ASAS CAPITAL
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JULY 10, 2026

WEEKLY UPDATE

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MUSINGS

"Everything has beauty, but not everyone sees it."

CONFUCIUS

LAST WEEK IN THE MARKETS

Name	Closing Level	Weekly Change	YTD Change
S&P 500	**7,575** ▲	1.23% ▲	**10.66%** ▲
Nasdaq Composite	**26,281.61** ▲	**1.74%** ▲	**13.08%** ▲
10Y UST Yield	**4.561** ▲	1.69% ▲	**9.56%** ▲
Crude oil	**71.5** ▲	**4.46%** ▲	**24.56%** ▲
Gold	4,120.67 ▼	-1.32% ▼	-4.57% ▼
DXY	100.96 ▲	0.09% ▲	2.73% ▲
USD/INR	**95.37** ▲	0.18% ▲	**6.16%** ▲
Bitcoin	**64,114** ▲	**2.55%** ▲	**-26.72%** ▼
Euro STOXX 50	**6,282.58** ▼	**-2.16%** ▼	**8.08%** ▲
India (Nifty)	**24,206.90** ▼	-0.26% ▼	**-7.36%** ▼
Japan (Nikkei)	**68,557.73** ▼	**-1.70%** ▼	**36.19%** ▲
China (CSI 300)	**4,780.78** ▼	**-1.27%** ▼	0.66% ▲
Saudi (TASI)	**10,808.43** ▼	-0.17% ▼	**3.03%** ▲
Abu Dhabi (ADX)	**9,936.00** ▲	**0.36%** ▲	-0.57% ▼
Dubai (DFM)	**6,042.55** ▼	**-0.27%** ▼	-0.08% ▼

NEWS FROM THE MARKETS

Last week was another reminder that geopolitics still sets the tone for global markets. Oil swung on Middle East headlines, gold shrugged its shoulders, bond yields crept higher, and US equities somehow found a way to grind out gains anyway - helped along by a blockbuster IPO and a very good week for Meta.

Oil: Hormuz keeps traders on edge

Crude had its most volatile week in a month. **Renewed US strikes on Iran and attacks on tankers near the Strait of Hormuz sent Brent from the low $70s to briefly above $80 before settling back near $75-76 by Friday, a weekly gain of around 5%. WTI followed a similar path, closing the week near $71-72, up roughly 4-5%.** The moves were driven almost entirely by fear of supply disruption rather than any actual change in output: OPEC+ continued raising production targets, and the UAE pumped crude at a record pace, but none of that mattered while tankers were sitting still in the Gulf. **Washington also revoked the waiver that had allowed Iran to sell oil under the earlier truce, adding another layer of uncertainty.** Reports late in the week that US-Iran talks would continue despite the flare-up helped prices ease off their highs. Though longer-term forecasts (Citigroup, among others) are still calling for Brent to drift toward $60-65 by year-end as shipping normalizes, that view took a back seat this week to headline risk.

Macro: A resilient economy, a more hawkish Fed

The bigger story under the surface was the bond market's reaction to all this. **Treasury yields climbed through the week** as oil-driven inflation fears combined with a genuinely hawkish set of June FOMC minutes, in which the Fed voted 12-0 to hold rates at 3.50%-3.75% and dropped language suggesting it was leaning toward easing. **The 10-year yield touched a seven-week high near 4.58% mid-week** before easing back to around 4.54-4.56% by Friday as oil retreated; the 2-year finished near 4.21%, keeping the curve modestly positively sloped. Markets are now pricing roughly a 60-65% chance of a Fed rate hike. On the data front, **June payrolls came in soft at 57,000 versus expectations of 113,000, but unemployment actually ticked down to 4.2%** and wage growth held steady at 3.5% year-on-year, so the labor market still reads as "cooling gently" rather than cracking. New York Fed President John Williams flagged AI-driven demand as a source of inflation pressure worth watching — an unusual but increasingly common talking point this year.

US equities: Chips wobble, Meta shines, breadth improves

US stocks squeezed out a positive week despite the crosswinds. Breadth improved noticeably: about 63% of S&P 500 stocks now trade above their 50-day moving average, up from 50% a month ago.

The standout story was Meta Platforms, which jumped nearly 6% on Friday alone and gained close to 15% for the week - its best weekly performance since early 2024, and a 22% run over the past ten trading days. The trigger was a Bank of America note, based on an internal memo reportedly reviewed by Reuters, suggesting Meta is engineering a much cheaper AI infrastructure cost structure than the Street had modelled, alongside plans for a custom AI chip and roughly 14 gigawatts of compute capacity by 2027.

Semiconductors were the week's most volatile corner of the market. **SK Hynix made its Nasdaq debut on Friday, pricing its ADRs at $149 and raising about $26.5 billion - the largest-ever US listing by a foreign company** – which closed ~ 13% higher. That enthusiasm spilled over to Nvidia (+4% on the week) and AMD, while Micron, Marvell, Broadcom and Intel were mixed to lower, and the Philadelphia Semiconductor Index (SOX) remains about 11% below its June peak even after recovering back above its 50-day average. **Financials and industrials also had a good week**: JPMorgan, Bank of America, and Mastercard all firmed ahead of big-bank earnings, while Caterpillar and Applied Materials advanced on stronger order sentiment.

US fixed income and credit: Yields up, spreads still tight

Rising oil and hawkish Fed minutes pushed yields higher across the curve, with the 10-year up to around 4.54-4.58% intraday highs before settling near 4.54-4.56% on Friday, and the 30-year holding just above 5%. Credit markets, by contrast, remained remarkably calm. High-yield spreads (ICE BofA OAS) sat around 265-270 basis points, still well below their 20-year average of roughly 490 basis points, while investment-grade spreads held near 80 basis points. That combination - higher rates, tight spreads - tells a fairly consistent story: the bond market is worried about inflation and Fed policy, not about corporate credit quality. **Heavy investment-grade issuance (2026 supply is tracking toward a record $2.25 trillion, up some 35% year-on-year) is the main risk to watch for spreads going into year-end**, but for now demand from insurers and yield-hungry buyers is comfortably absorbing it.

Gold: Caught between two fears

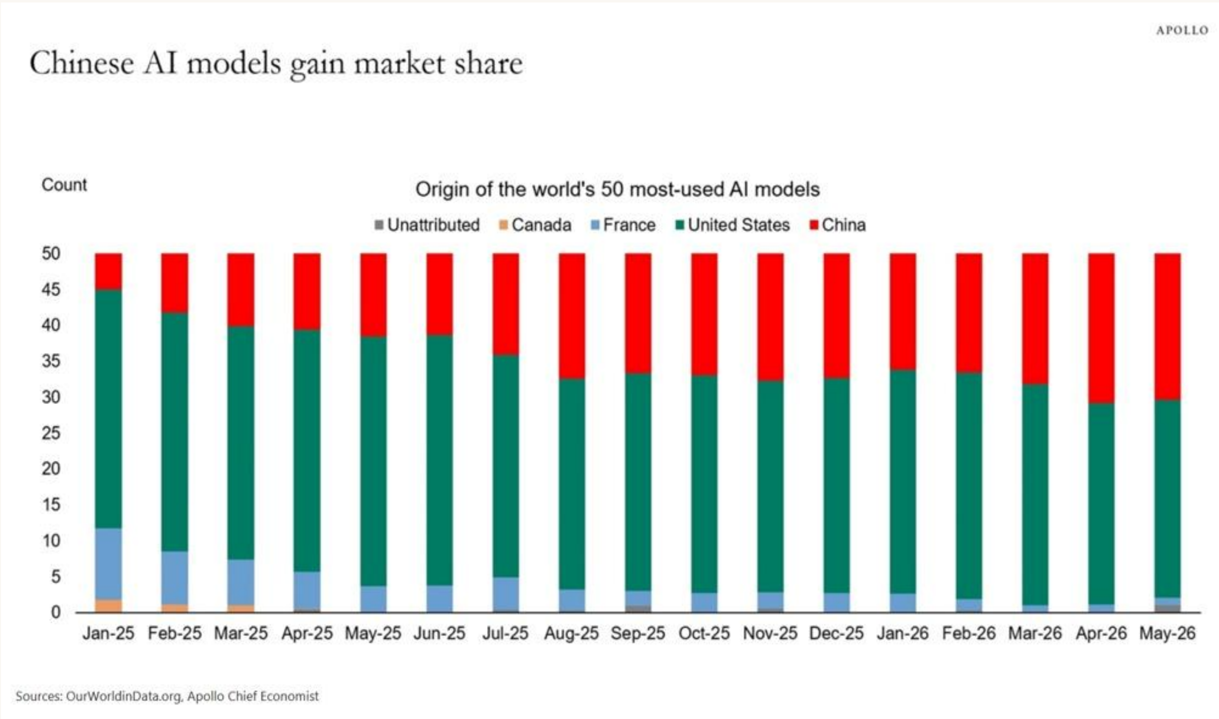
Gold had a genuinely two-sided week and ended up going nowhere fast. It opened near $4,155 an ounce, fell as low as roughly $4,100 mid-week as rising oil and hawkish Fed rhetoric argued for higher-for-longer rates, then found its footing again on dollar weakness to close Friday around $4,103-4,110 - down modestly on the week. Silver had a rougher ride, swinging between about $58.50 and $62 before settling near $59.75. **The tug-of-war was clear: geopolitical risk and China's central bank buying (its largest monthly reserve addition in over two and a half years) supported gold, while rising real yields and reduced odds of near-term rate cuts capped it.** Bank forecasts for gold remain broadly constructive for year-end, ranging from roughly $4,300 to $5,600, though a few houses (HSBC among them) trimmed their targets slightly this week.

What to watch this coming week

This is shaping up to be one of the busiest weeks of the quarter.
Second-quarter earnings season effectively kicks off next week, and expectations are high: **consensus calls for around 23% year-on-year S&P 500 earnings growth**, a seventh straight quarter of double-digit growth.
On July 14th US CPI - the week's single most important release – will be released the same day as Fed Chair Kevin Warsh testifies before Congress. **A hot print alongside hawkish commentary could push hike odds meaningfully higher.** Big US banks (JPMorgan, Bank of America, Goldman Sachs, Wells Fargo, Citigroup) also report earnings.
On July 16th, Taiwan Semiconductor and Netflix earnings, along with GE Aerospace, UnitedHealth and US Bancorp - an important read on both AI capex momentum and consumer health.
Of course, any developments around the Iran ceasefire and Strait of Hormuz shipping traffic will likely set the tone, given how sensitive both oil and rate expectations have been to headlines out of the region.
Given all this, we expect volatility to stay elevated.

July 13th	• India CPI Data (Jun) • Progressive, HCL Tech earnings
July 14th	• US CPI Data (Jun) • India WPI Data (Jun) • JPMorgan, Bank of America, Goldman Sachs, Citigroup, Wells Fargo earnings
July 15th	• China GDP Data (Q2) • US PPI Data (Jun) • J&J, Morgan Stanley, BlackRock, ASML Holding earnings
July 16th	• US Jobless Claims Data • TSMC, Netflix, UnitedHealth, GE Aerospace, ABB, Abbott, ProLogis, State Street earnings
July 17th	• Euro Area Inflation Data (Jun) • US Michigan Consumer Sentiment • India Foreign Exchange Reserves • Novartis, Reliance Industries earnings

CHART OF THE WEEK



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+971 43464700

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asascapital.com

EMAIL
inquiry@asascapital.com

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