +1.08%

5Y TREND

Up 1.44% on the week to 7, 500. The gain was narrow, carried by technology and industrials while energy and defensives dragged.

Nasdaq 100

+3.26%

30,406 · 1D +2.48%

5Y TREND

Up 3.26%. Long-duration tech was the prime beneficiary of falling nominal yields and a collapsing vol premium.

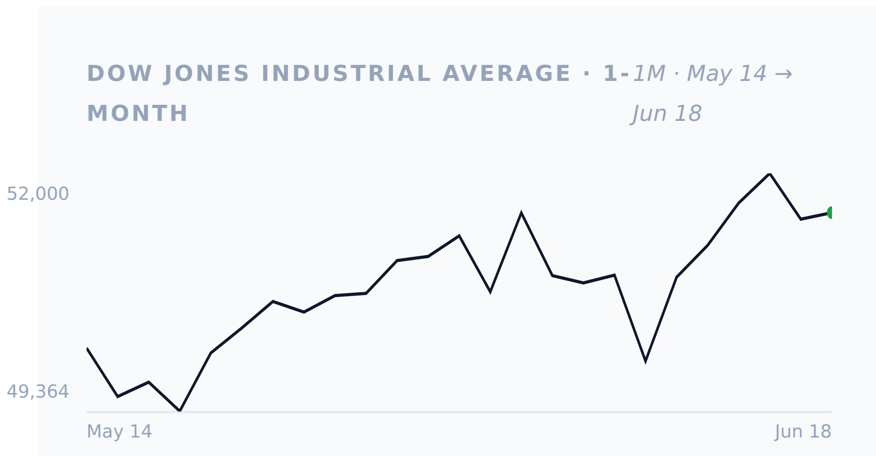
Dow Jones Industrial Average

+1.41%

51,565 · 1D +0.14%

5Y TREND

Up 1.41%. The Dow's lighter tech weight left it behind the Nasdaq on a week that paid for duration.



Russell 2000

+2.01%

2,980 · 1D +2.12%

5Y TREND

Up 2.01%. Small caps joined the risk-on, helped by tighter high-yield spreads (HY OAS minus 17bp) easing balance-sheet pressure.

CBOE Volatility Index (VIX)

-15.64%

16.4 · 1D -11.06%

5Y TREND

Down 15.64% to 16.4 (35th percentile). The Gulf tail receded and demand for protection fell across the week.

ICE BofA MOVE Index (rate vol)

-5.85%

65.39 · 1D -7.46%

5Y TREND

Down 5.85% to 65, the 9th percentile over five years. Rate vol priced an unusually smooth policy path.

CBOE 3-Month Volatility Index

-8.64%

19.57 · 1D -5.09%

5Y TREND

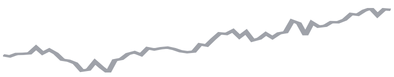
Down 8.64%. The term structure stayed upward at 0.84, with no stress signal in the longer-dated vol.

Euro Stoxx 50

+1.71%

6,293 · 1D -0.48%

5Y TREND



Up 1.71%. Europe joined the global bid but trailed the US and Japan, with the euro slipping on the week.

Nikkei 225

+4.64%

72,534 · 1D +1.80%

5Y TREND

Up 7.92%, the week's standout. A softer yen (USD/JPY plus 0.83%) flattered exporters as global yields fell.

Hang Seng

-3.94%

23,745 · 1D -0.75%

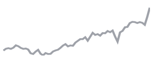
5Y TREND

Down 1.34%. Hong Kong was the regional laggard, a reminder that the Asia move was a Japan story, not a China one.

S&P 500 SECTORS · 1-WEEK

Technology (XLK) **+4.49%**

191.44 · 1D +3.04% 5Y

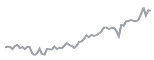


Up 4.49%, the leader. Falling real and nominal yields revalued long-duration cash flows and dealer gamma turned supportive.

CONTRIBUTION: +0.973PP

Industrials (XLI) **+3.29%**

180.91 · 1D +0.73% 5Y

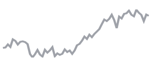


Up 3.29%. Industrials rode the cyclical read and the firmer front end.

CONTRIBUTION: +0.062PP

Financials (XLF) **+1.81%**

53.57 · 1D -0.89% 5Y

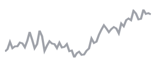


Up 1.81%. Financials gained as the 2-year sold off, steepening the front of the curve relative to a war-scare cut.

CONTRIBUTION: -0.116PP

Utilities (XLU) **+1.61%**

44.76 · 1D +0.67% 5Y



Up 1.61%. Utilities caught the rates bid as the long end rallied.

CONTRIBUTION: +0.017PP

Materials (XLB) **+1.15%**

Consumer Discretionary (XLY) **+0.74%**

51.81 · 1D -0.40% 5Y 

Up 1.15%. Materials firmed modestly as copper steadied against the precious-metals selloff.

CONTRIBUTION: -0.008PP

117.16 · 1D +1.45% 5Y 

Up 0.74%. Consumer discretionary lagged the leaders, a soft showing for a risk-on week.

CONTRIBUTION: +0.152PP

Consumer Staples (XLP) **-2.31%**

83.3 · 1D -0.45% 5Y 

Down 2.31%. Staples were unloved as money rotated toward beta and duration.

CONTRIBUTION: -0.025PP

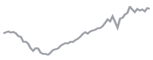
Real Estate (XLRE) **-2.36%**

43.86 · 1D -0.25% 5Y 

Down 2.36%. Real estate fell despite the long-end rally, weighed by the flatter curve hitting mortgage spreads.

CONTRIBUTION: -0.006PP

Communication Services (XLC) **-2.38%**

109.45 · 1D +0.23% 5Y 

Down 2.38%. Communication services lagged the broader tech leadership this week.

CONTRIBUTION: +0.022PP

Health Care (XLV) **-3.04%**

149.4 · 1D -0.87% 5Y 

Down 3.04%. Health care bled as defensives underperformed the risk-on rotation.

CONTRIBUTION: -0.091PP

Energy (XLE) **-5.86%**

53.77 · 1D -1.65% 5Y 

Down 5.86%, the worst sector. A direct read-through from WTI minus 9.83% as the Hormuz premium evaporated.

CONTRIBUTION: -0.053PP

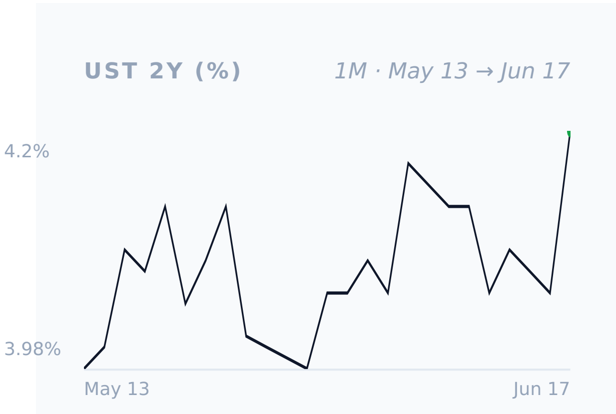
Over the week the rotation rewarded duration and quality, not broad cyclical reflation. Technology (plus 4.49%) and Industrials (plus 3.29%) led, with Financials (plus 1.81%) helped by a firmer front end and Utilities (plus 1.61%) catching the rates bid. The losers were the war-trade and defensive complex:

Energy fell 5.86% with crude, Health Care 3.04%, Communication Services 2.38% and Real Estate 2.36%. The split between a 4.5% week in tech and a 5.9% drop in energy is the widest the model carries this week, and it lines up with the macro read: falling breakevens and lower nominal yields favour long-duration growth, while the oil collapse routs energy. The caution is breadth, with only 45% of sectors above their 50-day line even as 82% hold the 200-day, so a narrow group is doing the work.

RATES & VOLATILITY · 1-WEEK

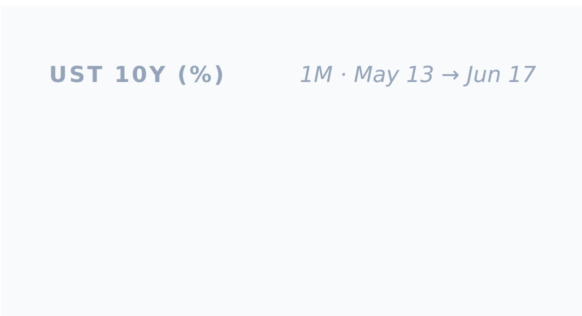
UST 2Y (%) **4.2%** (+7bp 1W · +15bp 1D)

Up 7bp on the week as the Warsh Fed removed the cutting bias and the safety bid came out. The sharpest repricing on the curve.



UST 10Y (%) **4.49%** (-6bp 1W · +6bp 1D)

Down 6bp. The 10-year rallied as the oil collapse dragged breakevens lower, outweighing the front-end selloff.



FX & COMMODITIES · 1-WEEK

US Dollar Index (DXY) **100.93** (+1.18% 1W · +0.08% 1D)

Up 0.99% to 100.85. A beta-led bid rather than a haven flow, in line with the J.P. Morgan long-beta, long-dollar view.

EUR/USD **1.1459** (-1.24% 1W · +0.00% 1D)

Down 1.15%. The euro slipped against a firmer dollar with the ECB-Fed carry gap still wide.

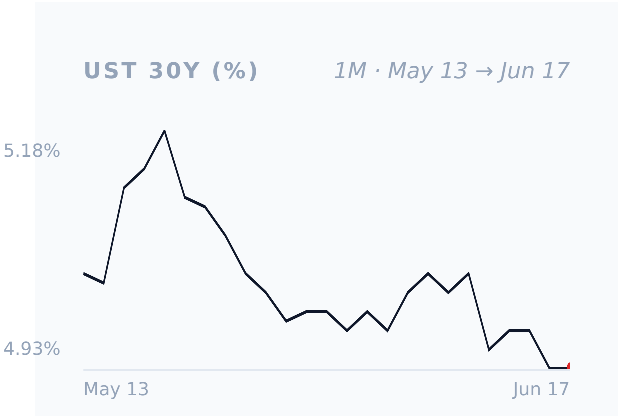
USD/JPY **161.67** (+1.07% 1W · +0.23% 1D)

Up 0.83%. The yen softened as global yields fell and the carry trade stayed intact, fuelling the Nikkei.

GBP/USD **1.3208** (-1.80% 1W · +0.04% 1D)

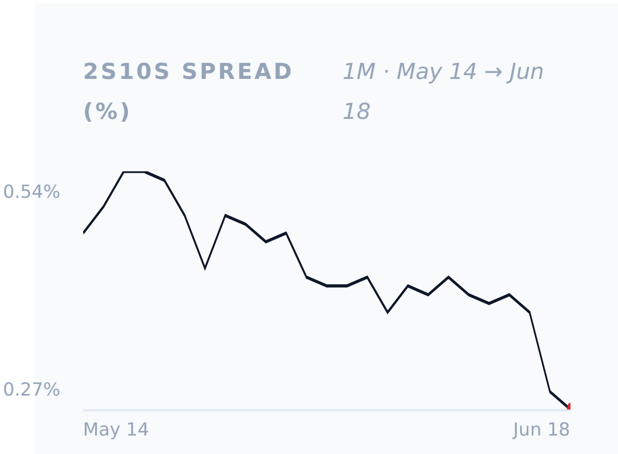
UST 30Y (%) **4.93%** (-10bp 1W · +0bp 1D)

Down 10bp, the biggest long-end rally. The market read higher-for-longer as growth-negative and bought duration.



2s10s Spread (%) **0.27%** (-13bp 1W · -2bp 1D)

Down 13bp on the week to plus 27bp. A clean bull-flattening, with the 20-day trend also down 26bp.



Down 1.58%, the worst major. UK fiscal and political worries overwhelmed a hawkish BoE hold.

USD/CHF **0.8085** (+1.84% 1W · +0.45% 1D)

Up 1.57%. The franc weakened as the safe-haven bid unwound with the Gulf de-escalation.

USD/CAD **1.4188** (+1.61% 1W · +0.33% 1D)

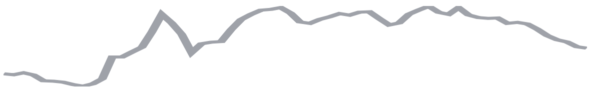
Up 1.35%. The Canadian dollar fell with crude, the oil leg dominating ahead of Monday's Canada CPI.

AUD/USD **0.7006** (-0.97% 1W · -0.10% 1D)

Down 0.84%. The Aussie eased on a firmer dollar and softer commodities, with Australia CPI due Tuesday.

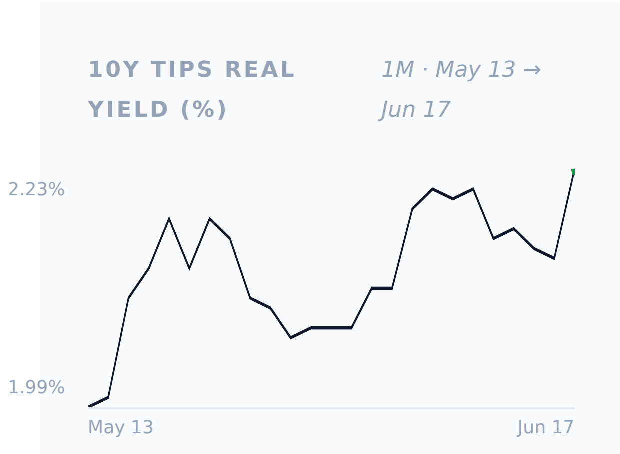
USD/CNY **6.7772** (+0.17% 1W · +0.13% 1D)

Roughly flat (minus 0.02%). The yuan held steady as the PBoC kept the fix anchored.



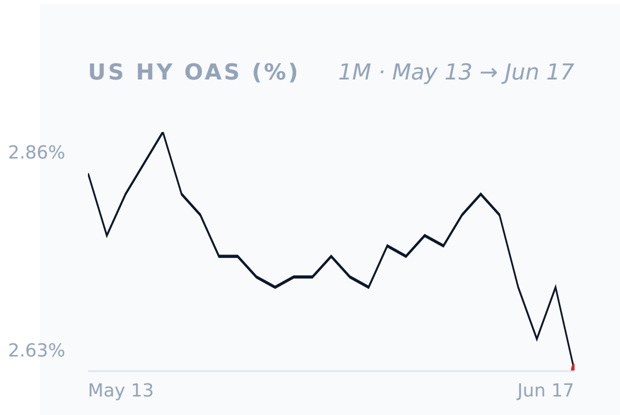
10Y TIPS Real Yield (%) **2.23%** (+2bp 1W · +9bp 1D)

Up 2bp. The 10-year real yield was near flat, confirming the long-end move was a breakeven story rather than a real-rate one.



US HY OAS (%) **2.63%** (-17bp 1W · -8bp 1D)

Down 17bp to 263bp. High-yield spreads ground tighter into the rally, 59bp inside the three-year average and priced for a clean outcome.



USD/ MXN **17.33** (+0.98% 1W · -0.12% 1D)

Up 1.06%. The peso softened as the oil collapse hurt the terms-of-trade leg.

USD/ KRW **1,537** (+1.79% 1W · -0.06% 1D)

Up 1.35%. The won weakened with the broader Asia EM complex on dollar strength.

WTI Crude **75.26** (-11.33% 1W · -1.75% 1D)

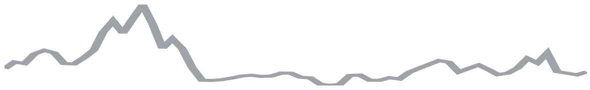
Down 9.83%. The Strait of Hormuz reopened and the US-Iran de-escalation pulled the war premium out of crude.

Brent Crude **79.01** (-9.53% 1W · -1.05% 1D)

Down 7.72%. Brent fell alongside WTI as the Gulf supply-disruption premium evaporated.

Natural Gas (Henry Hub) **3.28** (+5.13% 1W · +1.45% 1D)

Up 2.5%. Gas diverged from oil on its own storage and US power-burn dynamics, unaffected by Hormuz crude flows.



Gold **4,206** (-0.20% 1W · -0.42% 1D)

Down 1.0%. The haven and war premium drained out. Gold still screens rich against its real-yield model, a residual near 1, 070 points.

Silver **65.77** (-3.09% 1W · -0.74% 1D)

Down 4.35%. The higher-beta metal lagged gold as the risk-off trade reversed and speculative length unwound.

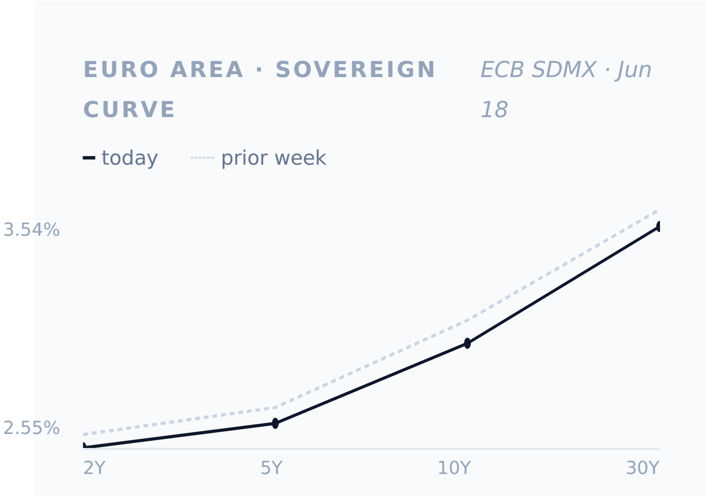
Copper **6.324** (-1.66% 1W · -0.79% 1D)

Down 1.45%. Copper eased with the broad commodity pullback, though far less than the precious complex.

Bitcoin **64,149** (-2.21% 1W · -0.14% 1D)

Down 2.22%. Bitcoin moved with the broader debasement basket as the haven bid unwound.

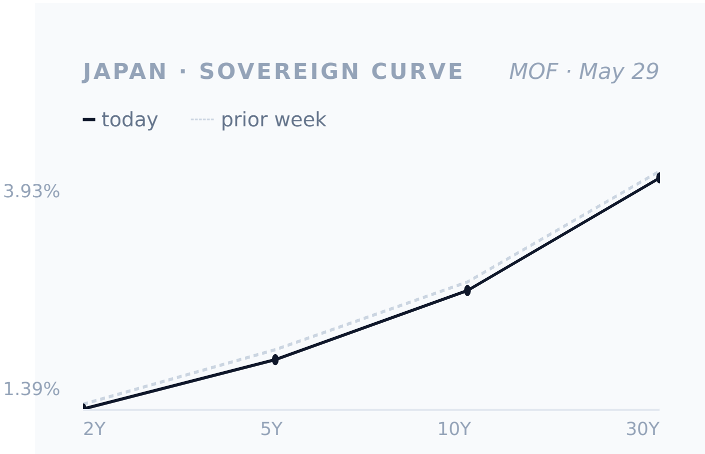
GLOBAL YIELD CURVES — 1-WEEK SHIFT



Euro area AAA GOVT (BUND-EQUIVALENT)

2Y	**2.554%** (-5.5bp)
5Y	**2.655%** (-6.4bp)
10Y	**2.985%** (-9.4bp)
30Y	**3.466%** (-7bp)

The euro-area AAA curve was little changed and modestly mixed: 2Y plus 2.8bp, 5Y plus 1.7bp, 10Y flat, 30Y minus 1.2bp (as of June 18). A mild front-end firming with a steady long end, lagging the larger moves in Treasuries and gilts. Lagarde and Lane speak in the week ahead.

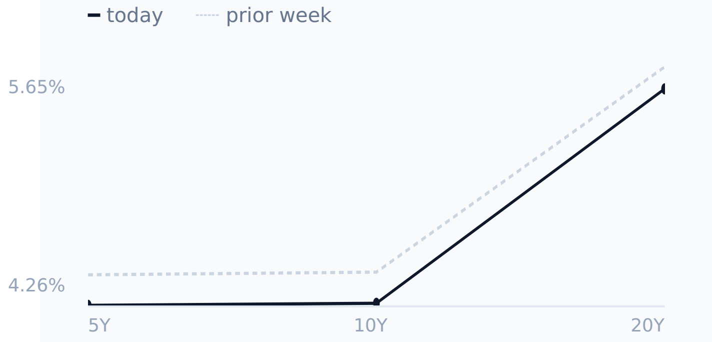


Japan JGB REFERENCE YIELDS

2Y	**1.393%** (-5bp)
5Y	**1.919%** (-10.7bp)
10Y	**2.657%** (-9.2bp)
30Y	**3.859%** (-7.2bp)

The JGB curve carries a bull-flattening shape in the latest available read: 5Y minus 2.1bp, 10Y minus 3.5bp, 30Y minus 3.7bp, with only the 2Y firmer (plus 2.7bp). The Japanese curve data is stale (as of May 29), so treat it as directional only against a backdrop of a soft yen and a 7.9% Nikkei week.

UNITED KINGDOM · SOVEREIGN CURVE *BoE IADB · Jun 17*



United Kingdom GILT SPOT YIELDS (5/10/20Y)

5Y	**4.26%** (-17.8bp)
10Y	**4.272%** (-18.2bp)
20Y	**5.522%** (-12.8bp)

Gilts rallied across the curve: 5Y minus 4.3bp, 10Y minus 4.4bp, 20Y minus 3.7bp (as of June 17). The rally alongside a 1.58% drop in sterling is the fiscal-risk tell, with the BoE on hold and UK politics in focus. BoE's Taylor and Dhingra speak in the week ahead.

Green = yields lower (bond rally) · red = yields higher (selloff). US curve is covered in the rates section above.

QUANTITATIVE FRAMEWORK

CROSS-ASSET DIRECTIONAL SKEW · 5-DAY LEAN

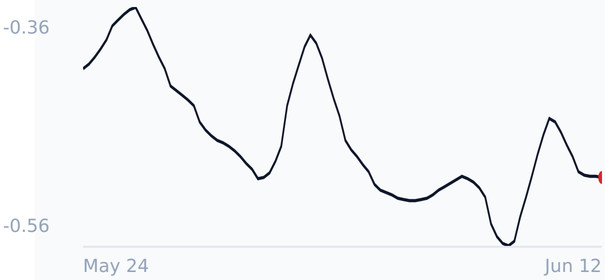
S&P 500	Bullish 70%	Nasdaq 100	Bullish 70%
Russell 2000	Bullish 70%	US Dollar (DXY)	Bullish 40%
EUR/USD	Bearish 40%	USD/JPY	Bullish 40%
Gold	Bearish 70%	WTI Crude	Bullish 7%
Copper	Bullish 70%	Bitcoin	Bearish 70%
UST 2Y (bond)	Bearish 70%	UST 10Y (bond)	Bearish 70%

FINANCIAL CONDITIONS (NFCI) *2Y · May 24 → Jun 12*

-0.51 · looser than avg · 27th %ile · >0 = tighter

NET FED LIQUIDITY (WALCL − RRP − TGA) *2Y · May 29 → Jun 17*

$5.85tn · -58.6bn / 4w

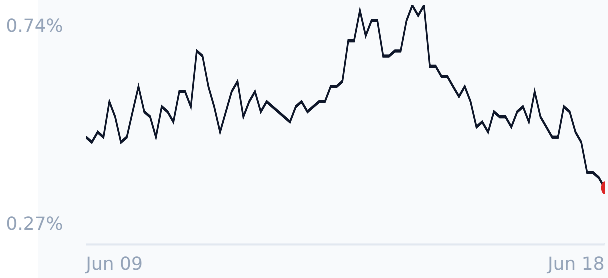


STOCK–BOND CORRELATION (60D) *1Y · Jun 09 → Jun 17*

0.64 · positive · inflation regime

YIELD CURVE · 2S10S SPREAD *1Y · Jun 09 → Jun 18*

Bull flattening · 0.27 · -26bp/20d



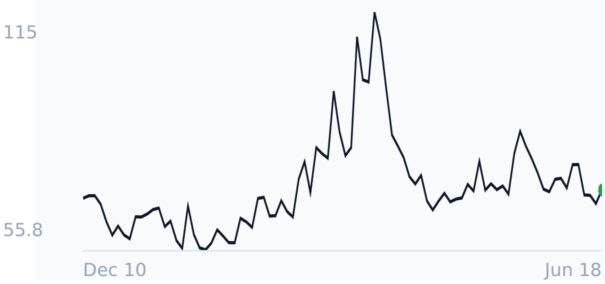
SECTOR BREADTH · % > 50D MA *1Y · Jun 18 → Jun 18*

45% > 50d · 82% > 200d

EQUITY VOL · VIX VS VIX3M (TERM STRUCTURE) *6M · Dec 10 → Jun 18*

RATE VOL · MOVE INDEX *6M · Dec 10 → Jun 18*

MOVE 65 · 9th %ile · VIX term 0.84 (contango)



CREDIT WRAP

HY OAS **263bp** (-59 vs avg)

IG OAS **74bp** (-19 vs avg)

Trailing average over the available FRED daily window (~3y; the graph endpoint caps these BAML series).

Analyst intelligence: gold valuation model

Our residual model flags gold as **rich vs real-yield model**, sitting at **+$1067/oz** versus the level implied by the 10Y real yield (2.23%). Spot $4359 vs model-fair $3292.

PAST 24H RELEASES

CN · PBoC Interest Rate Decision **3** / 3 exp · 3 prev

Sunday's China decision opened the week's central-bank calendar; the yuan held steady near 6.76, with the PBoC keeping the fix anchored.

CALENDAR · WEEK AHEAD

MON, JUN 22, 2026

● EMU ECB's President Lagarde speech	04:00 AM ET / 04:00 PM SGT
● CA BoC Consumer Price Index Core (MoM) · prev 0.2	08:30 AM ET / 08:30 PM SGT
● CA BoC Consumer Price Index Core (YoY) · prev 2.1	08:30 AM ET / 08:30 PM SGT
● CA Consumer Price Index (MoM) · cons 0.7 / prev 0.4	08:30 AM ET / 08:30 PM SGT
● CA Consumer Price Index (YoY) · prev 2.8	08:30 AM ET / 08:30 PM SGT
● EMU ECB's President Lagarde speech	09:00 AM ET / 09:00 PM SGT
● US Fed's Waller speech	09:00 AM ET / 09:00 PM SGT
● EMU Consumer Confidence · cons -18 / prev -19	10:00 AM ET / 10:00 PM SGT

● EMU ECB's President Lagarde speech | 11:15 AM ET / 11:15 PM SGT

● AU S&P Global Composite PMI · prev 48.7 | 07:00 PM ET / 07:00 AM SGT

● AU S&P Global Manufacturing PMI · prev 50.7 | 07:00 PM ET / 07:00 AM SGT

● AU S&P Global Services PMI · prev 48.7 | 07:00 PM ET / 07:00 AM SGT

TUE, JUN 23, 2026

● EMU HCOB Composite PMI · prev 44.9 | 03:15 AM ET / 03:15 PM SGT

● EMU HCOB Manufacturing PMI · cons 50.4 / prev 49.7 | 03:15 AM ET / 03:15 PM SGT

● EMU HCOB Services PMI · cons 45.9 / prev 44.3 | 03:15 AM ET / 03:15 PM SGT

● EMU HCOB Composite PMI · prev 48.8 | 03:30 AM ET / 03:30 PM SGT

● EMU HCOB Manufacturing PMI · cons 50 / prev 50.1 | 03:30 AM ET / 03:30 PM SGT

● EMU HCOB Services PMI · cons 48.7 / prev 48.1 | 03:30 AM ET / 03:30 PM SGT

● EMU HCOB Composite PMI · prev 48.5 | 04:00 AM ET / 04:00 PM SGT

● EMU HCOB Manufacturing PMI · cons 51.2 / prev 51.6 | 04:00 AM ET / 04:00 PM SGT

● EMU HCOB Services PMI · cons 48.1 / prev 47.7 | 04:00 AM ET / 04:00 PM SGT

● EMU ECB's Lane speech	04:30 AM ET / 04:30 PM SGT
● UK S&P Global Composite PMI · prev 49.7	04:30 AM ET / 04:30 PM SGT
● UK S&P Global Manufacturing PMI · cons 53.6 / prev 53.9	04:30 AM ET / 04:30 PM SGT
● UK S&P Global Services PMI · cons 50 / prev 49.3	04:30 AM ET / 04:30 PM SGT
● US ADP Employment Change 4-week average · prev 25.5	08:15 AM ET / 08:15 PM SGT
● CA BoC's Governor Macklem speech	09:00 AM ET / 09:00 PM SGT
● EMU ECB's Elderson speech	09:15 AM ET / 09:15 PM SGT
● US S&P Global Composite PMI · prev 51.5	09:45 AM ET / 09:45 PM SGT
● US S&P Global Manufacturing PMI · prev 55.1	09:45 AM ET / 09:45 PM SGT
● US S&P Global Services PMI · prev 50.7	09:45 AM ET / 09:45 PM SGT
● EMU ECB's Vujčić speech	09:55 AM ET / 09:55 PM SGT
● UK BoE's Taylor speech	09:55 AM ET / 09:55 PM SGT
● UK BoE's Dhingra speech	01:30 PM ET / 01:30 AM SGT
● AU Consumer Price Index (MoM) · cons -0.4 / prev 0.4	09:30 PM ET / 09:30 AM SGT
● AU Consumer Price Index (YoY) · cons 4.3 / prev 4.2	09:30 PM ET / 09:30 AM SGT

● AU Trimmed Mean CPI (MoM) · cons 0.3 / prev 0.3 — 09:30 PM ET / 09:30 AM SGT

● AU Trimmed Mean CPI (YoY) · prev 3.4 — 09:30 PM ET / 09:30 AM SGT

WED, JUN 24, 2026

● CH ZEW Survey – Expectations · prev -11.1 — 04:00 AM ET / 04:00 PM SGT

● EMU IFO – Business Climate · cons 85.6 / prev 84.9 — 04:00 AM ET / 04:00 PM SGT

● EMU IFO – Current Assessment · cons 86 / prev 86.1 — 04:00 AM ET / 04:00 PM SGT

● EMU IFO – Expectations · cons 85 / prev 83.8 — 04:00 AM ET / 04:00 PM SGT

● EMU ECB's Nagel speech — 05:00 AM ET / 05:00 PM SGT

● UK BoE's Breeden speech — 07:20 AM ET / 07:20 PM SGT

● CH SNB Quarterly Bulletin — 09:00 AM ET / 09:00 PM SGT

● EMU ECB's Cipollone speech — 09:35 AM ET / 09:35 PM SGT

● US New Home Sales Change (MoM) · prev -6.2 — 10:00 AM ET / 10:00 PM SGT

● UK BoE's Dhingra speech — 11:00 AM ET / 11:00 PM SGT

● AU Employment Change s.a. · cons 30.3 / prev -18.6 — 09:30 PM ET / 09:30 AM SGT

● AU Full-Time Employment · prev -10.7 — 09:30 PM ET / 09:30 AM SGT

● AU National Australia Bank's Business Confidence (QoQ) · prev -4 — 09:30 PM ET / 09:30 AM SGT

● AU Part-Time Employment · prev -7.9 — 09:30 PM ET / 09:30 AM SGT

● AU Participation Rate · prev 66.7 — 09:30 PM ET / 09:30 AM SGT

● AU Unemployment Rate s.a. · cons 4.4 / prev 4.5 — 09:30 PM ET / 09:30 AM SGT

THU, JUN 25, 2026

● EMU GfK Consumer Confidence Survey · cons -28 / prev -29.8 — 02:00 AM ET / 02:00 PM SGT

● EMU Gross Domestic Product (QoQ) · cons 0.6 / prev 0.8 — 03:00 AM ET / 03:00 PM SGT

● EMU ECB's Lane speech — 06:00 AM ET / 06:00 PM SGT

● EMU ECB's Cipollone speech — 08:00 AM ET / 08:00 PM SGT

● US Core Personal Consumption Expenditures - Price Index (MoM) · cons 0.3 / prev 0.2 — 08:30 AM ET / 08:30 PM SGT

● US Core Personal Consumption Expenditures - Price Index (YoY) · prev 3.3 — 08:30 AM ET / 08:30 PM SGT

● US Core Personal Consumption Expenditures (QoQ) · cons 4.4 / prev 4.4	08:30 AM ET / 08:30 PM SGT
● US Durable Goods Orders · cons -4.7 / prev 7.9	08:30 AM ET / 08:30 PM SGT
● US Durable Goods Orders ex Defense · prev 8.1	08:30 AM ET / 08:30 PM SGT
● US Durable Goods Orders ex Transportation · cons 0.5 / prev 1.1	08:30 AM ET / 08:30 PM SGT
● US Gross Domestic Product Annualized · cons 1.6 / prev 1.6	08:30 AM ET / 08:30 PM SGT
● US Gross Domestic Product Price Index · cons 3.5 / prev 3.5	08:30 AM ET / 08:30 PM SGT
● US Initial Jobless Claims · cons 225 / prev 226	08:30 AM ET / 08:30 PM SGT
● US Nondefense Capital Goods Orders ex Aircraft · prev -1.1	08:30 AM ET / 08:30 PM SGT
● US Personal Consumption Expenditures - Price Index (MoM) · prev 0.4	08:30 AM ET / 08:30 PM SGT
● US Personal Consumption Expenditures - Price Index (YoY) · prev 3.8	08:30 AM ET / 08:30 PM SGT

● US Personal Consumption Expenditures Prices (QoQ) · cons 4.5 / prev 4.5 — 08:30 AM ET / 08:30 PM SGT

● US Personal Income (MoM) · cons 0.4 / prev 0 — 08:30 AM ET / 08:30 PM SGT

● US Personal Spending · cons 0.6 / prev 0.5 — 08:30 AM ET / 08:30 PM SGT

● EMU ECB's Cipollone speech — 11:00 AM ET / 11:00 PM SGT

● US Fed's Williams speech — 03:40 PM ET / 03:40 AM SGT

● US Fed's Goolsbee speech — 06:30 PM ET / 06:30 AM SGT

● JP Tokyo Consumer Price Index (YoY) · prev 1.4 — 07:30 PM ET / 07:30 AM SGT

● JP Tokyo CPI ex Food, Energy (YoY) · prev 1.6 — 07:30 PM ET / 07:30 AM SGT

● JP Tokyo CPI ex Fresh Food (YoY) · cons 1.6 / prev 1.3 — 07:30 PM ET / 07:30 AM SGT

FRI, JUN 26, 2026

● EMU ECB's Nagel speech — 04:30 AM ET / 04:30 PM SGT

● US Michigan Consumer Expectations Index · cons 49.3 / prev 49.3 — 10:00 AM ET / 10:00 PM SGT

● US Michigan Consumer Sentiment Index · cons 48.9 / prev 48.9 — 10:00 AM ET / 10:00 PM SGT

● US UoM 1-year Consumer Inflation Expectations · cons 4.6 / prev 4.6	10:00 AM ET / 10:00 PM SGT
● US UoM 5-year Consumer Inflation Expectation · cons 3.4 / prev 3.4	10:00 AM ET / 10:00 PM SGT
● US Fed's Williams speech	10:30 AM ET / 10:30 PM SGT
● EMU ECB's Vujčić speech	12:00 PM ET / 12:00 AM SGT

SAT, JUN 27, 2026

● EMU ECB's Schnabel speech	09:45 AM ET / 09:45 PM SGT
● AU RBA Governor Bullock speech	08:15 PM ET / 08:15 AM SGT

SUN, JUN 28, 2026

● JP Large Retailer Sales · prev 2	07:50 PM ET / 07:50 AM SGT
● JP Retail Trade (YoY) · prev 2.1	07:50 PM ET / 07:50 AM SGT
● JP Retail Trade s.a (MoM) · prev 1.3	07:50 PM ET / 07:50 AM SGT

COUNTDOWN TO KEY DATA

PCE · US	CORE PCE · US	EUROZONE HICP · EMU	NONFARM PAYROLLS · US
T−3d	**T−3d**	**T−7d**	**T−10d**

Thu, Jun 25, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 3.8

Thu, Jun 25, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 3.3

Mon, Jun 29, 2026 · 03:00 AM ET / 03:00 PM SGT

prev 3.6

Thu, Jul 02, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 172

FOMC MINUTES · US

T−16d

Wed, Jul 08, 2026 · 02:00 PM ET / 02:00 AM SGT

CPI · US

T−22d

Tue, Jul 14, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 4.2

CORE CPI · US

T−22d

Tue, Jul 14, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 2.9

CHINA GDP · CN

T−23d

Wed, Jul 15, 2026 · 10:00 PM ET / 10:00 AM SGT

prev 5

ECB DECISION · EMU

T−31d

Thu, Jul 23, 2026 · 08:15 AM ET / 08:15 PM SGT

prev 2.4

FOMC DECISION · US

T−37d

Wed, Jul 29, 2026 · 02:00 PM ET / 02:00 AM SGT

prev 3.75

BOJ DECISION · JP

T−38d

Thu, Jul 30, 2026 · 11:00 PM ET / 11:00 AM SGT

prev 1

MACRO WEEKLY BRIEF