29TH JUNE - 3RD JULY 2026

SIB Standard Investment Bank | Mansa X Special Fund

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. equity markets ended the shortened holiday week with the Nasdaq Composite, S&P 500 Index, and Dow Jones Industrial Average all in the green. The S&P 500 gained 1.76%, the Nasdaq 100 rose 0.72%, and the Dow Jones advanced 1.99% to a fresh record high, supported by strength in more traditional sectors. Within the S&P 500, communication services, financials, and consumer discretionary stocks led performance, whereas real estate, utilities, and energy sectors lagged. U.S. markets were closed on Friday for the Independence Day holiday. Economic data pointed to a softer labour market. The Labor Department reported that nonfarm payrolls increased by just 57,000 in June, well below forecasts of roughly 110,000 and representing the weakest monthly gain since February's decline. Despite slower hiring, the unemployment rate edged down to 4.2%. The weaker employment report reduced expectations for further monetary tightening, with the CME FedWatch Tool showing the probability of a July Federal Reserve rate increase falling from approximately 29% before the release to about 18% afterward. Meanwhile, the Labor Department's Job Openings and Labor Turnover Survey (JOLTS) indicated that job vacancies rose modestly to 7.594 million in May, surpassing market forecasts and reaching their highest level since May 2024. Hiring and voluntary quit rates remained largely unchanged. Moving across to Europe, the pan-European Euro STOXX 600 Index advanced 2.71% over the four trading days. Lower oil prices helped improve investor sentiment by easing concerns that Middle East tensions would significantly damage economic growth or fuel inflation. Eurozone inflation slowed more than expected in June, with consumer prices rising 2.8% year over year compared with 3.2% in May. Although inflation remains above the European Central Bank's 2% target, the latest figures reduce pressure for additional interest rate increases. Eurostat reported that eurozone unemployment held steady at 6.2% in May. Meanwhile, revised data confirmed that the UK economy grew 0.6% during the first quarter of 2026. Nationwide reported that UK house prices increased 2.2% from a year earlier in June, slightly below market expectations but still indicating improving housing market conditions. Japanese equities also joined in to the market gains through Thursday. The Nikkei 225 added 0.55%, while the broader TOPIX Index gained 2.55%. Investors rotated out of technology and semiconductor stocks following their recent AI-driven rally, while financial and cyclical sectors benefited from higher bond yields and stronger business confidence. Japan's 10-year government bond yield rose to 2.78% from 2.60% the previous week as investors anticipated persistent inflation driven by higher energy costs. Markets also continued pricing in further Bank of Japan policy tightening while assessing the government's large-scale public-private investment program. The yen briefly weakened beyond JPY 162.5 per U.S. dollar—its lowest level in nearly four decades—before rebounding sharply amid renewed speculation that Japanese authorities could intervene in currency markets. Chinese equities produced mixed results through Thursday. Better-than-expected manufacturing data and improved liquidity conditions initially supported sentiment, but a global sell-off in technology stocks later pressured semiconductor and AI-related shares. The CSI 300 fell 1.15%, while the Shanghai Composite was little changed. Notably, the People's Bank of China introduced its new overnight reverse repo facility, injecting CNY 300 billion on Monday followed by CNY 600 billion on Tuesday at an overnight rate of 1.25%. The initiative is intended to improve short-term liquidity management and strengthen the transmission of monetary policy rather than signal broad monetary easing.

Data highlights: USD Unemployment Rate (Jun) remained at 4.3%, in line with expectations. USD Non-Farm Payrolls (May) fell -391bps, from 179K to 172K, much softer than the expected decrease to 85K. CHF Inflation Rate YoY (Jun) fell -10bps, from 0.6% to 0.5%, in line with expectations. EUR Inflation Rate YoY (Jun) fell -40bps, from 3.2% to 2.8%, stronger than the expected - 20bps decrease to 3%. EUR Core Inflation Rate YoY (Jun) fell -20bps, from 2.6% to 2.4%, against the expectation to remain the same at 2.6%. EUR Unemployment Rate (May) remained unchanged at 6.2%, against an expected +10bps increase to 6.3%. GBP GDP Growth Rate YoY (Q1) stayed the same at 0.9%, against an expected +20bps increase to 1.1%. JPY Unemployment Rate (May) remained at 2.5%, in line with expectations.

Week ahead: CHF Unemployment Rate (Jun), EUR PPI YoY (May) - Monday | NZD Interest Rate Decision - Wednesday | CNY Inflation Rate YoY (Jun), CNY PPI YoY (Jun) - Thursday | JPY PPI YoY (Jun), EUR Inflation Rate YoY (Jun), CAD Unemployment Rate YoY (Jun) - Friday

Global Markets Overview

Treasury yields: The US 10-year Treasury yield rose 2.62% over the week to 4.48%, holding near recent highs despite a softer-than-expected June jobs report that tempered expectations for further Federal Reserve tightening. The US economy added just 57,000 jobs, while payrolls for April and May were revised lower, pointing to a cooling labour market. Although the unemployment rate unexpectedly edged down to 4.2%, the decline was largely driven by a drop in labour force participation to its lowest level since 2021. Following the data, the probability of a September Fed rate hike fell to around 50% from 64% a day earlier. In Europe, Germany's 10-year Bund yield held steady at 2.94% as investors balanced weaker US economic data against easing inflation pressures across the Eurozone. June inflation undershot expectations, with headline inflation slowing to 2.8% and core inflation easing to 2.4%, reinforcing expectations that the ECB may not need to tighten policy as aggressively as previously feared.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.48	2.62	7.59
Bund 10Y	2.94	2.95	2.80
Gilt 10Y	4.78	1.08	6.76
Japan 10Y	2.79	6.30	34.85

Equities: US equities ended the shortened trading week mixed as technology stocks faced renewed volatility despite easing concerns over Federal Reserve rate hikes. The S&P 500 gained 1.76%, the Nasdaq 100 rose 0.72%, and the Dow Jones advanced 1.99% to a fresh record high, supported by strength in more traditional sectors. Chipmakers came under pressure during the final two sessions as investors questioned whether AI-driven optimism had pushed valuations too far. Reports that OpenAI is exploring the sale of a 5% stake to the US government and Meta's plans to monetize excess computing capacity added to the debate around AI profitability. In Asia, Japan's Nikkei 225 rose 0.55% to close at 69,744, recovering from earlier weakness as the disappointing US labour data reduced expectations for further Fed rate hikes. The softer macro backdrop helped offset ongoing concerns about elevated AI-sector valuations and intensifying competition within the industry. However, gains were tempered by a nearly 1% surge in the yen, driven by speculation that Japanese authorities may intervene in currency markets.

Indices	Close	% W/W	% YTD
S&P 500	7483	1.76	9.32
EU Stoxx 600	681	2.71	11.15
FTSE 100	10679	1.63	7.53
Nikkei 225	69744	0.55	38.55

Currencies: The US dollar weakened over the week, with the dollar index falling to 100.86 and posting a 0.49% decline, snapping a two-week winning streak. The move followed a disappointing June jobs report, which showed the US economy added just 57,000 jobs—well below forecasts of 110,000 and the weakest gain in four months—while unemployment stood at 4.2%. Combined with softer private-sector employment data earlier in the week, the figures prompted markets to scale back expectations for Federal Reserve tightening. Separately, the British pound strengthened to $1.335, its highest level in two weeks, delivering a 1.14% weekly gain as broad dollar weakness outweighed a cautious Bank of England outlook. Governor Andrew Bailey acknowledged slowing economic activity and indicated the BoE would not rush to respond to higher oil prices, maintaining that inflation remains on track to return to the 2% target, albeit more gradually than previously expected.

Currencies	Close	% W/W	% YTD
EURUSD	1.1437	0.47	-2.63
GBPUSD	1.335	1.14	-0.93
USDJPY	161.34	-0.25	2.95
USD Index	100.86	-0.49	2.58

Commodities: Gold climbed to $4,177 per ounce on Friday, its highest level since June 23, snapping a four-week losing streak with a 2.16% weekly gain. The move was driven by weaker-than-expected US labour market data, which dampened expectations for a near-term Federal Reserve rate hike, while central banks continued to underpin demand, adding a net 41 metric tons of gold reserves in May. Physical demand remained mixed, with buying slowing in India as prices rose, while Chinese demand showed modest improvement. Copper futures, meanwhile, slipped 0.48% on the week to $6.115 per pound, despite softer US jobs data prompting markets to scale back expectations for Federal Reserve tightening. However, industrial metals remained under pressure after weeks of hawkish Fed rhetoric raised concerns over future demand. Improving supply conditions also weighed on prices, as commercial shipping activity through the Strait of Hormuz continued to normalize.

Commodities	Close	% W/W	% YTD
Gold	4177	2.16	-3.30
Copper	611.45	-0.48	7.61
WTI Crude	68.69	-0.78	19.63
Wheat	599.75	1.70	9.89

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	2.6	2.9	1.1	6.3	1.7	3.4	1.8	0.7	3.1	4.5	1.6	0.6	3.0	-0.5	0.5	1.1	-0.2	-0.3	-1.4	-0.8	2.2	-0.5	10.2	1.7
MTD	0.4	2.6	0.5	3.8	1.6	2.1	-0.2	-3.1	1.3	3.1	1.7	-0.5	2.0	-0.3	0.1	0.7	-0.7	-0.1	-1.0	-1.2	4.2	-1.3	1.6	1.8
YTD	7.6	2.8	6.8	34.8	1.2	4.4	9.3	16.2	10.7	5.3	7.5	38.5	-8.9	2.6	-2.6	-0.9	3.0	-3.0	-2.0	19.6	-3.3	7.6	-5.9	9.9
	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				

KEY: -100% +100%

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

THIS REPORT WAS COMPILED BY DAN MURAGE, PORTFOLIO ANALYST - GLOBAL MARKETS, AT STANDARD INVESTMENT BANK

Disclosure and Disclaimer

Analyst Certification Disclosure: The research analyst or analysts responsible for the content of this research report certify that: (1) the views expressed and attributed to the research analyst or analysts in the research report accurately reflect their personal opinion(s) about the subject securities and issuers and/or other subject matter as appropriate; and, (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Global Disclaimer: Standard Investment Bank (SIB) and/or its affiliates makes no representation or warranty of any kind, express, implied or statutory regarding this document or any information contained or referred to in the document. The information in this document is provided for information purposes only. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices, or represent that any such future movements will not exceed those shown in any illustration. Past performance is not indicative of comparable future results and no representation or warranty is made regarding future performance. While we endeavour to update on a reasonable basis the information and opinions contained herein, there may be regulatory, compliance or other reasons that prevent us from doing so. Accordingly, information may be available to us which is not reflected in this material, and we may have acted upon or used the information prior to or immediately following its publication.

SIB Standard Investment Bank
Regulated by the Capital Markets Authority

Headquarters

JKUAT Towers (Formerly ICEA Building),
16th Floor , Kenyatta Avenue, Nairobi, Kenya.

Telephone: +254 20 227 7000, +254 20 227 7100

Email: clientservices@sib.co.ke