TUESDAY, JUNE 30, 2026 · 06:00 SGT

Macro Morning Brief

The prior session was a US growth-led melt-up. The Nasdaq 100 added 2.25%, the S&P 500 closed up 1.18%, and the Dow cleared 52, 000 for the first time. The VIX fell 4.1% to 17.65. Two catalysts did the work: a Supreme Court ruling that President Trump cannot remove Fed Governor Lisa Cook for now, which markets read as a vote for Fed independence, and a US-Iran pause that reopened the Strait of Hormuz. Oil rose anyway, Brent up 2.1% and WTI up 1.4%, because the truce looks fragile, and front-end rate pricing is leaning hawkish into a heavy data week with JOLTS on Tuesday and payrolls on Thursday. Japan went the other way, the Nikkei dropping 4.15% despite a strong retail print. Gold slipped 1.1%.

CROSS-ASSET WRAP

DOLLAR

The DXY eased 0.25% to 101.11, a soft-dollar tape that fits the risk-on mood without being decisive. EUR/USD rose 0.33% to 1.1423 on a firmer Eurozone sentiment survey, sterling led the majors at +0.45%, and the Korean won was the strongest in Asia at +0.73%. The yen was the exception, flat near 161.9 and still pinned at

RATES

Treasuries were quiet on the day and richer on the week. The belly led, with 2s, 3s and 5s down 2 to 4bp on Monday and the 2-year off 12bp over five sessions, compressing 2s10s to 28bp. The 10-year held near 4.38%. High-yield spreads nudged 5bp wider to 283bp, the only place credit showed any caution, though that is the weak end of its range.

still 37bp inside the three-year average.

EQUITIES	US mega-cap growth led everything. The Nasdaq 100 rose 2.25%, the S&P 1.18% and the Dow 0.59% to a record above 52, 000. Technology (+2.37%), consumer discretionary (+2.40%) and communication services (+1.60%) carried the tape while defensives and old-economy cyclicals lagged. Outside the US the picture inverted: the Nikkei fell 4.15%, the Hang Seng 1.76%, and the Euro Stoxx 50 slipped 0.73%.
COMMODITIES	Crude rose on a stand-down it does not fully trust, WTI up 1.4% to $70.20 and Brent up 2.14% to $73.53, both still down roughly 6% on the week. Gold fell 1.11% to $4, 033 and silver lost 10% over five sessions, a sharp fade in the precious complex. Copper firmed 0.6%, holding the AI and capex demand thread that ran through equities.
VOLATILITY	Volatility compressed. The VIX dropped 4.13% to 17.65 and three-month VIX eased to 19.53, leaving the term structure upward-sloping. The MOVE index ticked up 2% to 68 but sits in just the 12th percentile of the past five years, so rate vol remains the calm corner of the market.

01 AI leadership bounces, but the crowding question is unresolved

The Nasdaq 100 added 2.25% and the S&P closed up 1.18%, with the Dow above 52, 000 for the first time. Technology (XLK +2.37%) and consumer discretionary (XLY +2.40%) did the heavy lifting, and XLK alone contributed 0.76pp of the index's 1.2pp gain. The VIX fell 4.1% to 17.65. The bid came back to exactly the names that lost sponsorship last week. Global Macro Method framed Monday well: buyers are stepping into the AI dip before the macro has given an all-clear, with Brent firmer, Treasury yields no longer falling and money markets still leaning toward a hike. A Nasdaq rally with falling oil and yields is macro easing. This one, with oil up and the front end leaning hawkish, is investors deciding they want the asset class despite the macro. Bargain-hunting after a sharp selloff is not the same thing as renewed sponsorship.

> **FLOWS & POSITIONING INFERENCE**
>
> *The move narrowed back into mega-cap tech rather than broadening out. Breadth sits at 64% of sectors above their 50-day average and 82% above the 200-day, so the trend is intact, but Monday's gains concentrated in the most-owned complex. Whether last week was a positioning flush or the first leg of a de-rating now depends on the bid surviving a less friendly rates tape and Thursday's payrolls.*

SOURCES: GLOBAL MACRO METHOD · CNBC

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02 Supreme Court backs Fed independence, risk takes the relief

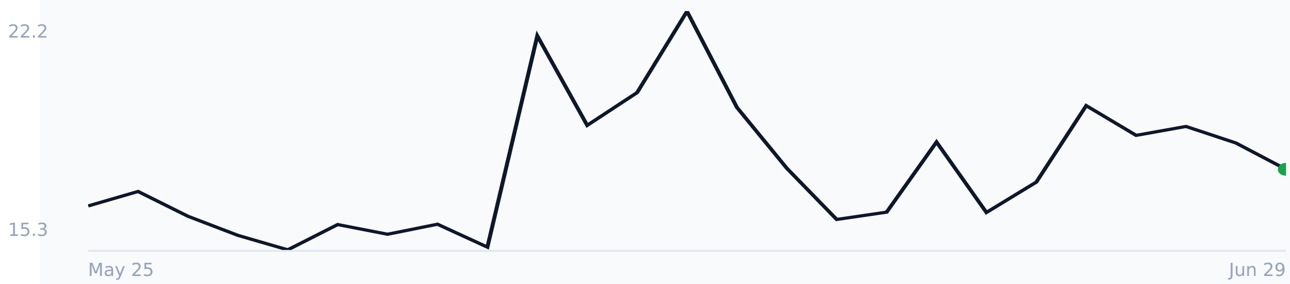
The Supreme Court ruled 5-4 that President Trump cannot remove Fed Governor Lisa Cook for now, rejecting his bid to pause a lower-court order that kept her in place. Chief Justice Roberts wrote that both the fact and the appearance of independence are central to the Fed's design, and that any change to that structure must come from Congress, not the courts. The ruling left open a future removal on procedural grounds, and Trump vowed further action. For markets the read was relief: a Fed that is harder to capture politically is a steadier reaction function, and equities and the dollar treated it as one more reason to add risk. Cook had been the vote the administration wanted, having declined to back the rate cuts demanded through the first nine months of the term.

> **FLOWS & POSITIONING INFERENCE**
>
> *The decision lands two days before payrolls and into a debate where money-market pricing has drifted toward a hike rather than a cut. A central bank seen as anchored to*

data rather than politics supports the front end staying put, part of why the curve bull-flattened on the week even as risk rallied.

VIX BACK TO 17.6 AS THE COOK RULING CLEARS A TAIL

1M · May 25 → Jun 29



SOURCES: CNBC

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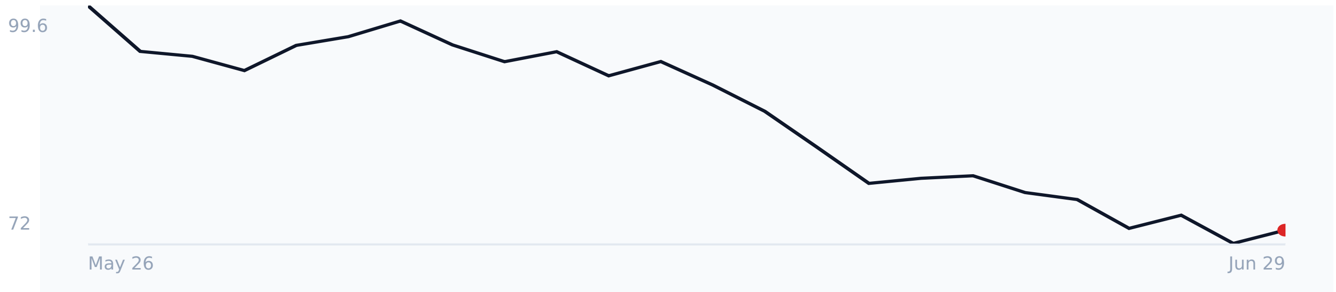
03 Oil rises on a stand-down it does not fully trust

Brent gained 2.14% to $73.53 and WTI rose 1.4% to $70.20 even as the US and Iran agreed to pause hostilities and let vessels move freely through the Strait of Hormuz. The price action says the market is pricing a fragile truce, not a resolved supply risk. Shipowners stayed wary and transits have slowed. On the week crude is still down around 6%, so the level matters as much as the direction. Oil carrying a geopolitical premium with impaired shipping is manageable for central banks, but it is not the clean disinflationary tailwind that lower oil delivered earlier in June. Global Macro Method put it plainly: stable oil gives equities room, while oil with a premium and slowed shipping does not.

> **FLOWS & POSITIONING INFERENCE**
>
> *Energy equities did not follow the barrel. XLE fell 0.48%, a sign the rally was a duration-and-growth trade rather than a reflation one. The risk into July is that firmer crude reopens the inflation-expectations channel just as payrolls test the Fed path.*

BRENT FIRMS ON HORMUZ RISK THAT HAS NOT GONE AWAY

1M · May 26 → Jun 29



SOURCES: GLOBAL MACRO METHOD · CNBC

04 Bull flattening meets a jobs-week gauntlet

Treasuries were quiet on Monday, the 10-year near 4.38% and the 2-year at 4.11%, with the belly 2 to 4bp richer. Step back to the week and the 2-year is down 12bp and the 5-year 11bp, a textbook bull flattening that has pulled 2s10s in to 28bp. The calendar is the story now: May JOLTS on Tuesday, June payrolls on Thursday, and a bond market that shuts Friday for Independence Day. Global Macro Method's read is the late-cycle trap, good data is good for earnings until it becomes bad for rates. A firm payrolls print with sticky wages would validate the US exceptionalism story equity bulls like, while reinforcing the hike pricing they would rather not discuss.

> **FLOWS & POSITIONING INFERENCE**
>
> *High-yield spreads widened 5bp on the day to 283bp, and 17bp on the week, but remain 37bp inside their three-year average, so credit is repricing rather than stressing. The asymmetry into Thursday is clean: a soft number extends the equity bounce, a hot one forces the rates-versus-equities argument back open.*

2-YEAR YIELD, THE WEEK'S BULL FLATTENING *1M · May 22 → Jun 26*

SOURCES: GLOBAL MACRO METHOD · CNBC

05 Nikkei drops 4% even as Japanese data beats

The largest single cross-asset move was Japanese, and it went the wrong way for a risk-on session. The Nikkei 225 fell 4.15% to 69, 361. The drop came despite a strong domestic print, retail trade up 5.3% year on year against a 3.2% forecast with the prior month revised higher. No single clean catalyst showed up in the wire, which points to profit-taking from record highs after a long run, compounded by a yen still near 161.9 to the dollar and a rotation that funneled the day's risk appetite into US mega-cap tech rather than Tokyo. Hong Kong fell with it, the Hang Seng down 1.76%.

> **FLOWS & POSITIONING INFERENCE**
>
> *A 4% down day in a major index on no headline is usually positioning, not news. With USD/JPY parked at the weak end of its range, the carry that has supported Japanese equity inflows is intact, but a move this size is a warning that the crowding in the trade cuts both ways.*

NIKKEI 225, A SHARP PULLBACK FROM RECORD HIGHS

1M · May 22 → Jun 26

SOURCES: FXSTREET

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06 Morgan Stanley makes the case for Europe, the tape lagged

On Thoughts on the Market, Morgan Stanley's Marina Zavolock argued European equities have more room to broaden. The region now sits level with the S&P year to date at 7 to 8%, with consensus earnings growth above 16%. Her point is that roughly 15% of the European index sits in AI-exposed sectors, semis, tech hardware, capital goods and metals including copper, and those names drove almost 90% of the year's gain, so Europe has quietly been an AI trade too. The fresh driver is investors who like their AI exposure but want to diversify the volatility around it, and Europe's banks and real assets offer inflation-levered ways to do that. The day's tape did not cooperate. The Euro Stoxx 50 slipped 0.73% while US tech ran, a reminder that a structural re-rating story and the session-to-session flow can point in opposite directions.

> **FLOWS & POSITIONING INFERENCE**
> *Zavolock notes Europe broke out of a decade-long valuation discount to the US at the start of the year, and the gap keeps narrowing on a sector-neutral basis. The swing factor is the pace of AI. A moderate grind higher lets Europe outperform, a vertical AI move pulls leadership back to the US.*

EURO STOXX 50, THE BROADENING CASE VERSUS THE DAILY TAPE *3M · Mar 18 → Jun 26*

SOURCES: MORGAN STANLEY THOUGHTS ON THE MARKET

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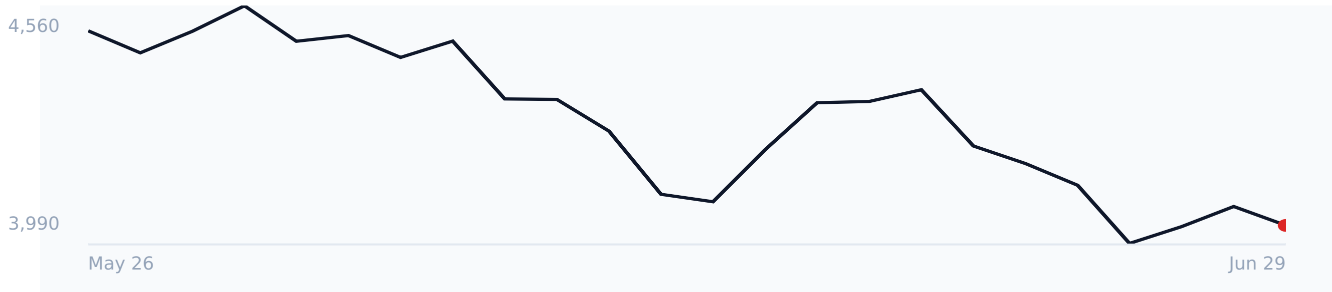
07 Gold slips while it sits rich to real yields

Gold fell 1.11% to $4, 033 and silver lost 10% on the week, an unusual fade in a session where risk rallied and the dollar softened. The brief's real-yield model has gold running about $690 rich to fair value with the 10-year real yield at 2.18%, so a pullback into a risk-on tape looks like the market trimming a stretched position rather than reacting to a yield shock. Copper held up better, up 0.6%, consistent with the AI and capex demand thread that runs through the equity leadership. Precious metals fading alongside firmer equities and tighter credit fits a market rotating toward growth and away from defensive stores of value.

> **FLOWS & POSITIONING INFERENCE**
> *With the real-yield residual this wide, gold carries a large premium that leans on continued central-bank and geopolitical demand. A calmer Hormuz and a Fed seen as independent both chip at the safe-haven bid, leaving bullion exposed if real yields stay up.*

GOLD EASES FROM LEVELS RICH TO THE REAL-YIELD MODEL *1M · May 26 → Jun 29*



SOURCES: GLOBAL MACRO METHOD

CENTRAL BANK SPEECHES & QUOTES

ECB 1D

Christine Lagarde, President

ECB's President Lagarde speech · Jun 29

Lagarde spoke late Monday as the ECB's Sintra forum opened and with Eurozone flash inflation due the next morning. The signal is framing rather than a policy shift. The Governing Council has guided away from further cuts while German flash HICP sits at 3.6%, and the question into Sintra is whether policymakers lean on financial-stability and asset-price risk, a theme Global Macro Method flagged across the BIS, ECB and Bank of Canada this week. No transcript was available in the feed at publication.

BANK OF ENGLAND 1D

Huw Pill, Chief Economist

BoE's Pill speech · Jun 29

Pill, the BoE's chief economist and traditionally one of its more hawkish voices, spoke Monday afternoon. Gilts had already rallied 7 to 9bp on the week and the long end firmed again on the day, so the bar for a hawkish surprise was high. With no transcript yet in the feed, the read is positional: UK rates are riding the global duration bid into a data-heavy week rather than responding to fresh BoE guidance.

ASSET CLASS BREAKDOWN · THE ‘WHY’

EQUITY INDICES

S&P 500

+1.18%

7,440 · 1W -0.43%

5Y TREND

Up 1.18% as mega-cap tech led; the gain was concentrated, with XLK alone contributing 0.76pp of the 1.2pp index move.

Nasdaq 100

+2.25%

29,775 · 1W -1.89%

5Y TREND

Up 2.25%, the AI complex bouncing back into the very names that lost sponsorship last week, though on a firmer-oil and steady-yield backdrop Global Macro Method calls less forgiving.

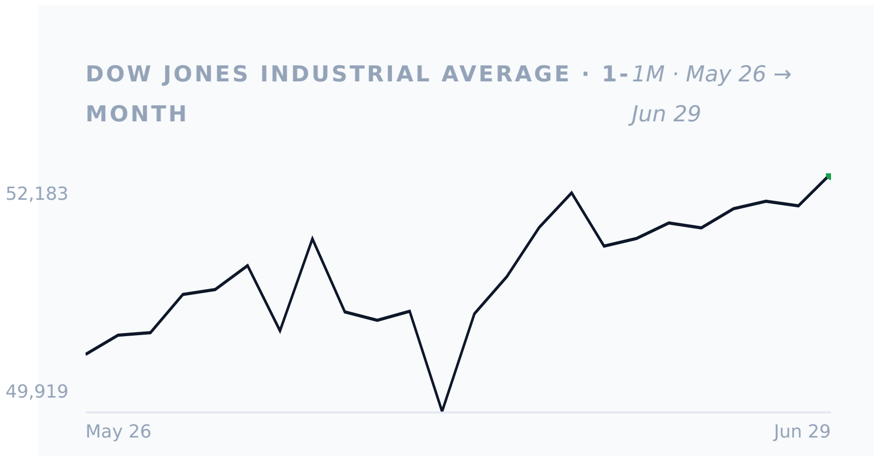
Dow Jones Industrial Average

+0.59%

52,183 · 1W +0.91%

5Y TREND

Closed above 52, 000 for the first time, helped by new member Alphabet, as the Cook ruling and the Hormuz stand-down lifted sentiment.



Russell 2000

+0.01%

3,010 · 1W +0.20%

5Y TREND

Flat at +0.01%, small caps sitting out a rally that stayed firmly in mega-cap growth, a breadth tell worth watching.

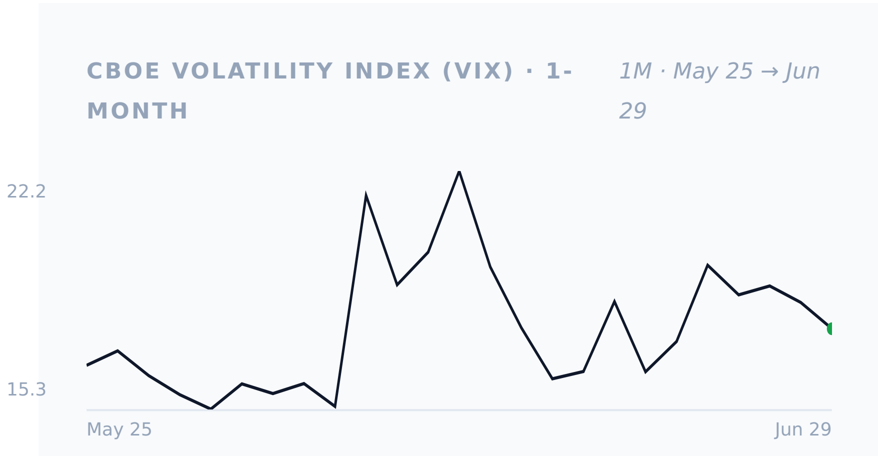
CBOE Volatility Index (VIX)

-4.13%

17.65 · 1W +2.14%

5Y TREND

Down 4.13% to 17.65 as the Supreme Court's Fed-independence ruling and the Iran pause cleared two near-term tails.



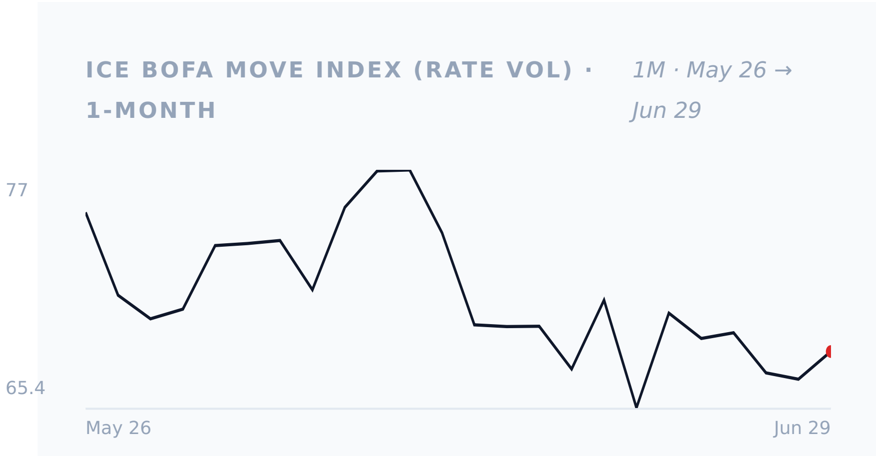
ICE BofA MOVE Index (rate vol)

+2.02%

68.14 · 1W -2.68%

5Y TREND

Up 2.02% to 68 but still in the 12th percentile of the past five years; rate vol remains the calm corner.



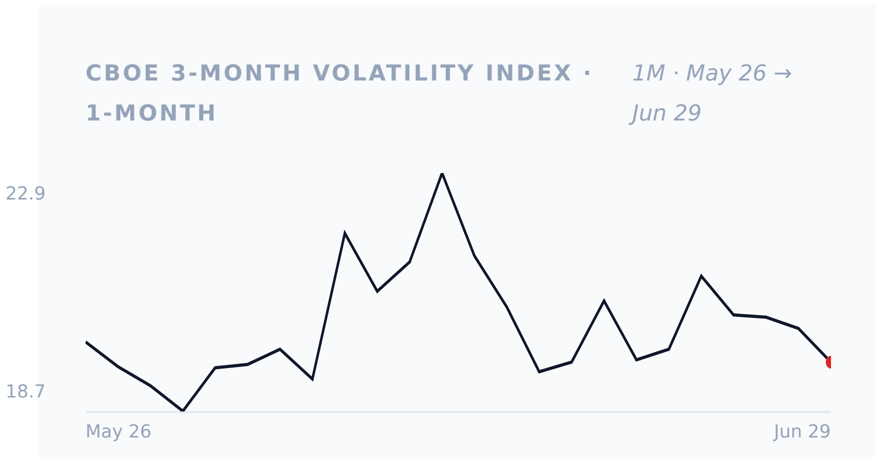
CBOE 3-Month Volatility Index

-2.98%

19.53 · 1W -1.16%

5Y TREND

Down 2.98% to 19.53, leaving the vol term structure upward-sloping as front-end fear faded faster than the curve.



Euro Stoxx 50

-0.73%

6,222 · 1W -1.14%

5Y TREND

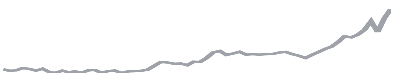
Down 0.73%, European equities lagging the US tech rally even as Morgan Stanley argues the region has room to broaden.

Nikkei 225

-4.15%

69,361 · 1W -2.65%

5Y TREND



Down 4.15% to 69, 361, the day's largest single move, despite a 5.3% retail-sales beat; with no clear catalyst it reads as profit-taking from record highs.

Hang Seng

-1.76%

22,672 · 1W -5.24%

5Y TREND

Down 1.76%, falling with Tokyo as Asian risk appetite ceded to the US session; the PBOC's overnight liquidity add was a mild offset.

S&P 500 SECTORS

Consumer Discretionary (XLY) **+2.40%**

117.12 · 1W +1.90%

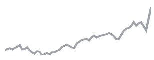
5Y 

Up 2.40%, consumer discretionary leading alongside tech in a growth-led, not cyclical, rotation.

CONTRIBUTION: +0.252PP

Technology (XLK) **+2.37%**

185.41 · 1W -3.51%

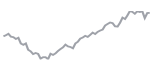
5Y 

Up 2.37%, the single biggest contributor to the index as AI leadership caught a bid.

CONTRIBUTION: +0.758PP

Communication Services (XLC) **+1.60%**

107.88 · 1W +0.95%

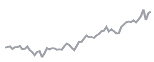
5Y 

Up 1.60%, communication services joining the mega-cap growth bid.

CONTRIBUTION: +0.152PP

Industrials (XLI) **+0.86%**

182.76 · 1W +0.53%

5Y 

Up 0.86%, industrials a modest second-tier participant in the growth-led tape.

CONTRIBUTION: +0.073PP

Financials (XLF) **+0.28%**

Health Care (XLV) **+0.25%**

53.72 · 1W +0.04%

5Y 

Up 0.28%, financials barely participating despite the steeper-on-the-week curve.

CONTRIBUTION: +0.036PP

160.74 · 1W +7.12%

5Y 

Up 0.25% on the day but the week's standout at +7.1%, a defensive quietly outperforming.

CONTRIBUTION: +0.026PP

Utilities (XLU) **-0.39%**

46.02 · 1W +2.91%

5Y 

Down 0.39%, utilities slipping as the bid stayed in growth rather than rate-sensitive defensives.

CONTRIBUTION: -0.01PP

Consumer Staples (XLP) **-0.40%**

84.37 · 1W +2.66%

5Y 

Down 0.40%, staples lower in a clean risk-on session.

CONTRIBUTION: -0.022PP

Energy (XLE) **-0.48%**

53.58 · 1W -0.89%

5Y 

Down 0.48% even as crude rose, a sign energy equities read the Hormuz stand-down as a fading premium rather than a supply shock.

CONTRIBUTION: -0.015PP

Real Estate (XLRE) **-0.71%**

44.92 · 1W +2.04%

5Y 

CONTRIBUTION: -0.016PP

Materials (XLB) **-1.82%**

50.66 · 1W -1.86%

5Y 

Down 1.82%, materials the day's worst sector as old-economy cyclicals were left behind.

CONTRIBUTION: -0.036PP

Monday's rotation was a growth-and-duration risk-on, not a cyclical reflation. The three sectors with the clearest AI and rate sensitivity led: technology +2.37%, consumer discretionary +2.40% and communication services +1.60%, together more than the whole index's 1.2pp gain. The losers were the defensives and the old-economy cyclicals: materials -1.82%, real estate -0.71%, *energy -0.48% even with oil higher, and staples and utilities both down around 0.4%. Financials managed only +0.28%. That pattern, big-cap growth up and almost everything else flat to lower, says the bid is about owning the AI complex, not a broad reflation. Health care is the quiet exception, up 0.25% on the day but the week's best sector at +7.1%.*

RATES & VOLATILITY

UST 2Y (%) 4.07% (-2bp 1D · -12bp 1W)

Down 2bp on the day, anchoring a week that took 12bp out of the 2-year. The front end is the cleanest read on Fed pricing, and it richened even as equities rallied, a sign the market is hedging a hawkish payrolls outcome rather than chasing a dovish one.

UST 2Y (%) *1M · May 22 → Jun 26*

UST 10Y (%) 4.38% (-2bp 1D · -8bp 1W)

Off 2bp on the day and 8bp on the week, holding near 4.38%. The 10-year sat out Monday's risk rally, consistent with a market parked ahead of JOLTS and payrolls.

UST 10Y (%) *1M · May 22 → Jun 26*

FX & COMMODITIES

US Dollar Index (DXY) **101.11** (-0.25% 1D · +0.09% 1W)

Down 0.25% to 101.11, a soft-dollar tape consistent with risk-on, though the move was modest.

EUR/USD **1.1423** (+0.33% 1D · -0.03% 1W)

Up 0.33% to 1.1423, helped by a firmer Eurozone sentiment survey and ECB pricing that has moved away from cuts.

USD/JPY **161.91** (+0.07% 1D · +0.21% 1W)

Roughly flat near 161.9, the yen pinned at the weak end of its range even as the Nikkei fell 4%, keeping the carry intact.

GBP/USD **1.3256** (+0.45% 1D · +0.07% 1W)

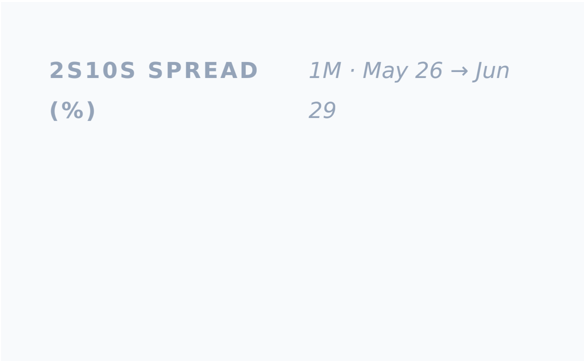
Up 0.45% to 1.3256, sterling the best major as gilts held the global duration bid.

UST 30Y (%) **4.87%** (+1bp 1D · -3bp 1W)

Up 1bp on the day, the only point on the curve to cheapen, leaving the long end down just 3bp on the week against double-digit declines in the belly. That is the shape of a growth-led rally, not a recession-led one.

2s10s Spread (%) **0.28%** (-3bp 1D · +1bp 1W)

2s10s narrowed 3bp to 28bp as the front end outperformed, a bull flattening that fits a market pricing patient policy rather than imminent cuts.



USD/CHF **0.8076** (-0.30% 1D · -0.15% 1W)

Down 0.30%, the franc firmer in a soft-dollar session.

USD/CAD **1.4209** (+0.13% 1D · +0.36% 1W)

AUD/USD **0.6888** (-0.13% 1D · -1.53% 1W)

Down 0.13% on the day and 1.53% on the week, the Aussie soft ahead of RBA minutes and China PMIs.

USD/CNY **6.7868** (-0.16% 1D · +0.18% 1W)

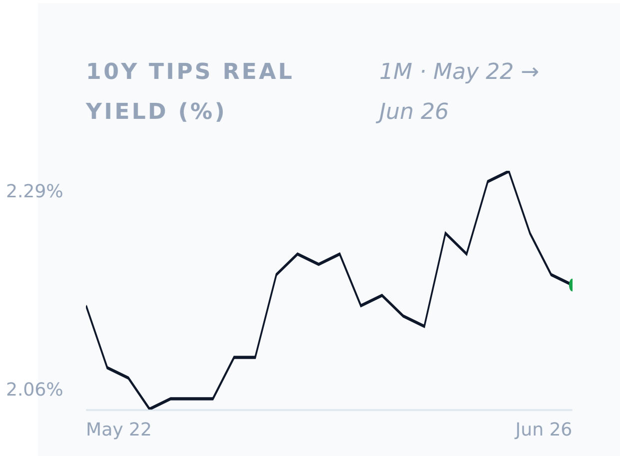
Down 0.16%, the yuan steadier after the PBOC's overnight liquidity operation.

USD/MXN **17.47** (-0.21% 1D · +0.60% 1W)

USD/KRW **1,535** (-0.73% 1D · +0.26% 1W)

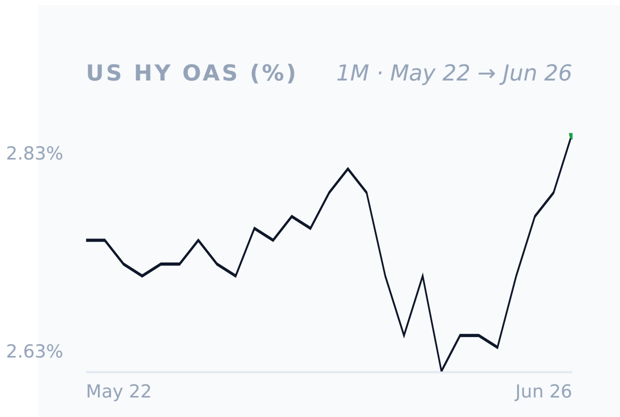
10Y TIPS Real Yield (%) **2.18%** (-1bp 1D · -3bp 1W)

The 10-year real yield eased 1bp to around 2.18%, still high enough to leave gold looking rich to its real-yield anchor.



US HY OAS (%) **2.83%** (+5bp 1D · +17bp 1W)

High-yield spreads widened 5bp to 283bp, and 17bp on the week, the one place credit registered caution. At 37bp inside the three-year average, this is repricing, not stress.



Down 0.73%, the won the strongest Asian currency as the US tech rally lifted Korean risk proxies.

WTI Crude **70.2** (+1.40% 1D · -6.17% 1W)

Up 1.4% to $70.20 on a fragile Hormuz stand-down, still down around 6% on the week.

Brent Crude **73.53** (+2.14% 1D · -5.61% 1W)

Up 2.14% to $73.53 as shippers stayed wary of the Strait despite the US-Iran pause.

Natural Gas (Henry Hub) **3.176** (-1.70% 1D · -2.37% 1W)

Down 1.7%, gas easing with the broader energy complex off its highs.

Gold **4,034** (-1.11% 1D · -3.55% 1W)

Down 1.11% to $4, 033, trimming a position the brief's model puts about $690 rich to real yields.

Silver **58.95** (-0.44% 1D · -10.03% 1W)

Down 0.44% on the day but 10% on the week, the sharpest move in the precious complex.

Copper **6.1785** (+0.60% 1D · -2.80% 1W)

Up 0.6%, holding up on the AI and capex demand thread that also drove tech.

Bitcoin **60,170** (+1.07% 1D · -1.35% 1W)

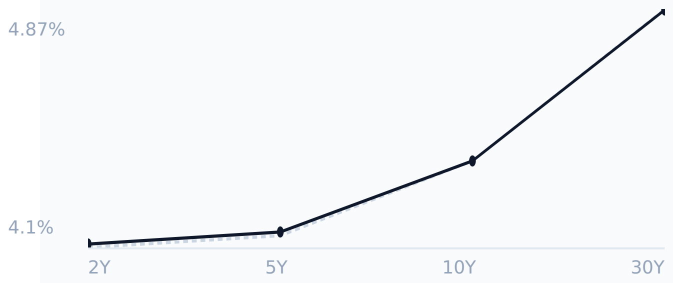
Up 1.07% to $60, 170, riding the risk-on tone as the Iran de-escalation steadied sentiment.

GLOBAL YIELD CURVES — 1-DAY SHIFT

UNITED STATES · SOVEREIGN CURVE

TradingView · Jun 28

today · prior day



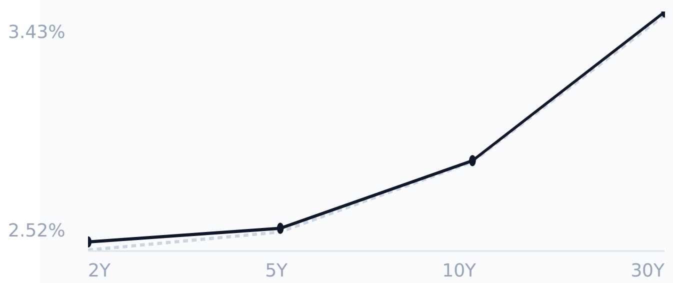
United States UST YIELDS (TRADINGVIEW, REAL-TIME)

2Y	**4.107%** (+1.1bp)
5Y	**4.146%** (+1.2bp)
10Y	**4.376%** (+0bp)
30Y	**4.865%** (-0.2bp)

EURO AREA · SOVEREIGN CURVE

TradingView · Jun 29

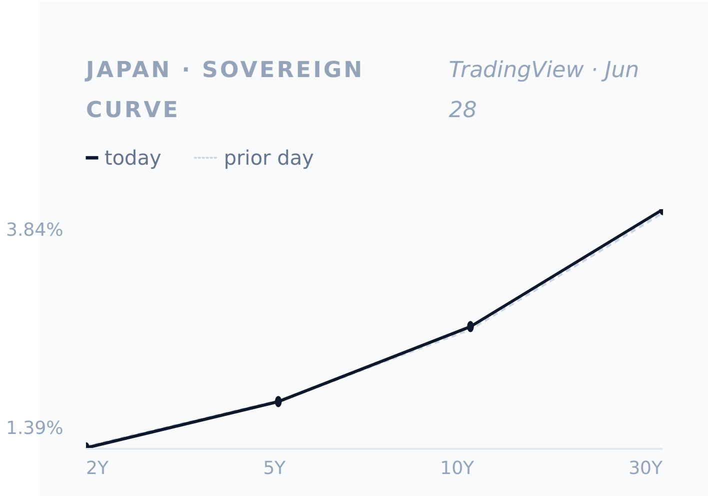
today · prior day



Euro area BUND (EUR RISK-FREE PROXY)

2Y	**2.551%** (+3.1bp)
5Y	**2.603%** (+1.4bp)
10Y	**2.861%** (+0.5bp)
30Y	**3.428%** (+1.2bp)

Bunds cheapened modestly, the 2-year up 3.1bp and the 10-year up 0.5bp, leaving the curve down 5 to 9bp on the week. With Eurozone flash HICP due Tuesday and the Sintra forum underway, the front end is pricing a steady ECB rather than fresh cuts, and Monday's economic-sentiment beat at 95 versus 94.3 supports that.

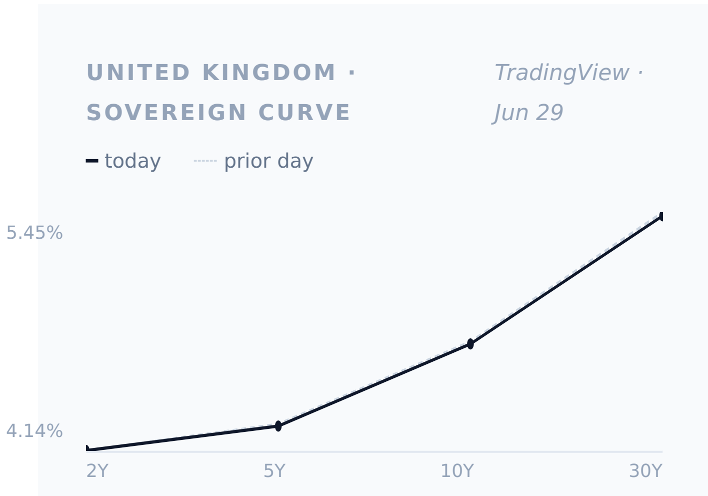


Japan

JGB YIELDS

2Y	**1.393%** (-0.9bp)
5Y	**1.868%** (-0.4bp)
10Y	**2.638%** (+2.5bp)
30Y	**3.839%** (+3.3bp)

JGBs steepened, the 2-year 0.9bp lower while the 10-year rose 2.5bp and the 30-year 3.3bp, even as the Nikkei dropped 4%. Long-end yields drifting up while equities fall points to supply and term-premium concerns rather than a growth scare, with the yen still near 161.9.



United Kingdom

GILT YIELDS

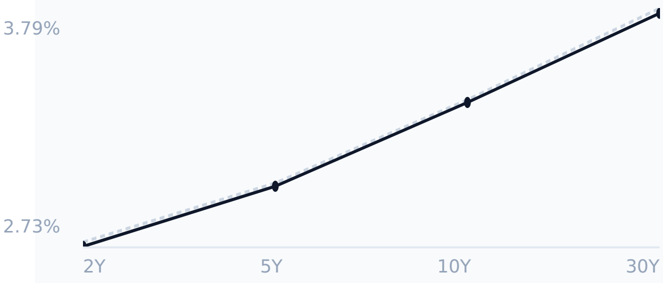
2Y	**4.139%** (+0.2bp)
5Y	**4.274%** (-1bp)
10Y	**4.728%** (-1.1bp)
30Y	**5.436%** (-1.8bp)

Gilts rallied at the long end, the 30-year 1.8bp lower and the curve down 7 to 9bp across the week. Chief Economist Pill spoke Monday, but with no transcript yet in the feed the move reads as a continuation of the week's global duration bid rather than a reaction to fresh guidance.

CANADA · SOVEREIGN CURVE

TradingView · Jun 29

— today ┄ prior day



Canada GOC BENCHMARK YIELDS

2Y	**2.73%** (-1.9bp)
5Y	**2.999%** (-1.4bp)
10Y	**3.374%** (-1.2bp)
30Y	**3.773%** (-2.2bp)

Green = yields lower (bond rally) · red = yields higher (selloff). When shown, the US curve here is the real-time TradingView curve; the rates section above is the settled FRED curve and can lag by a session.

QUANTITATIVE FRAMEWORK

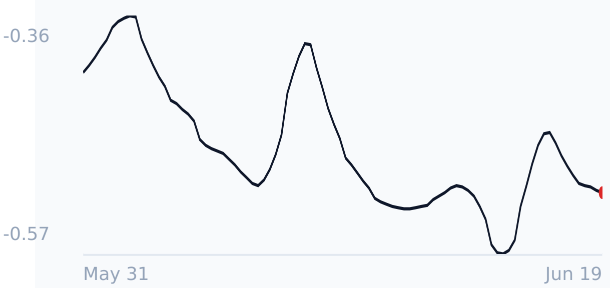
CROSS-ASSET DIRECTIONAL SKEW · 5-DAY LEAN

S&P 500	Bullish 70%	Nasdaq 100	Bullish 70%
Russell 2000	Bullish 40%	US Dollar (DXY)	Bullish 70%
EUR/USD	Bearish 70%	USD/JPY	Bullish 40%
Gold	Bearish 70%	WTI Crude	Bearish 40%
Copper	Bullish 23%	Bitcoin	Bearish 40%
UST 2Y (bond)	Bearish 70%	UST 10Y (bond)	Bearish 23%

FINANCIAL CONDITIONS (NFCI)

2Y · May 31 → Jun 19

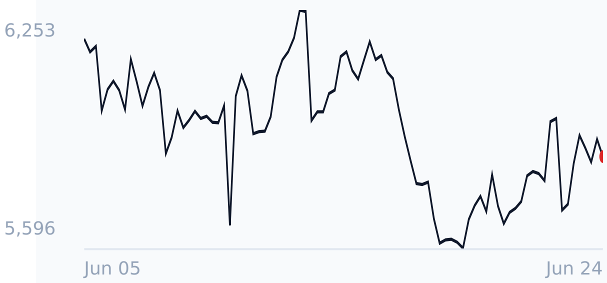
-0.52 · looser than avg · 22th %ile · >0 = tighter



NET FED LIQUIDITY (WALCL − RRP − TGA)

2Y · Jun 05 → Jun 24

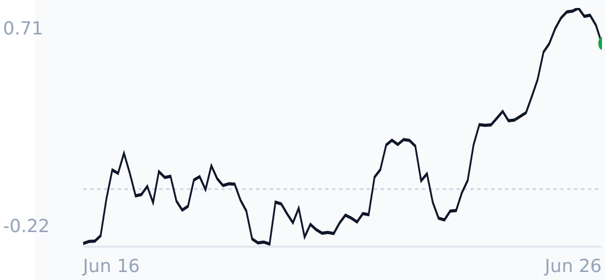
$5.81tn · -59.8bn / 4w



STOCK-BOND CORRELATION (60D)

1Y · Jun 16 → Jun 26

0.61 · positive · inflation regime



YIELD CURVE · 2S10S SPREAD

1Y · Jun 20 → Jun 29

Bull flattening · 0.28 · -19bp/20d

SECTOR BREADTH · % > 50D MA

1Y · Jun 27 → Jun 29

64% > 50d · 82% > 200d

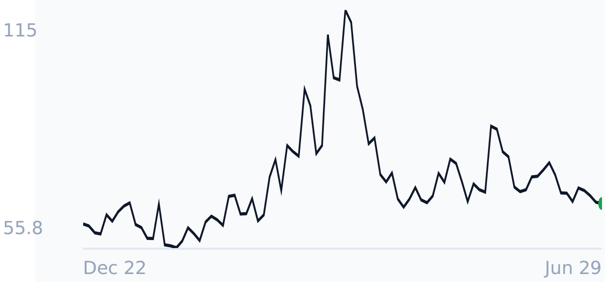
EQUITY VOL · VIX VS VIX3M (TERM STRUCTURE)

6M · Dec 22 → Jun 29

RATE VOL · MOVE INDEX

6M · Dec 22 → Jun 29

MOVE 68 · 12th %ile · VIX term 0.9 (contango)



CREDIT WRAP

HY OAS **283bp** (-37 vs avg)

IG OAS **77bp** (-16 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 **+$690/oz** versus the level implied by the 10Y real yield (2.18%). Spot $4079 vs model-fair $3389.

PAST 24H RELEASES

JP · Large Retailer Sales **5** / · exp · 2 prev

JP · Retail Trade (YoY) **5.3** / 3.2 exp · 2.1 prev

Japan's retail trade jumped 5.3% year on year in May against a 3.2% forecast, with the prior month revised up to 2.8%. Domestic demand is firm, which makes the Nikkei's 4% drop look like positioning rather than a fundamental wobble and keeps pressure on the BoJ to justify an ultra-weak yen.

JP · Retail Trade s.a (MoM) **1.9** / · exp · 1.3 prev

EMU · Harmonized Index of Consumer Prices (YoY) **3.6** / · exp · 3.6 prev

German flash HICP held at 3.6% year on year, no relief on sticky inflation and a reminder of why ECB pricing has drifted away from cuts. The Eurozone-wide flash on Tuesday, forecast at 2.6% versus 2.7%, is the number that matters for the front end.

EMU · Business Climate **-0.38** / · exp · -0.26 prev

Eurozone business climate slipped to -0.38 from -0.26, the soft counterpoint to the firmer sentiment survey. The industrial side of the economy is still not turning, part of why the case for broadening into Europe rests on earnings and valuation rather than the macro.

EMU · Consumer Confidence **-17.7** / -17.7 exp · -17.7 prev

CALENDAR · WEEK AHEAD

DAY AHEAD

MON, JUN 29, 2026

- AU RBA Meeting Minutes — 09:30 PM ET / 09:30 AM SGT
- CN NBS Manufacturing PMI · cons 50.1 / prev 50 — 09:30 PM ET / 09:30 AM SGT
- CN NBS Non-Manufacturing PMI · cons 49.9 / prev 50.1 — 09:30 PM ET / 09:30 AM SGT

REST OF THE WEEK (HIGH IMPORTANCE)

TUE, JUN 30, 2026

- EMU Retail Sales (YoY) · cons 0 / prev -0.3 — 02:00 AM ET / 02:00 PM SGT
- UK Gross Domestic Product (QoQ) · cons 0.6 / prev 0.6 — 02:00 AM ET / 02:00 PM SGT
- UK Gross Domestic Product (YoY) · cons 1.1 / prev 1.1 — 02:00 AM ET / 02:00 PM SGT
- EMU Consumer Price Index (MoM) · cons 0 / prev -0.2 — 08:00 AM ET / 08:00 PM SGT

EMU · Economic Sentiment Indicator **95** / 94.3 exp · 93.5 prev

Eurozone economic sentiment rose to 95.0 in June from 93.5, beating the 94.3 consensus for a third monthly gain. It is a quiet vote for the soft-landing read that Morgan Stanley leans on for European equities, even with the level still below its long-run average.

JP · Unemployment Rate **2.5** / 2.5 exp · 2.5 prev

Japan's unemployment rate held at 2.5%. A tight labor market alongside hot retail sales leaves the BoJ's go-slow stance increasingly hard to square with the data.

- ● EMU Consumer Price Index (YoY) · cons 2.5 / prev 2.6 — 08:00 AM ET / 08:00 PM SGT
- ● EMU Harmonized Index of Consumer Prices (YoY) · cons 2.6 / prev 2.7 — 08:00 AM ET / 08:00 PM SGT
- ● JP Tankan Large Manufacturing Index · cons 16 / prev 17 — 07:50 PM ET / 07:50 AM SGT
- ● CN RatingDog Manufacturing PMI · cons 51.7 / prev 51.8 — 09:45 PM ET / 09:45 AM SGT

WED, JUL 01, 2026

- ● EMU Core Harmonized Index of Consumer Prices (MoM) · prev 0.3 — 05:00 AM ET / 05:00 PM SGT
- ● EMU Core Harmonized Index of Consumer Prices (YoY) · cons 2.6 / prev 2.6 — 05:00 AM ET / 05:00 PM SGT
- ● EMU Harmonized Index of Consumer Prices (MoM) · prev 0.1 — 05:00 AM ET / 05:00 PM SGT
- ● EMU Harmonized Index of Consumer Prices (YoY) · cons 3 / prev 3.2 — 05:00 AM ET / 05:00 PM SGT
- ● US ADP Employment Change · cons 113 / prev 122 — 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 President Lagarde speech — 09:00 AM ET / 09:00 PM SGT

● US Fed's Chair Warsh speech — 09:00 AM ET / 09:00 PM SGT

● UK BoE's Governor Bailey speech — 09:30 AM ET / 09:30 PM SGT

● EMU ECB's President Lagarde speech — 10:00 AM ET / 10:00 PM SGT

● US ISM Manufacturing PMI · cons 54 / prev 54 — 10:00 AM ET / 10:00 PM SGT

● AU Trade Balance (MoM) · cons 2200 / prev 1791 — 09:30 PM ET / 09:30 AM SGT

THU, JUL 02, 2026

● CH Consumer Price Index (YoY) · cons 0.5 / prev 0.6 — 02:30 AM ET / 02:30 PM SGT

● US Average Hourly Earnings (MoM) · cons 0.3 / prev 0.3 — 08:30 AM ET / 08:30 PM SGT

● US Average Hourly Earnings (YoY) · cons 3.5 / prev 3.4 — 08:30 AM ET / 08:30 PM SGT

● US Nonfarm Payrolls · cons 110 / prev 172 — 08:30 AM ET / 08:30 PM SGT

● CN RatingDog Services PMI · prev 54.4 — 09:45 PM ET / 09:45 AM SGT

FRI, JUL 03, 2026

● EMU ECB's President Lagarde speech — 04:00 AM ET / 04:00 PM SGT

● UK BoE's Governor Bailey speech	11:00 AM ET / 11:00 PM SGT

MON, JUL 06, 2026

● EMU Retail Sales (YoY) · prev 1	05:00 AM ET / 05:00 PM SGT
● US ISM Services PMI · prev 54.5	10:00 AM ET / 10:00 PM SGT

COUNTDOWN TO KEY DATA

EUROZONE HICP · EMU

T−1d

Tue, Jun 30, 2026 · 08:00 AM ET / 08:00 PM SGT

cons 2.6 · prev 2.7

NONFARM PAYROLLS · US

T−3d

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

cons 110 · prev 172

FOMC MINUTES · US

T−9d

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

CPI · US

T−15d

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

prev 4.2

CORE CPI · US

T−15d

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

prev 2.9

CHINA GDP · CN

T−15d

Tue, Jul 14, 2026 · 10:00 PM ET / 10:00 AM SGT

prev 5

ECB DECISION · EMU

T−24d

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

prev 2.4

FOMC DECISION · US

T−30d

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

prev 3.75

BOJ DECISION · JP

T−31d

PCE · US

T−32d

CORE PCE · US

T−32d

Thu, Jul 30, 2026 · 11:00 PM ET / 11:00 AM SGT prev 1	Fri, Jul 31, 2026 · 08:30 AM ET / 08:30 PM SGT prev 4.1	Fri, Jul 31, 2026 · 08:30 AM ET / 08:30 PM SGT prev 3.4

MACRO MORNING BRIEF