

MARKET INSIGHT WEEK 23

RISEON

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UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Monday, June 1			
<u>US</u> Fed Chair Powell Speaks	01:30		
<u>EU</u> Unemployment Rate (Apr)	10:00	6.2%	6.2%
<u>US</u> S&P Global Manufacturing PMI (May)	14:45	55.3	55.3
<u>US</u> ISM Manufacturing PMI (May)	15:00	55.3	52.7
Tuesday, June 2			
<u>EU</u> CPI (YoY)(May) P	10:00	3.3%	3.0%
<u>US</u> JOLTS Jib Openings (Apr)	15:00	6.870M	6.870M
Wednesday, June 3			
<u>US</u> ADP Nonfram Employment Change (May)	13:15	116K	109K
<u>US</u> Crude Oil Inventories	15:30		-3.327M
Thursday, June 4			
<u>US</u> Initial Jobless Claims	13:30	211K	215K
Friday, June 5			
<u>US</u> NonFram Payrolls (May)	13:30	95K	115K
<u>US</u> Unemployment Rate (May)	13:30	4.3%	4.3%
<u>CA</u> Unemployment Rate (May)	13:30	6.9%	6.9%
<u>CA</u> Employment Change (May)	13:30	10.2K	-17.7K

*US moves forward one hour for daylight saving time.

Weekly Recap - May 25-29, 2026 (W22)

Week 22 broadly validated the central theme of the outlook: markets entered a more fragile phase, shifting focus from inflation itself toward the economy's ability to absorb elevated interest rates and restrictive financial conditions.

While no systemic stress emerged, investors became increasingly attentive to early signs of macro fatigue, particularly across growth-sensitive areas of the economy.

The "higher for longer" regime remains intact, but markets are now testing how much pressure the economy can absorb before stability begins to weaken.

United States

Elevated Yields Stabilise, USD Holds Firm

As anticipated, markets focused less on inflation data and more on the sustainability of economic activity under elevated rates.

Throughout the week:

- Consumer and business activity indicators suggested growth remained positive, but less robust than earlier in the year.

- Housing and credit-sensitive sectors continued to show signs of strain from higher financing costs.

Treasury yields remained elevated but failed to generate a significant new breakout.

As a result:

- The USD remained supported but lacked fresh upside momentum.

- Markets increasingly debated whether growth is slowing gradually rather than accelerating.

- Expectations for eventual policy easing began to re-enter discussions, although not aggressively.

The week's price action suggested that investors are becoming more sensitive to evidence of macro fatigue than to inflation surprises.

Geopolitics - Background Risk Remains Contained

The Iran ceasefire continued to hold:

- No significant disruption to energy markets.

- Shipping concerns remained manageable.

- Geopolitical headlines generated only temporary volatility.

As expected, geopolitics remained a secondary influence rather than the primary market driver.

Eurozone - Structural Weakness Remains Evident

European markets continued to struggle with:

- Weak industrial momentum.

- Soft business confidence.

- Limited growth visibility.

EUR movements remained largely dependent on U.S. yield dynamics rather than domestic developments, reinforcing the region's dependence on external drivers.

U.K- No Change in the Broader Narrative

The UK macro environment remained largely unchanged:

- Growth stayed soft.

- Inflation remained elevated.

- BoE expectations remained stable.

Sterling continued to trade primarily in response to USD and global rate movements.

Asia-Pacific - China Still Fails to Provide a Catalyst

The absence of meaningful Chinese stimulus continued to weigh on sentiment:

- AUD and NZD remained vulnerable.

- Industrial metals struggled to gain traction.

- Regional markets lacked a clear growth catalyst.

The combination of elevated U.S. yields and weak Chinese demand expectations continued to pressure commodity-linked assets.

Commodities

Gold Finds Support, Oil Remains Range-Bound

Gold performed broadly in line with expectations:

- Elevated real yields limited upside.

- Growing concerns about economic resilience supported demand on dips.

Oil remained trapped between competing forces:

- Geopolitical risk provided support.

- Global demand concerns limited upside potential.

Neither asset developed a sustained directional trend.

Equities

Stability Holds, but Fragility Becomes More Visible

Equity markets remained resilient but increasingly selective:

- Higher rates continued to limit valuation expansion.

- Leadership remained concentrated.

- Investors favoured defensive and quality sectors.

Importantly, markets avoided broad risk-off behaviour, but signs emerged that tolerance for tighter financial conditions may be approaching its limits.

Summary

Markets have largely absorbed the inflation shock and adjusted to higher rates. Focus is now shifting toward whether the economy can withstand restrictive financial conditions.

The USD remained supported, yields stayed elevated, equities consolidated, and commodities traded range-bound.

» Inflation is no longer the only concern.

» Markets are increasingly focused on economic durability and financial-condition resilience.

» The risk of a broader slowdown is becoming more relevant than the risk of another inflation surprise.

Market Outlook: Key Levels and Trends to Watch Across Major Pairs and Commodities

U.S. Dollar Index

DXY remains trapped in a weak short-term structure, with price failing to build above the 50 EMA and rolling over again below the 99.05-99.65 resistance zone. The latest rejection keeps downside pressure in place, while 97.95 remains the key support underneath. As long as DXY stays below 99.05/99.65, the bias remains bearish, with room for another move lower toward 97.95.



EUR/USD

EURUSD remains in a broader bullish channel, but short-term corrective pressure persists within the local descending structure. Price is near the 1.1560-1.1600 support area, where trendline and channel support converge. If this zone holds, the bias remains constructive toward 1.17; a clean break lower would expose 1.1450 and weaken the bullish structure.



GBP/USD

GBPUSD is attempting a rebound inside the descending channel, but the move still looks corrective while price remains below the 1.3570 resistance zone. The recovery has lifted the pair back toward the mid-channel area and above the 50 EMA, yet the broader short-term structure is still capped by lower highs. As long as 1.3570 holds, the bias remains for renewed downside pressure, while a clean break above that level would improve the bullish recovery setup.



USD/JPY

USDJPY remains supported by the broader bullish structure, with price still holding above the 156.85 support zone and above the rising trendline. The latest move looks like a consolidation below 160.30 resistance, rather than a confirmed reversal. As long as 156.85 holds, the bias remains constructive, with room for another attempt higher toward 160.30.



USD/CHF

USDCHE remains under broader bearish pressure, with price still respecting the descending channel and trading below the 50 EMA. The latest consolidation looks weak, and the structure continues to favor downside toward the 0.7690 support zone. Unless the pair reclaims the recent short-term highs, the bias remains negative, with sellers still in control of the move.



USD/CAD

USDCAD is showing a short-term recovery, but the rebound is now approaching the 1.3790 resistance zone, where selling pressure can reappear. The broader structure still looks corrective rather than a confirmed trend reversal, especially while price remains around the 50 EMA. As long as the pair stays below 1.3790, the bias remains for the rebound to fade, with room for a move back toward the 1.3720 support area.



AUD/USD

AUDUSD remains in a broader bullish structure, with price holding above the rising 50 EMA and stabilising after the recent pullback. The pair is now trying to recover from the 0.7150 area, while 0.7250 remains the key resistance overhead. As long as price holds above the EMA/support zone, the bias stays constructive for another push higher toward 0.7250 and potentially beyond.



NZD/USD

NZDUSD is showing a strong rebound from the recent lows, with price now reclaiming the 50 EMA and pushing back toward the 0.6070 resistance zone. The short-term structure has improved meaningfully, and momentum now favors continuation higher while the pair stays above 0.5695 support. As long as that support remains intact, the bias is constructive for a move toward 0.6070 and potentially a broader recovery beyond it.



Gold (XAU/USD)

Gold remains within a short-term bearish corrective structure, capped by the descending trendline and the 4,680-4,700 resistance zone. The recent rebound appears technical rather than a confirmed reversal, while the broader correction remains active above 4,380 support. As long as price stays below resistance, the bias remains cautiously bearish, with a breakout needed to improve the outlook.



WTI Crude

WTI has shifted into a much weaker short-term structure, with price breaking below the 50 EMA and now trading under the 93.70 support zone, which has turned into resistance. The recent selloff suggests the post-breakout consolidation is failing, and downside momentum is starting to dominate. As long as Oil remains below 93.70, the bias stays bearish, with room for an extension lower toward the 76.00 area.



S&P 500

S&P 500 remains in a strong bullish trend, with price extending higher above the previous 7,607 breakout zone and staying well above the rising 50 EMA. Momentum is still clearly positive, and the latest move looks like trend continuation rather than exhaustion for now. As long as the index holds above 7,607, the bias remains bullish, with room for a further push toward the 7,800 area.



EuroStoxx 50

EuroStoxx 50 remains inside the broader ascending channel, and the latest rebound from the lower half of the structure keeps the bullish trend intact. Price is now recovering back above the 50 EMA, with 5,607 remaining the key support that protects the broader upside structure. As long as the index holds above that zone, the bias stays constructive for another move toward the 6,199 resistance area.



Strategic Outlook

Week 23 (June 1-5, 2026)

From Economic Resilience to Economic Validation: Can Growth Withstand Higher Rates?

Week 23 begins after markets spent several weeks adapting to a higher-for-longer environment. Inflation remains elevated, yields remain restrictive, and central banks continue to show little urgency to ease policy. However, the focus is no longer on inflation itself. The market's attention is now shifting toward a more important question: Can economic activity continue to absorb elevated borrowing costs without a meaningful deterioration in growth? After signs of emerging fragility in Week 22, investors will be closely monitoring activity data, labour-market indicators, and financial conditions for evidence that the soft-landing narrative remains intact. This week may not deliver a single dominant catalyst like CPI or NFP, but it could provide important clues regarding the sustainability of the current macro regime.

Macro Themes

1. United States - Growth Durability Under Scrutiny

The U.S. economy remains the anchor for global markets, but attention is shifting from inflation alone toward growth resilience.

Key Focus

- ISM Manufacturing and Services
- Jobless claims and labour indicators
- Treasury market behaviour
- Fed speakers

Strategic Framework

Resilient activity: yields stay elevated but stable, USD remains supported, equities consolidate positively.

Emerging slowdown: markets price future easing, yields soften, USD weakens modestly, gold benefits, equities become more volatile.

Growth reacceleration: yields move higher, USD strengthens, equities face renewed valuation pressure, and rate-cut expectations move further out.

USD Bias: moderately constructive, but increasingly dependent on growth resilience.concern.

2. Geopolitics - Contained but Still Relevant

The Iran ceasefire continues to hold, keeping oil supply and shipping routes largely uninterrupted. As a result, the geopolitical risk premium remains contained.

However, markets remain vulnerable to headline-driven volatility, and energy markets are still highly sensitive to any deterioration in regional stability.

Geopolitical Bias: Secondary driver for now, but capable of quickly re-emerging as a major market catalyst. fragile.

3. Eurozone -

Structural Weakness Limits EUR Upside

Europe continues to face structural constraints, with weak industrial activity, soft business confidence, and limited growth momentum.

The ECB remains caught between persistent inflation concerns and weak economic growth, limiting policy flexibility.

EUR remains largely dependent on USD direction, U.S. yields, and global risk sentiment.

EUR Bias: sustained strength remains difficult without a meaningful decline in U.S. yields.

4. United Kingdom -

Stable but Lacking Momentum

The UK remains in a low-momentum environment, with weak growth, elevated inflation, and a cautious BoE.

Sterling continues to trade mainly on USD direction, global rates, and broader risk sentiment, with no major domestic catalyst likely to change the narrative.

GBP Bias: stable, but still lacking independent momentum.

5. Asia-Pacific - Still Waiting for China

Asia-Pacific remains the weakest macro region, pressured by elevated U.S. yields, a strong USD, weak Chinese demand, and limited policy stimulus.

Without stronger support from China, AUD and NZD remain vulnerable, while industrial metals stay capped.

Asia-Pacific Bias: China remains the missing catalyst for a more durable global risk-on environment.

6. Commodities - Growth Data Takes Priority

Gold is caught between elevated real yields, which limit upside, and growing concerns about growth durability, which support demand.

If economic data weakens, gold likely benefits. If growth remains resilient, higher yields continue to cap upside.

WTI remains balanced between geopolitical support, soft demand concerns, and China uncertainty.

Commodities Bias: without stronger growth expectations, significant upside remains difficult.

7. Equities - Soft-Landing Test Continues

Equities remain supported by economic resilience, stable earnings, and the absence of clear recession signals. However, valuations remain yield-sensitive, leadership is still narrow, and financial conditions remain restrictive. Markets now need further evidence that growth can stay healthy.

Equity Scenarios:

- **Stable growth:** consolidation with selective upside
- **Growth weakens:** higher volatility and defensive rotation
- **Growth reaccelerates:** higher yields pressure valuations

Summary & Key Risks

Summary

Week 23 marks the transition from inflation management to growth validation. Markets have largely accepted that interest rates will remain elevated for longer. The next challenge is determining whether economic activity can continue to perform under those conditions. The USD remains supported, yields remain elevated, equities remain selective, and commodities remain heavily dependent on both growth expectations and geopolitical stability. The dominant question for markets is now: Is the economy slowing enough to justify future easing, or remaining strong enough to keep rates elevated well into the second half of 2026?

Key Risks

1. U.S. activity data weakens materially » growth fears return, USD softens, gold strengthens
2. Strong data reaccelerates yields » USD strengthens, equities pressured
3. Labour-market deterioration begins to emerge » easing expectations return rapidly
4. Iran tensions escalate » oil spike and renewed risk-off sentiment
5. China remains inactive » continued weakness in commodity FX and industrial metals

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