SIB Standard Investment Bank | Mansa X Special Fund

13TH - 17TH JULY 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. equity markets ended the week lower as leadership shifted away from the technology sector following the previous week's rally. Within the S&P 500, technology and communication services were the weakest-performing sectors, reflecting renewed pressure on semiconductor and AI-related companies. Energy stocks bucked the broader trend, benefiting from higher oil prices amid escalating tensions between the U.S. and Iran. For the week, the Nasdaq Composite and S&P 500 shed 4.13% and 1.55% respectively while the Dow Jones Industrial Average experienced a comparatively smaller loss of 0.93%. Notably, second-quarter earnings season began with several major financial institutions, including JPMorgan Chase and Goldman Sachs, reporting results that exceeded expectations. Despite these encouraging earnings, selling pressure across semiconductor manufacturers, memory-chip producers, and AI infrastructure companies outweighed positive corporate news, including strong results from Taiwan Semiconductor Manufacturing and ASML. On the macro front, inflation data surprised to the downside, strengthening expectations that the Federal Reserve could delay additional interest rate increases. Consumer prices fell 0.4% in June, marking the steepest monthly decline since April 2020 and exceeding forecasts for a modest decline. On an annual basis, headline inflation eased to 3.5% from 4.2%, while core inflation slowed to 2.6% from 2.9%. Similarly, producer prices also weakened more than anticipated. The Producer Price Index declined 0.3% during June as lower energy prices pushed final demand goods prices lower. Following the inflation releases, markets significantly reduced expectations for a July Fed rate hike, with implied probabilities falling from around 40% before the reports to roughly 14% by week's end. Across the Atlantic, European equities finished an uneven week lower, with the STOXX Europe 600 Index down 0.70%. Investors balanced corporate earnings, renewed Middle East tensions, and higher oil prices while technology stocks weakened alongside their U.S. counterparts. Eurozone inflation slowed to 2.8% in June, its lowest level since the outbreak of the Iran conflict, although it remained above the European Central Bank's target. However, industrial production unexpectedly declined in May as weaker output of durable consumer and intermediate goods offset gains in several major economies, including Germany and Spain. In the United Kingdom, Andy Burnham formally assumed leadership of the Labour Party and prepared to become prime minister. The UK economy returned to modest monthly growth during May, although industrial production contracted more than expected, largely due to weakness in mining and quarrying. Moving over to Asia, Japanese equities recorded significant losses as investors became increasingly concerned about elevated valuations across AI-related technology companies. Rising geopolitical tensions in the Middle East and higher oil prices further reduced investor risk appetite, while the weaker yen reflected concerns about Japan's heavy dependence on imported energy. For the week, the Nikkei 225 Index was down 6.44% while the broader TOPIX index ended the week 2.90% lower. Meanwhile, Chinese markets experienced another volatile week, with mainland indexes suffering heavy losses following renewed selling in AI, semiconductor, and memory-chip shares. Hong Kong equities outperformed, supported by gains in internet companies, automakers, healthcare firms, and selected property stocks, although technology shares also weakened sharply toward the end of the week. China's economy expanded 4.3% year over year during the second quarter, slowing from the previous quarter and falling below expectations. Exports accelerated sharply in June while imports also rose substantially, resulting in a wider trade surplus.

Data highlights: USD CPI (Jun) fell -35bps, from 335.12K to 333.95K, expectations were for a drop from 335.12K to 334.7K. USD Inflation Rate YoY (Jun) fell -70bps, from 4.2% to 3.5%, expectations pencilled only a -40bps fall, from 4.2% to 3.8%. USD Core Inflation Rate YoY (Jun) fell -30bps, from 2.9% to 2.6%, consensus assumed only a -10bps fall, from 2.9% to 2.8%. EUR CPI (Jun) fell from 103.13K to 103.02K, expectations were softer, assuming a fall from 103.13K to 103.07K. CNY GDP Growth Rate YoY (Q2) fell -70bps, from 5% to 4.3%, expectations were softer, assuming only a -50bps fall, from 5% to 4.5%. CNY Unemployment Rate (Jun) fell -10bps, from 5.1% to 5%, consensus wrongly expected an unchanged result at 5.1%.

Week ahead: CAD Inflation Rate YoY (Jun), CAD Core Inflation Rate YoY (Jun) - Monday | NZD Inflation Rate QoQ (Q2), GBP Unemployment Rate (May) - Tuesday | GBP Inflation Rate YoY (Jun), GBP Core Inflation Rate YoY (Jun) - Wednesday | AUD Unemployment Rate (Jun), EUR ECB Interest Rate Decision - Thursday | JPY Inflation Rate YoY (Jun), JPY Core Inflation Rate YoY (Jun) - Friday

Global Markets Overview

Treasury yields: The yield on the US 10-year Treasury note retreated to 4.55%, easing from the near two-month high of 4.62% reached on July 13, as softer inflation readings and a deterioration in risk sentiment boosted demand for government bonds. Both consumer and producer prices declined in June, while the University of Michigan's inflation expectations gauge fell for a second consecutive month, indicating that lower wholesale fuel costs are gradually feeding through to the broader economy. In the UK, the 10-year gilt yield held near 4.95%, hovering around a two-month high and marking a third consecutive weekly increase, the longest winning streak since the early stages of the Iran conflict. Investors continued to assess the political implications of Andy Burnham's confirmation as Labour leader, which positions him to become Prime Minister on July 20. At the same time, rising tensions in the Middle East have pushed oil prices to one-month highs and as a result, markets have strengthened their expectations for further monetary tightening, now fully pricing in a Bank of England rate hike by the end of the year,

Bond Yields	Close	% W/W	% YTD
US 10Y	4.55	-0.30	9.13
Bund 10Y	3.13	1.99	9.49
Gilt 10Y	4.95	1.62	10.54
Japan 10Y	2.70	-1.60	30.64

Equities: US equities ended the week on a weaker footing as a renewed selloff in semiconductor stocks and escalating geopolitical tensions weighed heavily on sentiment. The S&P 500 fell 1.55%, the Nasdaq declined 4.13%, and the Dow Jones lost 0.93%. Chipmakers led the retreat as investors reassessed the sustainability of the AI-driven rally, amid growing concerns that hyperscale technology firms could scale back spending on AI infrastructure. Those fears were amplified by rapid advancements in Chinese artificial intelligence models, including the latest Kimi release from Moonshot, which intensified competition and raised questions about future capital expenditure trends. Meanwhile, European equities also finished sharply lower, mirroring the weakness seen across global markets as investors rotated away from AI-linked assets and geopolitical risks intensified. The Euro STOXX 50 fell 0.62% to 6,231, while the broader STOXX Europe 600 declined 0.70% to 661. Technology stocks remained under pressure, with AI-related companies across the region hit by concerns that hyperscalers may curb infrastructure spending.

Indices	Close	% W/W	% YTD
S&P 500	7458	-1.55	8.94
EU Stoxx 600	661	-0.70	7.96
FTSE 100	10600	0.98	6.74
Nikkei 225	64141	-6.44	27.42

Currencies: The US Dollar Index edged lower to 100.77, despite recovering from the one-month low of 100.5 recorded on July 16, as investors increasingly rotated toward safe-haven assets. Market attention shifted back to trade tensions after President Trump accused China of interfering in the 2020 US presidential election, raising concerns about the durability of the relative thaw in US-China relations that followed the easing of tariff measures last year. On the policy front, several FOMC officials maintained a hawkish tone, arguing that persistently elevated core inflation could still justify a rate hike later this year. Separately, the Japanese yen weakened to 162.4 per dollar, remaining close to its weakest level in nearly four decades. Investors are now awaiting official intervention data later this month for clues on whether authorities were responsible for the sharp but short-lived rebounds in the yen witnessed in recent weeks.

Currencies	Close	% W/W	% YTD
EURUSD	1.1439	0.20	-2.61
GBPUSD	1.3452	0.36	-0.17
USDJPY	162.40	0.45	3.63
USD Index	100.77	-0.19	2.48

Commodities: Japanese yen weakened to 162.4 per dollar, remaining close to its weakest level in nearly four decades as markets continued to see little evidence of decisive intervention from Japanese authorities. Japanese yen weakened to 162.4 per dollar, remaining close to its weakest level in nearly four decades as markets continued to see little evidence of decisive intervention from Japanese authorities. Against this backdrop, crude prices surged 15.52% over the week, as investors priced in the growing risk of a wider regional conflict following the reinstatement of a US naval blockade around Iranian ports near the Strait of Hormuz earlier in the week. Gold, meanwhile, settled lower at $4,017 per ounce on Friday, ending the week down 2.49% as soaring oil prices reignited inflation concerns and strengthened expectations that the Federal Reserve will maintain a restrictive monetary policy stance.

Commodities	Close	% W/W	% YTD
Gold	4017	-2.49	-6.99
Copper	622.00	-0.22	9.47
WTI Crude	82.49	15.52	43.66
Wheat	682.75	6.64	25.10

Performance of Major Global Financial Assets

% Change.

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	-0.3	2.0	1.6	-1.6	1.3	3.8	-1.6	-4.1	-0.6	-0.9	1.0	-6.4	1.6	-0.2	0.2	0.4	0.4	0.0	1.3	15.5	-2.5	-0.2	-4.2	6.6
MTD	1.8	9.3	4.1	0.6	3.7	8.7	-0.6	-5.6	-1.5	-0.7	1.0	-8.5	7.3	-0.4	0.1	1.4	-0.1	-0.2	0.8	18.7	0.2	0.4	8.0	15.9
YTD	9.1	9.5	10.5	30.6	3.3	11.1	8.9	13.2	7.6	1.4	6.7	27.4	-4.2	2.5	-2.6	-0.2	3.6	-3.0	-0.2	43.7	-7.0	9.5	0.0	25.1
	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				

KEY: -100% +100%

Data Sources: Bloomberg, Investing.com, Trading Economics, T. Rowe Price, Standard Investment Bank

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