TUESDAY, JULY 28, 2026 · 06:00 SGT

Macro Morning Brief

The stagflation regime holds (growth Z -0.49, core PCE 3.2% YoY, inflation deviation +60), and Tuesday's session was really about the market waiting on two things at once: Wednesday's FOMC decision and whether the AI hardware complex can find a bottom. Brent fell another 2% to $86.57 (WTI -1.6% to $81.29) as the Iran pause held through a third night, and that pulled Treasury yields down 1 to 4bp across the curve even as CME FedWatch still prices a one-in-three chance of a hike from Kevin Warsh's Fed on Wednesday. But the relief in oil and rates did not reach chips. Nasdaq 100 futures fell for a second straight day on Micron, Marvell and AMD weakness while the Dow added 0.51% on Boeing, JetBlue, UPS and Coca-Cola earnings, and the Nikkei cratered 3.95% as SK Hynix and Samsung got hit on reports of Chinese lithography progress. The index-level moves were tame, SPX flat at 7413, but the internals told the real story: staples, discretionary and financials led, tech and utilities lagged, and gold gave back 1% to $4,033 even though it still screens $500 rich to its real-yield fair value.

CROSS-ASSET WRAP

DOLLAR	DXY firmed a token 0.09% to 101.56, doing very little on a day when the more interesting FX story was positioning ahead of the Fed rather than any dollar-specific catalyst. GBPUSD was the mover, down 0.43% to 1.3294, while EURUSD slipped 0.23% to 1.1369 and AUDUSD eased 0.31% to 0.6973 into Governor Bullock's remarks and Wednesday's Australian CPI. USDJPY crept up 0.16% to 163.87 even as the Nikkei fell nearly 4%, a reminder that the yen is trading off the global rates complex right now more than off Japanese equity risk.	RATES	Treasuries rallied modestly and in a straight line down the curve as falling oil did the work: 2Y -4bp, 5Y -3bp, 10Y -2bp to roughly 4.63%, 30Y -1bp, per CNBC's Tuesday levels. The move is a breakeven story more than a real-yield story, 5Y breakevens fell 6bp and 10Y breakevens 5bp, while TIPS yields (DFII10) were unchanged, exactly the pattern Global Macro Method flagged in its morning chat: oil down, duration bid, but real yields not budging because the market still isn't sure the Fed validates the relief. 2s10s compressed 2bp to +34bp, a curve GMM's own numbers show is bear-steepening over 20 days even as it flattens session to session. HY OAS ticked up 2bp to 279bp (still 38bp tight to its 3-year average) and IG OAS added 1bp to 80bp, credit unbothered by the equity dispersion.
EQUITIES	SPX closed effectively flat (+0.02% to 7413), masking a market that rotated hard underneath the surface. XLP led at +1.46%, XLY added 1.31%, XLC gained 1.28% and XLF rose 1.01%, while XLK fell 0.9% and dragged the cap-weighted tape (it alone cost the index 29bp given its 32%	COMMODITIES	Brent posted its biggest one-day drop in more than three months on Monday and extended the move Tuesday, down 2.03% to $86.57, with WTI off 1.6% to $81.29 as the US-Iran pause held for a third straight night and traders priced a more durable ceasefire. Gold fell 1.01% to $4, 033

weight) and XLU dropped 1.32% on no obvious rate catalyst. DJI outperformed at +0.51% on Boeing, UPS and Coca-Cola's beat-and-raise, while NDX lost 0.32% as Micron, Marvell and AMD extended a two-day chip slide. Asia was the session's real casualty: N225 fell 3.95% and HSI barely held a 0.41% gain, with SK Hynix and Samsung sold hard on reports that Chinese lithography and memory capacity are advancing faster than expected.

and silver eased 1.39% to $57.66, both giving back a slice of the war-premium bid even as gold's real-yield model (2.43% real 10Y) puts fair value near $3, 533, leaving spot roughly $500 rich. Copper slipped 0.31% and natgas fell 1.08%, both drifting rather than reacting to a specific headline.

VOLATILITY

VIX barely moved (+0.05% to 18.68, 56th percentile over five years) but VIX3M jumped 5.33% to 20.54, a term-structure move that says the vol market is pricing Wednesday's Fed decision and the earnings gauntlet (Amazon, Meta, Microsoft all report this week) rather than today's price action. MOVE rose 3.99% to 70.88, still just the 14th percentile of its five-year range, so rate vol remains historically contained even as the realized-to-implied gap (volRiskPremium 8.5) shows the options market paying up for event risk it hasn't seen yet.

01 Chips keep falling even as oil and yields hand them a gift

This is the session's most important divergence. Brent is down, the 10Y is down, and by the old playbook that should have been unambiguously bullish for the longest-duration, highest-multiple part of the market. Instead Nasdaq 100 futures fell for a second straight day, XLK dropped 0.9% and cost the S&P 29bp of index performance on its own, and Micron, Marvell and AMD led the chip complex lower again per CNBC's Morning Squawk. Global Macro Method's morning chat note called this out directly: 'Lower oil can repair the discount rate. It cannot repair every capital-allocation decision.' The read-through is that the market has stopped debating whether AI capex continues and started debating who captures the return, GMM notes SK Hynix has lost almost half its value since its June peak, hit alongside Samsung on reports of Chinese progress in lithography and added memory capacity that undermine the assumption that current supply bottlenecks are permanent and durable.

> **FLOWS & POSITIONING INFERENCE**
>
> *The rotation looks like de-risking dressed up as diversification. GMM frames it as two competing stories: a benign broadening (the equal-weight S&P hit a record Monday) versus a less benign one where investors keep equity exposure but cut sensitivity to the hardest-to-defend narrative. Capital is visibly moving into real estate, healthcare, staples and equal-weight rather than chasing the dip in semis, and Mike Wilson's Morgan Stanley note this week reinforces the same signal from a different angle: he now expects semis to underperform hyperscalers from here because semis are 'a classic early-cycle group' that has already seen peak earnings-revision momentum, while hyperscalers carry higher quality and an AI-driven efficiency story markets haven't finished pricing.*

XLK VERSUS FALLING YIELDS, THE DISCOUNT-RATE RELIEF THAT HASN'T REACHED CHIPS

1W · Jul 20 → Jul 27

SOURCES: GLOBAL MACRO METHOD · CNBC · MORGAN STANLEY THOUGHTS ON THE MARKET

02 Oil pause holds a third night, but Hormuz traffic hasn't normalized

Brent's 2.03% drop to $86.57 extends Monday's biggest one-day decline in three months, and the driver is straightforward: the US and Iran have avoided striking one another for three consecutive nights, and Trump described 'good talks' with Iran on Monday per CNBC. But Global Macro Method's Monday chat note pushed back hard on reading this as resolution: 'The market is pricing a ceasefire before the physical oil market has one... traffic through the Strait of Hormuz remains negligible, Tehran is still turning vessels around and the US blockade of Iranian ports remains in place.' The distinction matters because breakevens are doing the work in rates right now, 5Y breakevens fell 6bp and 10Y fell 5bp Tuesday, while real yields barely moved, exactly consistent with a market pricing a lower energy-inflation impulse rather than a genuine growth improvement.

> **FLOWS & POSITIONING INFERENCE**
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> *GMM is explicitly watching physical indicators over diplomatic language now: a real recovery in vessel traffic through Hormuz would matter more than another quiet night. Until that shows up, positioning looks like a tactical unwind of the geopolitical hedge (short-dated oil length, gold, and vol) rather than a structural repricing, which is why gold's 1% pullback to $4, 033 reads as premium coming out rather than a fundamental re-rating; the metal is still roughly $500 rich to its real-yield model at $3, 533.*

BRENT CRUDE, THIRD QUIET NIGHT PULLS THE WAR PREMIUM LOWER *1W · Jul 20 → Jul 28*

SOURCES: GLOBAL MACRO METHOD · CNBC

03 Warsh's Fed walks into Wednesday with a one-in-three hike still priced

CME FedWatch has the market assigning close to a 40% probability (CNBC) to 56% (per the Treasury-yields piece) chance of a hike Wednesday depending on the source, itself a sign of how unusually contested this meeting is for a supposed hold. Global Macro Method's dedicated Fed note argues the framing of hold-versus-hike misses the point: the market has already decided policy is moving higher, with roughly 50bp of tightening priced into the funds strip by next spring, the real question is timing. The note flags that the improvement in headline CPI was driven by a 5.7% fall in energy prices, leaving Warsh 'exposed if the latest Middle East-driven oil shock persists, ' and highlights that real yields, not breakevens, have done almost all the work in the recent selloff: 10Y nominal yields rose 24.2bp over 21 sessions, of which 25.2bp came from real yields. CNBC's own read on Warsh notes he 'doesn't seem to buy the arguments for hikes' and has cited 'particular price shocks... we don't have control over' in July 15 Senate testimony, while Dallas Fed's Lorie Logan has been the most explicit hawkish dissenter, saying rates should be 'modestly higher.'

> **FLOWS & POSITIONING INFERENCE**
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> *Trump weighed in Monday from Air Force One, calling Warsh 'fantastic' while accusing other Fed governors of 'bad intentions' for resisting cuts, a reminder that the political overlay on this Fed remains unusually loud. Rates positioning looks two-sided into the meeting: the front end has rallied on the oil-breakeven story even as real yields hold near cycle highs, which is the market's way of saying it believes disinflation from lower energy but isn't willing to price the Fed away from a hawkish reaction function.*

UST 2Y, REAL YIELDS NEAR CYCLE HIGHS INTO WEDNESDAY'S FOMC *1M · Jun 22 → Jul 24*

SOURCES: GLOBAL MACRO METHOD · CNBC

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04 Quality rotation: Mike Wilson says the early-cycle trade is over

Morgan Stanley's Mike Wilson used this week's Thoughts on the Market to formally call an end to the 'early-cycle beta' phase of the rolling recovery and a shift toward quality, free cash flow, balance-sheet strength and earnings stability. His framing lines up neatly with Tuesday's sector tape: staples (+1.46%), discretionary (+1.31%) and financials (+1.01%) led while tech (-0.9%) and utilities (-1.32%) lagged. Wilson's own numbers back the call, high-quality cohorts of the S&P now trade at roughly 42% of the index against 28% for low quality, and about 25% of S&P 500 companies cited measurable AI benefits in Q2, up from 14% a year ago. His line: 'the market is not abandoning the recovery, it is becoming more selective about the best way to own it, ' with 7000 on the S&P flagged as the support level that matters if the war or a Fed surprise reintroduces volatility.

> **FLOWS & POSITIONING INFERENCE**
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> *This dovetails with GMM's read on the chip selloff: capital moving into staples, healthcare and equal-weight looks like de-risking beneath a stable headline index rather than pure diversification. Wilson himself frames the two variables he is watching as rates and oil, both of which eased Tuesday, yet chips still didn't bounce, which supports his own thesis that hyperscalers, not semis, are now the higher-quality way to stay long AI.*

XLP VERSUS XLK, QUALITY ROTATION TAKING HOLD UNDER A FLAT INDEX

1M · Jun 22 → Jul 27

SOURCES: MORGAN STANLEY THOUGHTS ON THE MARKET · GLOBAL MACRO METHOD

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05 Gold rich to real yields even after the pullback

Gold fell 1.01% to $4, 033 and silver eased 1.39% to $57.66 as the geopolitical hedge unwound alongside oil. But the pullback barely dents the valuation gap: with the real 10Y yield at 2.43%, the model fair value for gold sits near $3, 533, leaving spot roughly $500, or about 15%, rich. CNBC flagged the same tension via Morgan Stanley's commodities desk, reporting investors 'questioning gold's role in portfolios' with another metal now favored to outperform. The setup is consistent with GMM's broader point about breakevens: as long as the Hormuz risk premium keeps compressing and real yields hold near cycle highs into the Fed, gold has more room to give back than to extend.

> **FLOWS & POSITIONING INFERENCE**
>
> *The valuation gap has narrowed only slightly from wider extremes earlier in the year (the model residual has ranged from roughly -1200 to +1700 over the past two years),*

> *so gold is coming off a rich level rather than a cheap one. That argues against reflexively buying this dip; a real catalyst, either a hawkish Fed surprise that pushes real yields higher, or a genuine Hormuz escalation, would be needed to justify chasing gold back toward $4, 300 territory.*

GOLD VERSUS REAL-YIELD FAIR VALUE, STILL ROUGHLY $500 RICH *3M · Apr 20 → Jul 28*

SOURCES: CNBC · MORGAN STANLEY THOUGHTS ON THE MARKET · GLOBAL MACRO METHOD

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06 Nikkei's near-4% drop is a semiconductor story, not a Japan story

N225 fell 3.95%, by far the largest single-asset move of the session, while USDJPY only edged up 0.16% to 163.87, confirming this was not a yen or BoJ event but a direct read-through from the SK Hynix and Samsung selloff GMM described. The Nikkei's heavy semiconductor and semiconductor-equipment weighting means it absorbs the Micron/Marvell/AMD-style weakness that only partially showed up in NDX (-0.32%). HSI, less exposed to the same names, held a small 0.41% gain, underscoring that this is a stock-specific and supply-chain-specific rotation rather than a broad Asia risk-off move.

> **FLOWS & POSITIONING INFERENCE**
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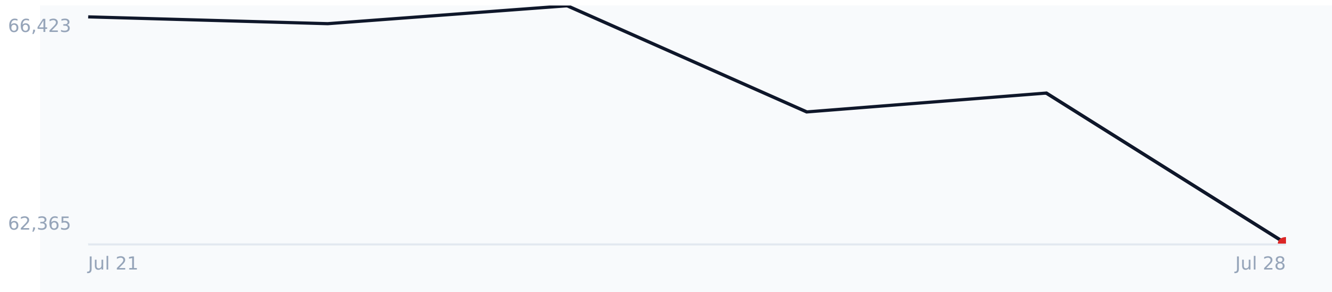
> *With JPY barely moving on a 4% equity drawdown, carry positioning looks intact for now; the currency is trading off the global duration complex (US real yields, Fed pricing) rather than domestic equity risk. That decoupling is worth watching into the BoJ's next meeting and any follow-through Chinese lithography headlines.*

NIKKEI 225, THE SEMICONDUCTOR SUPPLY-CHAIN SCARE HITS JAPAN HARDEST *1W · Jul 21 → Jul 28*



SOURCES: GLOBAL MACRO METHOD · CNBC

CENTRAL BANK SPEECHES & QUOTES

RBA 1D

Michele Bullock, Governor

RBA Governor Bullock speech · Jul 28

Bullock's remarks land a day before Australia's Q2 CPI print and just after a sharp rise in local petrol and diesel prices tied to the broader oil shock. Global Macro Method's Monday note flagged the relevant context directly: the RBA has already emphasised that fuel prices can move household inflation expectations by more than their direct weight in the CPI basket implies, because pump prices are the most visible and most frequently observed price in the economy. That makes this a speech about managing expectations around a transitory energy shock rather than about the cash rate path itself, with AUDUSD easing 0.31% into the remarks as traders positioned for a headline-sensitive CPI print on Wednesday.

EQUITY INDICES

S&P 500

+0.02%

7,413 · 1W -0.40%

5Y TREND

Flat at 7413 (+0.02%) as tech weakness offset gains in staples, discretionary and financials; index-level calm masks a sharp internal rotation.

Nasdaq 100

-0.32%

28,039 · 1W -1.98%

5Y TREND

-0.32% as Micron, Marvell and AMD extended a second straight day of chip weakness even as yields fell, the clearest sign the AI-hardware selloff has become idiosyncratic rather than macro-driven.

Dow Jones Industrial Average

+0.51%

52,210 · 1W +0.72%

5Y TREND

+0.51%, outperforming on Boeing, JetBlue and UPS earnings kicking off transport-sector reporting and a Coca-Cola beat-and-raise (shares +3%) on resilient demand.

DOW JONES INDUSTRIAL AVERAGE · 1-MONTH *1M · Jun 22 → Jul 27*

Russell 2000

+0.62%

2,948 · 1W +0.19%

5Y TREND

+0.62%, small caps catching a modest bid from lower yields and tight HY spreads (279bp, 38bp inside the 3-year average).

RUSSELL 2000 · 1-MONTH *1M · Jun 22 → Jul 27*

CBOE Volatility Index (VIX)

+0.05%

18.68 · 1W +9.56%

5Y TREND

Essentially flat (+0.05% to 18.68, 56th percentile 5Y) even as VIX3M jumped 5.33%, term structure pricing Wednesday's Fed and this week's hyperscaler earnings rather than today's tape.

CBOE VOLATILITY INDEX (VIX) · 1-MONTH

1M · Jun 23 → Jul 28

ICE BofA MOVE Index (rate vol)

+3.99%

70.88 · 1W +1.91%

5Y TREND

+3.99% to 70.88 but still just the 14th percentile of its five-year range, rate vol elevated into the FOMC but historically contained.

ICE BOFA MOVE INDEX (RATE VOL) · 1-MONTH

1M · Jun 12 → Jul 17

CBOE 3-Month Volatility Index

+5.33%

20.54 · 1W +10.61%

5Y TREND

+5.33% to 20.54, the clearest vol signal of the day, front-loading event risk from the Fed decision and Amazon/Meta/Microsoft earnings this week.

Euro Stoxx 50

-0.27%

6,265 · 1W -0.33%

5Y TREND

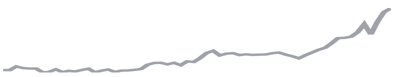
-0.27%, drifting with the broader European tape and no standout local catalyst.

Nikkei 225

-3.95%

62,365 · 1W -5.84%

5Y TREND



-3.95%, the session's biggest single move, driven by SK Hynix and Samsung weakness on reports of Chinese progress in lithography and memory capacity that undercut the scarcity premium in the AI supply chain.

Hang Seng

+0.41%

25,311 · 1W +0.71%

5Y TREND

+0.41%, comparatively insulated from the semiconductor scare given a lighter chip weighting than the Nikkei.

S&P 500 SECTORS

Consumer Staples (XLP) **+1.46%**

85.36 · 1W +0.59% 5Y 

+1.46%, the session's leader, squarely in line with Mike Wilson's call for a rotation toward quality, cash-flow-stable names.

CONTRIBUTION: +0.08PP

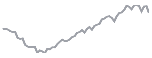
Consumer Discretionary (XLY) **+1.31%**

110.84 · 1W -3.29% 5Y 

+1.31%, benefiting from the quality/consumer rotation and a strong Coca-Cola print lifting sentiment on consumer names broadly.

CONTRIBUTION: +0.138PP

Communication Services (XLC) **+1.28%**

107.66 · 1W -2.83% 5Y 

+1.28%, riding the same quality rotation as staples and discretionary.

CONTRIBUTION: +0.122PP

Financials (XLF) **+1.01%**

56.88 · 1W +1.50% 5Y 

+1.01%, benefiting from the same quality rotation plus a curve that isn't flattening enough to hurt NIM expectations.

CONTRIBUTION: +0.131PP

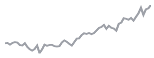
Health Care (XLV) **+0.51%**

163.4 · 1W +2.61% 5Y 

+0.51%, modest participation in the defensive-quality bid.

CONTRIBUTION: +0.054PP

Industrials (XLI) **+0.30%**

183.2 · 1W +2.85% 5Y 

+0.3%, modest gain as Boeing, UPS and JetBlue kick off a heavy transport earnings slate.

CONTRIBUTION: +0.026PP

Materials (XLB) **+0.25%**

51.39 · 1W +2.72% 5Y 

+0.25%, broadly flat with no distinct catalyst.

CONTRIBUTION: +0.005PP

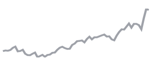
Real Estate (XLRE) **-0.41%**

45.76 · 1W +1.17% 5Y 

-0.41%, a mild laggard despite lower yields, likely funding the rotation into more defensive quality names.

CONTRIBUTION: -0.009PP

Technology (XLK) **-0.90%**

174.3 · 1W -0.80% 5Y 

Utilities (XLU) **-1.32%**

45.68 · 1W +1.65% 5Y 

-0.9%, the single largest drag on SPX (-29bp contribution) as chip names sell off despite falling yields, GMM's 'discount rate can't fix capital allocation' read.

CONTRIBUTION: -0.288PP

-1.32%, the session's weakest sector with no clear rate-driven explanation, likely funding source for the staples/discretionary rotation.

CONTRIBUTION: -0.033PP

Energy (XLE) **-2.11%**

58.36 · 1W +0.72%

5Y 

-2.11%, direct read-through from Brent's 2.03% drop as the Iran pause holds a third night.

CONTRIBUTION: -0.068PP

Tuesday's sector tape was a clean quality-over-growth rotation rather than a risk-on or risk-off session. Staples (+1.46%), Discretionary (+1.31%), Communication Services (+1.28%) and Financials (+1.01%) led, while Technology (-0.9%) was the single biggest drag given its 32% index weight (contributing -29bp to SPX on its own per the sector-contribution model), and Utilities (-1.32%) lagged with no clear rate catalyst behind the move. Energy fell 2.11% in lockstep with Brent's 2% drop, while Real Estate eased 0.41% and Materials, Industrials and Health Care all posted modest gains. Sector breadth remains constructive under the surface, 73% of sectors trade above their 50-day average and 82% above their 200-day, so this reads as rotation within an intact uptrend rather than the start of a broader risk-off. The mix, staples and discretionary up, tech and utilities down, matches Mike Wilson's quality-rotation call almost exactly: investors are staying long the recovery but shifting the vehicle away from the most crowded, most expensive AI-adjacent names.

RATES & VOLATILITY

UST 2Y (%) **4.33%** (-4bp 1D · +15bp 1W)

-4bp, per CNBC around 4.31%. Front end rallies on falling breakevens (5Y breakevens -6bp) as oil drops, even as GMM notes the front-end rally is a breakeven story, not a real-yield story, real yields have risen 28.5bp over the past 21 sessions even as inflation compensation fell.

UST 10Y (%) **4.69%** (-2bp 1D · +14bp 1W)

-2bp to roughly 4.63% (CNBC). Nominal yields ease on the oil-driven breakeven decline (10Y breakeven -5bp) while real yields (DFII10) were unchanged, confirming the rally is about the energy-inflation channel, not a growth or Fed-pivot signal.

FX & COMMODITIES

US Dollar Index (DXY) **101.56** (+0.09% 1D · +0.56% 1W)

+0.09% to 101.56, essentially unchanged, most of the FX action was in individual crosses (GBP, AUD) rather than broad dollar direction.

EUR/USD **1.1369** (-0.23% 1D · -0.43% 1W)

-0.23% to 1.1369, drifting lower with no major EU catalyst; ECB speakers from last week (Lane, Kocher, Nagel) remain the dominant recent signal.

USD/JPY **163.87** (+0.16% 1D · +0.85% 1W)

+0.16% to 163.87, barely moved despite the Nikkei's near-4% drop, confirming the equity selloff was chip-specific rather than a broad Japan risk event.

GBP/USD **1.3294** (-0.43% 1D · -1.02% 1W)

-0.43% to 1.3294, the day's largest G10 FX mover, likely profit-taking after recent strength with no fresh UK catalyst.

UST 30Y (%) **5.16%** (-1bp 1D · +10bp 1W)

-1bp to roughly 5.12% (CNBC), the long end barely participating, consistent with a front-loaded breakeven move rather than a broad duration bid.

2s10s Spread (%) **0.34%** (-2bp 1D · -5bp 1W)

+34bp level, -2bp on the day. The curve model's 20-day trend is actually bear-steepening (+3bp over 20 sessions) even as today's session flattened marginally, a reminder that the daily wiggle and the trend are telling different stories into the Fed.

10Y TIPS Real Yield (%) **2.43%** (+0bp 1D · +12bp 1W)

Unchanged on the day. Real yields holding near cycle highs into

USD/CHF **0.8198** (+0.43% 1D · +1.21% 1W)

+0.43% to 0.8198, modest franc softness consistent with the broader reduction in safe-haven demand as the Iran pause holds.

USD/CAD **1.4111** (+0.17% 1D · +0.28% 1W)

+0.17% to 1.4111, tracking the pullback in oil which weighs on the loonie's terms of trade.

AUD/USD **0.6973** (-0.31% 1D · -0.40% 1W)

-0.31% to 0.6973, easing into Governor Bullock's remarks and Wednesday's Q2 CPI print, with elevated fuel prices a live input to RBA thinking.

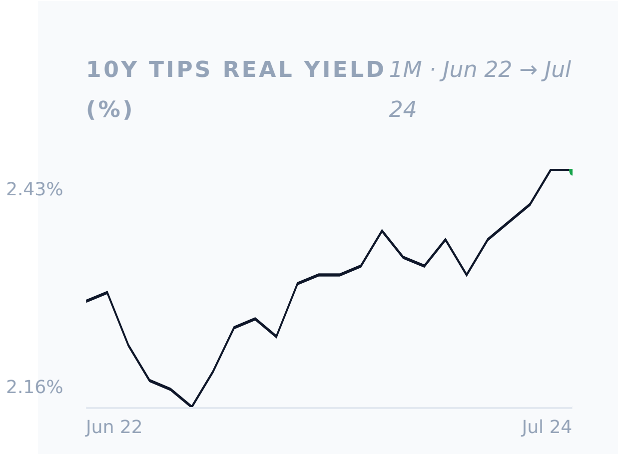
USD/CNY **6.7595** (-0.18% 1D · -0.19% 1W)

-0.18% to 6.7595, modest yuan firmness, unremarkable move.

USD/MXN **17.46** (+0.14% 1D · +0.27% 1W)

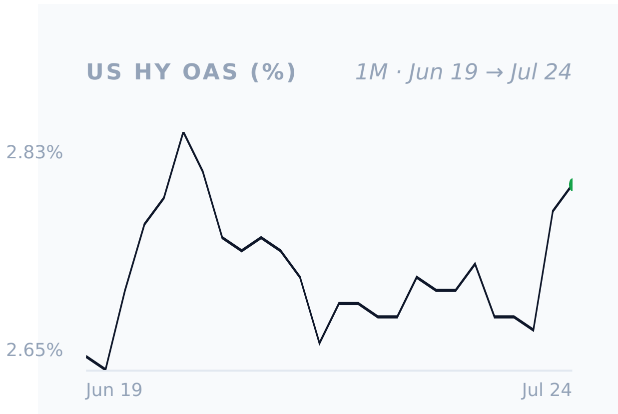
+0.14% to 17.4628, tracking the broader commodity-FX softness alongside oil's pullback.

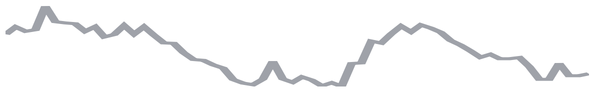
Wednesday's FOMC is the clearest sign the market isn't willing to price a dovish outcome even as nominal yields ease on oil.



US HY OAS (%) **2.79%** (+2bp 1D · +6bp 1W)

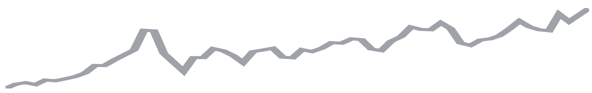
+2bp to 279bp, still 38bp tight to its trailing 3-year average of 317bp. Credit entirely unbothered by the equity sector dispersion, consistent with a rotation story rather than a risk-off one.





USD/KRW **1,459** (+0.05% 1D · -1.11% 1W)

+0.05% to 1458.7, essentially flat despite SK Hynix's sharp equity losses, FX not yet reflecting the chip-sector stress.



WTI Crude **81.29** (-1.60% 1D · -4.26% 1W)

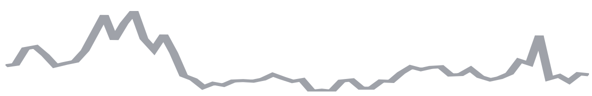
-1.6% to $81.29, extending Monday's biggest one-day drop in three months as the US-Iran pause holds a third night.

Brent Crude **86.57** (-2.03% 1D · -4.88% 1W)

-2.03% to $86.57, GMM's Hormuz vessel-traffic caveat means this looks like probability-of-catastrophe repricing rather than a physical-market normalization.

Natural Gas (Henry Hub) **2.737** (-1.08% 1D · -4.47% 1W)

-1.08% to $2.737, drifting with the broader energy complex rather than reacting to a specific storage or demand catalyst.



Gold 4,033 (-1.01% 1D · -0.93% 1W)

-1.01% to $4, 033, geopolitical hedge unwinding with oil even though the metal remains roughly $500 rich to its real-yield fair value near $3, 533.

Silver 57.66 (-1.39% 1D · -2.00% 1W)

-1.39% to $57.66, moving with gold on the same risk-premium unwind.

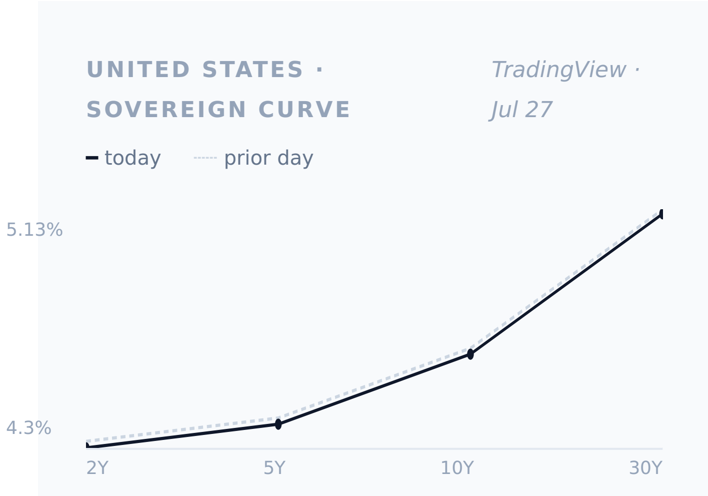
Copper 6.3195 (-0.31% 1D · -2.94% 1W)

-0.31% to $6.3195, modest drift, no standout catalyst.

Bitcoin 63,439 (-0.45% 1D · -2.47% 1W)

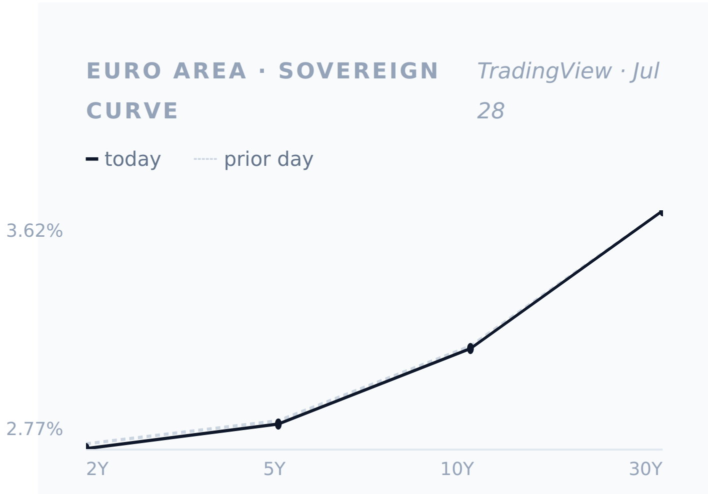
-0.45% to $63, 439, tracking the broader risk-asset softness in tech-adjacent names rather than an idiosyncratic crypto catalyst.

GLOBAL YIELD CURVES — 1-DAY SHIFT



United States UST YIELDS (TRADINGVIEW, REAL-TIME)

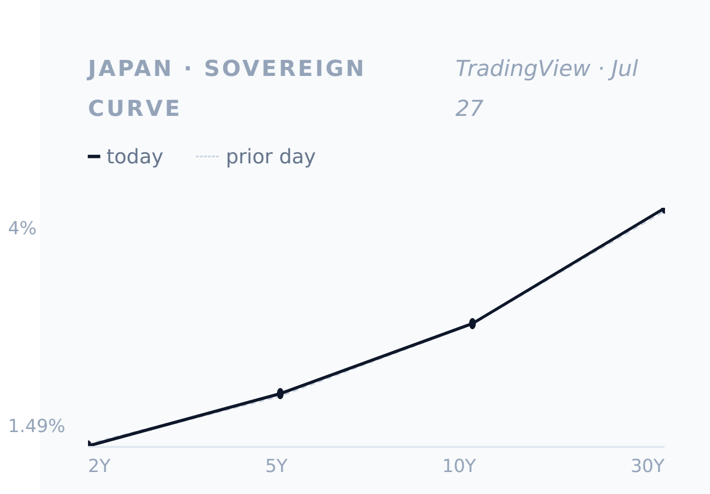
2Y	**4.297%** (-2.3bp)
5Y	**4.38%** (-2.2bp)
10Y	**4.626%** (-2.1bp)
30Y	**5.119%** (-1.5bp)



Euro area BUND (EUR RISK-FREE PROXY)

2Y	**2.766%** (-1.7bp)
5Y	**2.854%** (-1.2bp)
10Y	**3.125%** (-0.9bp)
30Y	**3.619%** (+0bp)

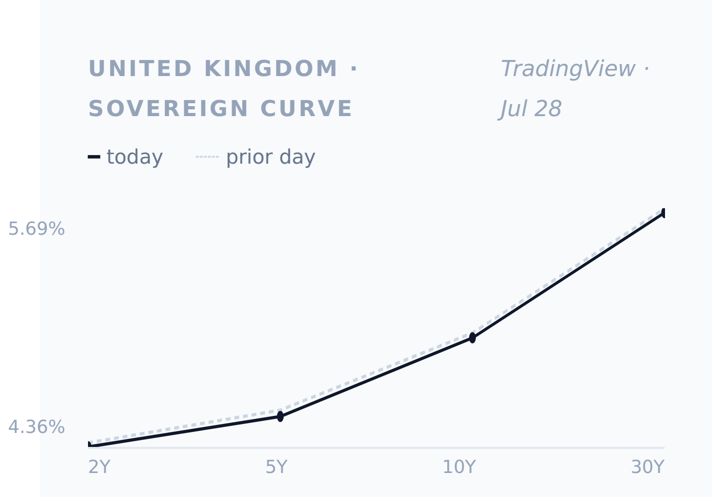
Bund curve twist-flattened modestly: 2Y -1.7bp, 5Y -1.2bp, 10Y -0.9bp, 30Y flat. The move is small and largely tracks the global duration bid from falling oil rather than a fresh eurozone catalyst; last week's firmer IFO survey (86.6 vs 86.1 expected) provides some offsetting resilience at the front end.



Japan JGB YIELDS

2Y	**1.489%** (-1.3bp)
5Y	**2.041%** (+2bp)
10Y	**2.779%** (-0.3bp)
30Y	**3.997%** (+2.4bp)

JGBs mixed: 2Y -1.3bp and 10Y -0.3bp, but 5Y +2bp and 30Y +2.4bp, a modest bear-steepening at the belly and long end that sits awkwardly against the Nikkei's near-4% equity drawdown, again pointing to the selloff being sector-specific (semiconductors) rather than a broad Japan growth or policy repricing.

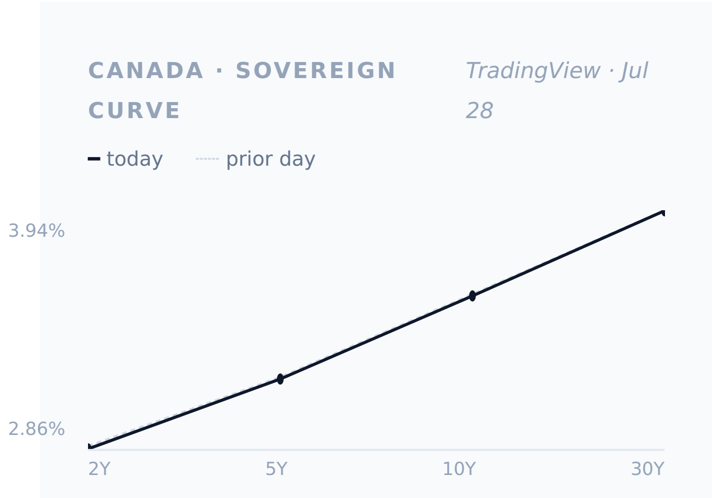


United Kingdom

GILT YIELDS

2Y	**4.36%** (-2.2bp)
5Y	**4.53%** (-3.5bp)
10Y	**4.97%** (-2.7bp)
30Y	**5.67%** (-2.3bp)

Gilts rallied across the curve, 2Y -2.2bp, 5Y -3.5bp, 10Y -2.7bp, 30Y -2.3bp, broadly tracking the global oil-driven duration bid. The move comes ahead of this week's Bank of England decision, with GMM's base case for a hold at 3.75% resting on softer inflation and a loosening labour market, though the energy shock keeps further hikes in play if crude reverses higher.



Canada

GOC BENCHMARK YIELDS

2Y	**2.859%** (-1bp)
5Y	**3.175%** (-0.7bp)
10Y	**3.551%** (-0.6bp)
30Y	**3.936%** (-0.1bp)

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

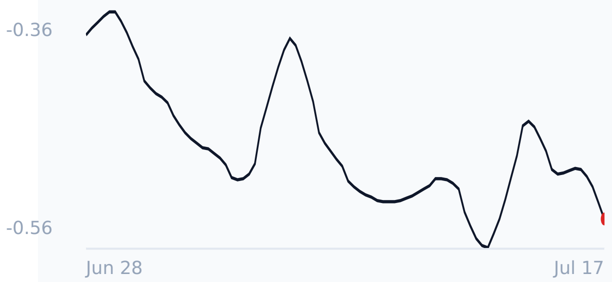
CROSS-ASSET DIRECTIONAL SKEW · 5-DAY LEAN

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

FINANCIAL CONDITIONS (NFCI)

2Y · Jun 28 → Jul 17

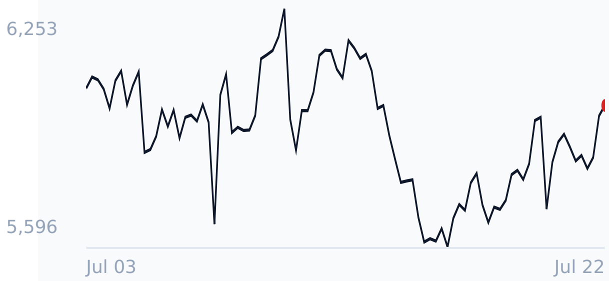
-0.55 · looser than avg · 10th %ile · >0 = tighter



NET FED LIQUIDITY (WALCL − RRP − TGA)

2Y · Jul 03 → Jul 22

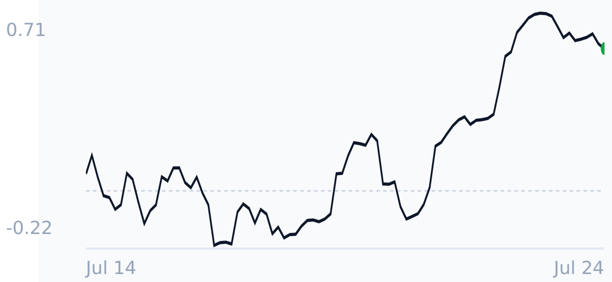
$5.92tn · +105bn / 4w



STOCK-BOND CORRELATION (60D)

1Y · Jul 14 → Jul 24

0.57 · positive · inflation regime



YIELD CURVE · 2S10S SPREAD

1Y · Jul 17 → Jul 27

Bear steepening · 0.34 · +3bp/20d

SECTOR BREADTH · % > 50D MA

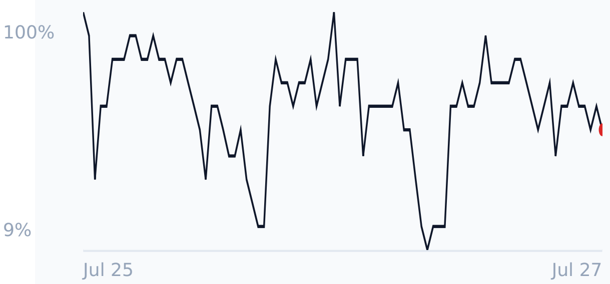
1Y · Jul 25 → Jul 27

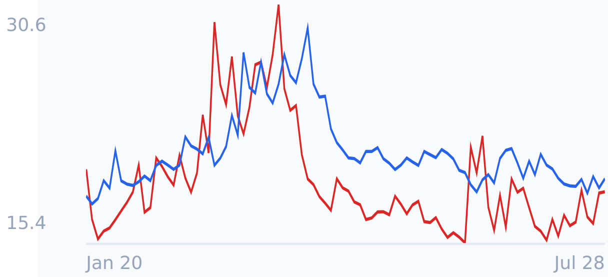
73% > 50d · 82% > 200d

EQUITY VOL · VIX VS VIX3M (TERM STRUCTURE)

6M · Jan 20 → Jul 28

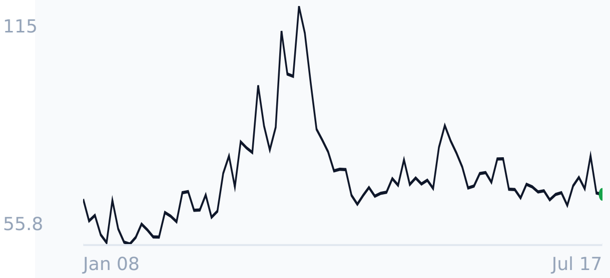
● VIX ● VIX3M





RATE VOL · MOVE INDEX *6M · Jan 08 → Jul 17*

MOVE 71 · 14th %ile · VIX term 0.91 (contango)



CREDIT WRAP

HY OAS **279bp** (-38 vs avg)

IG OAS **80bp** (-12 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 **+$534/oz** versus the level implied by the 10Y real yield (2.43%). Spot $4068 vs model-fair $3533.

PAST 24H RELEASES

EMU · IFO – Business Climate **86.6** / 86.1 exp · 85.6 prev

German business climate rose to 86.6 in July, beating the 86.1 forecast and up from 85.6 prior, the third straight month of improving expectations even as the current-assessment component softened slightly (86.5 vs 87 prior). GMM frames this as resilience rather than a boom, but enough to keep the ECB from

CALENDAR · WEEK AHEAD

DAY AHEAD

TUE, JUL 28, 2026

● US Housing Price Index (MoM) · cons 0.2 / prev -0.1 — 09:00 AM ET / 09:00 PM SGT *treating any energy-driven inflation as a pure demand problem that resolves itself.*

EMU · IFO – Current Assessment **86.5** / · exp · 87 prev

EMU · IFO – Expectations **86.7** / · exp · 84.1 prev

US · Durable Goods Orders **0.3** / 1.6 exp · -4.5 prev

Headline durable goods rose just 0.3% in June, well short of the 1.6% forecast and a sharp deceleration from May's revised -4.5%. Ex-transport orders also missed, up 0.6% versus 0.9% expected. The soft headline sits awkwardly against GMM's broader 'growth holds on' framing from its weekly note, and reinforces why the Fed has some cover to stay on hold Wednesday even with inflation risk still elevated.

US · Durable Goods Orders ex Defense **0.3** / · exp · -4.6 prev

US · Durable Goods Orders ex Transportation **0.6** / 0.9 exp · 1.3 prev

US · Nondefense Capital Goods Orders ex Aircraft **0.9** / · exp · 1.6 prev

A closer proxy for business investment rose 0.9% in June, a decent core-capex signal that partially offsets the soft headline durable goods print and supports the case that underlying investment demand, likely AI-capex-adjacent, remains intact even as chip-sector equities sell off.

US · ADP Employment Change 4-week average **15** / · exp · 16.5 prev

The four-week average slowed to 15, 000 from 16, 500 prior, consistent with the broader picture of a cooling but not collapsing labour market. This keeps the Fed's dual mandate roughly balanced heading into Wednesday: soft enough to justify a hold, not soft enough to justify a cut.

- ● US Consumer Confidence — 10:00 AM ET / 10:00 PM SGT
- ● AU Consumer Price Index (MoM) · cons 0.2 / prev -0.7 — 09:30 PM ET / 09:30 AM SGT
- ● AU Consumer Price Index (YoY) · cons 4 / prev 4 — 09:30 PM ET / 09:30 AM SGT
- ● AU Trimmed Mean CPI (MoM) · cons 0.4 / prev 0.4 — 09:30 PM ET / 09:30 AM SGT
- ● AU Trimmed Mean CPI (YoY) · prev 3.6 — 09:30 PM ET / 09:30 AM SGT

REST OF THE WEEK (HIGH IMPORTANCE)

WED, JUL 29, 2026

- ● US Fed Interest Rate Decision · cons 3.75 / prev 3.75 — 02:00 PM ET / 02:00 AM SGT
- ● US Fed Monetary Policy Statement — 02:00 PM ET / 02:00 AM SGT
- ● US FOMC Press Conference — 02:30 PM ET / 02:30 AM SGT

THU, JUL 30, 2026

- ● EMU Gross Domestic Product (QoQ) · cons 0.1 / prev 0.3 — 04:00 AM ET / 04:00 PM SGT
- ● EMU Gross Domestic Product (YoY) · cons 0.6 / prev 0.4 — 04:00 AM ET / 04:00 PM SGT
- ● EMU Gross Domestic Product s.a. (QoQ) · cons 0.2 / prev -0.2 — 05:00 AM ET / 05:00 PM SGT
- ● EMU Gross Domestic Product s.a. (YoY) · cons 0.5 / prev 0.3 — 05:00 AM ET / 05:00 PM SGT

- UK BoE Interest Rate Decision · cons 3.75 / prev 3.75 — 07:00 AM ET / 07:00 PM SGT
- UK BoE Minutes — 07:00 AM ET / 07:00 PM SGT
- UK BoE Monetary Policy Report — 07:00 AM ET / 07:00 PM SGT
- UK BoE Monetary Policy Summary — 07:00 AM ET / 07:00 PM SGT
- UK BoE MPC Vote Rate Cut · cons 0 / prev 0 — 07:00 AM ET / 07:00 PM SGT
- UK BoE MPC Vote Rate Hike · cons 2 / prev 2 — 07:00 AM ET / 07:00 PM SGT
- UK BoE MPC Vote Rate Unchanged · cons 7 / prev 7 — 07:00 AM ET / 07:00 PM SGT
- UK BoE's Governor Bailey speech — 07:30 AM ET / 07:30 PM SGT
- EMU Consumer Price Index (MoM) · cons 0.7 / prev -0.3 — 08:00 AM ET / 08:00 PM SGT
- EMU Consumer Price Index (YoY) · cons 2.7 / prev 2.3 — 08:00 AM ET / 08:00 PM SGT
- EMU Harmonized Index of Consumer Prices (YoY) · cons 2.8 / prev 2.4 — 08:00 AM ET / 08:00 PM SGT
- US Core Personal Consumption Expenditures - Price Index (MoM) · cons 0.2 / prev 0.3 — 08:30 AM ET / 08:30 PM SGT

- ● US Core Personal Consumption Expenditures - Price Index (YoY) · cons 3.3 / prev 3.4 — 08:30 AM ET / 08:30 PM SGT
- ● US Gross Domestic Product Annualized · cons 2.1 / prev 2.1 — 08:30 AM ET / 08:30 PM SGT
- ● US Gross Domestic Product Price Index · cons 3.6 / prev 3.6 — 08:30 AM ET / 08:30 PM SGT
- ● JP Tokyo Consumer Price Index (YoY) · prev 1.7 — 07:30 PM ET / 07:30 AM SGT
- ● JP Tokyo CPI ex Food, Energy (YoY) · prev 1.9 — 07:30 PM ET / 07:30 AM SGT
- ● CN NBS Manufacturing PMI · cons 50 / prev 50.3 — 09:30 PM ET / 09:30 AM SGT
- ● CN NBS Non-Manufacturing PMI · cons 50 / prev 50.2 — 09:30 PM ET / 09:30 AM SGT
- ● JP BoJ Interest Rate Decision · cons 1 / prev 1 — 11:00 PM ET / 11:00 AM SGT
- ● JP BoJ Monetary Policy Statement — 11:00 PM ET / 11:00 AM SGT

FRI, JUL 31, 2026

- ● JP BoJ Press Conference — 02:30 AM ET / 02:30 PM SGT
- ● EMU Core Harmonized Index of Consumer Prices (MoM) · prev 0.2 — 05:00 AM ET / 05:00 PM SGT

● EMU Core Harmonized Index of Consumer Prices (YoY) · cons 2.4 / prev 2.4	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 2.9 / prev 2.8	05:00 AM ET / 05:00 PM SGT

SUN, AUG 02, 2026

● CN RatingDog Manufacturing PMI · prev 51.7	09:45 PM ET / 09:45 AM SGT

MON, AUG 03, 2026

● EMU Retail Sales (YoY) · prev 1.8	02:00 AM ET / 02:00 PM SGT
● CH Consumer Price Index (YoY) · prev 0.5	02:30 AM ET / 02:30 PM SGT
● US ISM Manufacturing PMI · prev 53.3	10:00 AM ET / 10:00 PM SGT

COUNTDOWN TO KEY DATA

FOMC DECISION · US

T−1d

PCE · US

T−2d

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

CORE PCE · US

T−2d

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

BOJ DECISION · JP

T−2d

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

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

cons 3.75 · prev 3.75

cons 3.7 · prev 4.1

cons 3.3 · prev 3.4

cons 1 · prev 1

EUROZONE HICP · EMU

T−2d

Thu, Jul 30, 2026 · 03:00 AM ET / 03:00 PM SGT

cons 3.7 · prev 3.6

NONFARM PAYROLLS · US

T−10d

Fri, Aug 07, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 57

CPI · US

T−15d

Wed, Aug 12, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 3.5

CORE CPI · US

T−15d

Wed, Aug 12, 2026 · 08:30 AM ET / 08:30 PM SGT

prev 2.6

FOMC MINUTES · US

T−22d

Wed, Aug 19, 2026 · 02:00 PM ET / 02:00 AM SGT

ECB DECISION · EMU

T−44d

Thu, Sep 10, 2026 · 08:15 AM ET / 08:15 PM SGT

prev 2.4

CHINA GDP · CN

T−79d

Thu, Oct 15, 2026 · 10:00 PM ET / 10:00 AM SGT

prev 4.3
