

MARKET INSIGHT WEEK 27

RISEON

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UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Tuesday, June 30			
<u>GB</u> GDP (QoQ) (Q1)	07:00	0.6%	0.6%
<u>US</u> JOLTS Job Openings (May)	15:00	7.280M	7.618M
Wednesday, July 1			
<u>EU</u> CPI (YoY) (Jun)	10:00	3.0%	3.2%
<u>US</u> ADP Nonfarm Employment Change (Jun)	13:15	118K	122K
<u>US</u> S&P Global Manufacturing PMI (Jun)	14:45	55.7	55.7
<u>US</u> Crude Oil Inventories	15:30		-6.088M
Thursday, July 2			
<u>US</u> Nonfarm Payrolls (Jun)	13:30	114K	120K
<u>US</u> Initial Jobless Claims	13:30	220K	215K

*US moves forward one hour for daylight saving time.

Weekly Recap - June 22-26, 2026 (W26)

Markets Focus on Economic Resilience as Geopolitical Risks Fade into the Background

Week 26 unfolded largely as expected, confirming that **economic resilience and financial conditions have overtaken geopolitics as the main market drivers**. Following the Fed's decision to keep rates unchanged and easing U.S.-Iran tensions, investors focused on whether global growth can withstand restrictive monetary policy. Macro data continued to support the soft-landing narrative, although market conviction remained cautious.

United States - Growth Holds Up, Fed Stays Comfortable

Throughout the week, economic releases reinforced the view that the U.S. economy remains resilient.

Key developments included:

- Consumer confidence remained relatively stable.
- Activity indicators continued to suggest moderate expansion.
- Jobless claims remained consistent with a resilient labour market.
- Treasury yields stayed elevated but stable.

As a result:

- The USD remained supported.
- Markets continued to price a prolonged period of restrictive monetary policy.
- The soft-landing narrative remained intact.
- Expectations for near-term rate cuts changed little.

Markets became increasingly focused on growth sustainability rather than inflation surprises alone.

Geopolitics - No Longer the Primary Market Driver

Improving U.S.-Iran relations continued to reduce geopolitical uncertainty.

During the week:

- Diplomatic discussions remained stable.
- Energy supply concerns stayed subdued.
- Middle East shipping routes remained uninterrupted.

As expected:

- Oil's geopolitical premium continued to fade.
- Safe-haven demand remained limited.
- Investor sentiment improved modestly.

Geopolitics became a secondary influence rather than the main source of market volatility.

Eurozone - Stability Improves, Structural Weakness Remains

Europe continued to benefit from lower geopolitical uncertainty.

However:

- Industrial activity remained subdued.
- Growth expectations stayed weak.
- ECB flexibility remained constrained.

EUR movements continued to reflect changes in U.S. yields more than domestic improvements.

UK - Familiar Macro Environment

The UK macro backdrop changed little:

- Inflation remained elevated.
- Growth remained modest.
- The BoE maintained its cautious stance.

Sterling continued to trade primarily according to USD movements and global rate expectations.

Asia-Pacific - China Continues to Limit Upside

Asia-Pacific markets remained constrained by:

- Weak Chinese demand.
- Limited policy stimulus.
- Elevated U.S. yields.

Lower geopolitical risk supported sentiment, but weak Chinese growth continued to cap gains across regional equities and commodity-linked currencies. AUD and NZD remained subdued.

Commodities - Fundamentals Replace Headlines

Gold remained under pressure from:

- Elevated real yields.
- Reduced geopolitical demand.
- Stable economic conditions.

WTI crude remained relatively stable:

- Reduced geopolitical risk limited upside.
- Moderate global demand prevented a sharp decline.

Commodity prices continued to be driven primarily by economic fundamentals rather than geopolitical headlines.

Equities - Selective Strength Continues

Equity markets remained resilient:

- Stable economic data supported earnings expectations.
- Lower geopolitical uncertainty improved investor confidence.
- Elevated yields continued to cap valuation expansion.

However, the Fed reinforced that:

- Financial conditions remain restrictive.
- Valuation expansion remains difficult.
- Higher-for-longer remains the dominant macro framework.

Market leadership remained concentrated, with investors favouring high-quality sectors over broad-based risk-taking. Rather than a broad rally, markets continued to experience sector rotation and selective gains.

Summary

Week 26 confirmed that markets have shifted toward an environment driven by economic resilience and financial conditions rather than geopolitics. The Fed maintained its restrictive stance, while easing geopolitical tensions reduced uncertainty. The USD remained supported, yields stayed elevated, and markets continued to reflect economic fundamentals.

» The soft-landing narrative remains intact, supported by resilient U.S. economic data.

» Higher-for-longer monetary policy continues to anchor market expectations.

» With geopolitical risks fading, investors are increasingly focused on whether economic growth can continue to withstand restrictive financial conditions through the second half of 2026.

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

U.S. Dollar Index

DXY continues to strengthen after holding its rising trendline and breaking above key moving averages. The current structure favours further upside toward the 101.70-101.75 resistance zone. The bullish outlook remains valid while price holds above 100.15-100.00; a break below could weaken momentum and trigger a pullback toward 99.25.



EUR/USD

EURUSD has broken below its rising channel and key moving averages, confirming a bearish shift. The setup favours further downside toward 1.1240-1.1220, with 1.1160 as the next support. A recovery above 1.1420-1.1430 would weaken the bearish outlook; until then, bias remains negative.



GBP/USD

GBPUSD remains under strong bearish pressure after rejecting descending channel resistance and breaking below key moving averages. The current structure favours further downside toward the 1.3000 support area. A recovery above 1.3230-1.3250 is needed to reduce downside pressure; until then, the bias remains negative.



USD/JPY

USDJPY remains in a strong bullish trend, trading above key moving averages and supported by its ascending trendline. The current structure favours further upside toward 163.60. The bullish outlook remains valid while price holds above 161.30-161.00; below this zone, a pullback toward 159.60 could develop.



USD/CHF

USDCHE has confirmed a bullish breakout above its descending channel and now trades above key moving averages. The current structure favours further upside toward the 0.8175-0.8180 resistance zone. The bullish outlook remains valid while price holds above 0.8000-0.7980; below this area, the breakout would weaken.



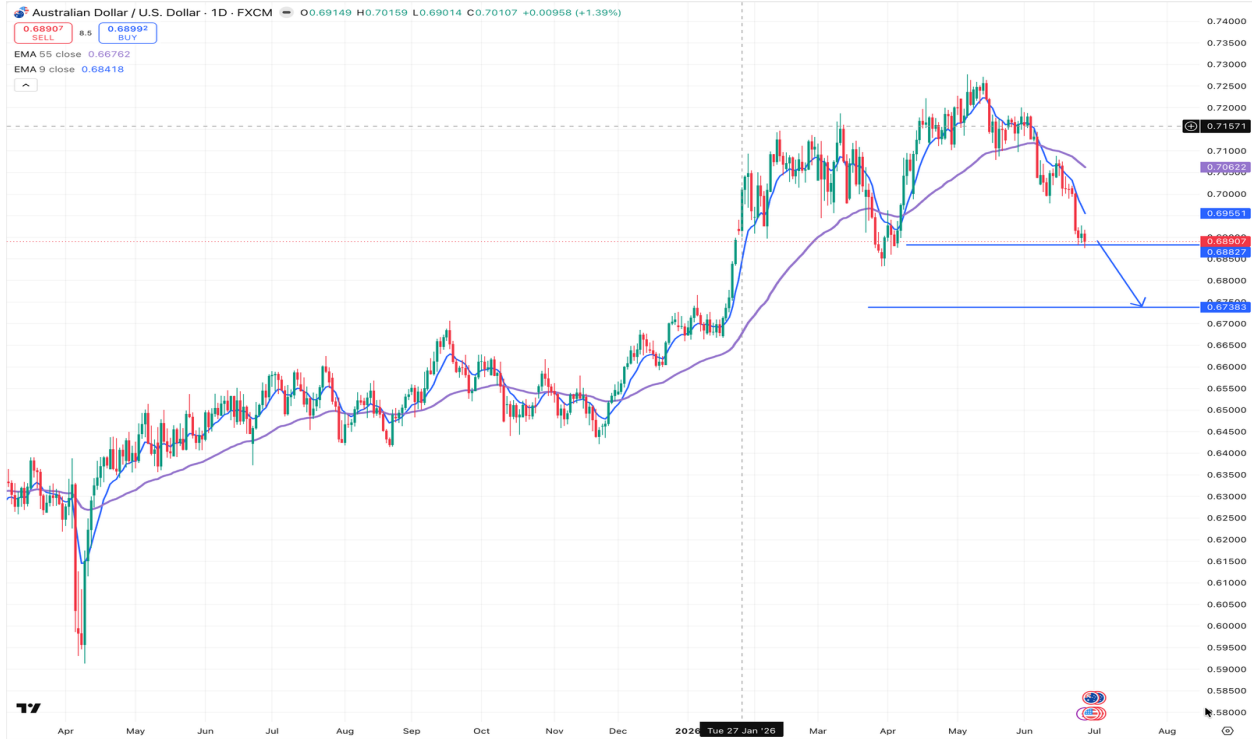
USD/CAD

USDCAD remains in a strong bullish structure, trading above key moving averages after its sharp breakout. The current setup favours continuation toward the 1.4360-1.4370 resistance zone. The bullish outlook remains valid while price holds above 1.4140-1.4100; below this area, a short-term pullback could develop.



AUD/USD

AUDUSD remains under bearish pressure after breaking below key moving averages and testing the 0.6880-0.6890 support zone. A break below this area would favour further downside toward 0.6740-0.6730. The bearish outlook remains valid while price stays below 0.6950-0.7000.



NZD/USD

NZDUSD has broken below its rising trendline and key moving averages, confirming a bearish breakdown. The current setup favours further downside toward the 0.5525-0.5530 support zone. The bearish outlook remains valid while price stays below 0.5630-0.5650; a recovery above this area would reduce downside pressure.



Gold (XAU/USD)

Gold remains within a bearish corrective channel, trading below key moving averages and struggling near the 4,090-4,140 resistance zone. The current setup favours downside toward the 3,890-3,900 support area. The bearish outlook remains valid while price stays below 4,140.



WTI Crude

WTI remains in a strong bearish structure after breaking below key moving averages and losing the 72.00-70.00 zone. The current setup favours further downside toward the 65.35 support level. The bearish outlook remains valid while price stays below 74.80-75.00; a recovery above this area would reduce downside pressure.



S&P 500

S&P 500 remains in a broader bullish trend but is losing momentum after rejecting recent highs. The current setup favours a corrective move toward the 7,175-7,200 support zone. As long as this area holds, the broader structure remains positive. A move above 7,400-7,500 would reduce bearish pressure.



EuroStoxx 50

EuroStoxx 50 remains in a broader bullish trend but is showing short-term rejection after failing to hold recent highs. The current setup favours a corrective move toward the 6,050-6,045 support zone. As long as this area holds, the broader bullish structure remains intact.



Strategic Outlook

Week 27 (June 29–July 3, 2026)

The Second Half Begins: Markets Shift from Policy Stability to Labour-Market Validation

Week 27 marks the beginning of the second half of 2026, with markets shifting their focus from inflation, central bank decisions and geopolitics toward the resilience of the U.S. economy. After several weeks of resilient data and a Federal Reserve committed to restrictive policy, attention now turns to the U.S. labour market, culminating in Friday's Nonfarm Payrolls (July 3). The macro backdrop remains broadly unchanged:

- Inflation remains above target.
- Interest rates remain restrictive.
- Growth continues to moderate but remains positive.
- Geopolitical tensions have eased significantly.

The key question is whether the labour market continues to justify the Fed's patient stance or begins to show meaningful signs of slowing.

Macro Themes

1. United States - Labour Market Returns to Centre Stage

Employment once again becomes the dominant macro driver.

Key Focus

- ADP Employment Change
- ISM Manufacturing
- Initial Jobless Claims
- Nonfarm Payrolls (Friday, July 3)
- Average Hourly Earnings
- Unemployment Rate

Strategic Scenarios

Strong NFP

- Confirms labour-market resilience
- Reinforces the higher-for-longer narrative
- Treasury yields remain elevated
- USD strengthens
- Equities face renewed valuation pressure

Moderate NFP

- Supports the soft-landing narrative
- Yields remain stable
- USD consolidates
- Equities continue selective gains
- Markets maintain confidence in current Fed policy

Weak NFP

- Raises the first meaningful doubts about economic resilience
- Markets begin pricing earlier policy easing
- Treasury yields decline
- USD weakens
- Gold benefits from lower real yields
- Equities experience higher volatility

The labour-market report has the potential to become the most important catalyst since June CPI.

USD Bias: Moderately constructive heading into NFP.

2. Geopolitics - Stability Supports Risk Appetite

Improving U.S.-Iran relations continue to provide a constructive backdrop.

- Energy supply risks remain contained
- Strait of Hormuz shipping remains stable
- Oil markets have largely removed the geopolitical risk premium

As long as diplomatic progress continues:

- Risk appetite remains supported
- Defensive positioning continues to unwind
- Volatility remains relatively contained

Geopolitics remains a secondary market driver unless negotiations deteriorate.

3. Eurozone - Growth Challenges Continue

Europe continues to face:

- Weak industrial production
- Soft business confidence
- Limited domestic growth

EUR performance remains primarily driven by U.S. labour-market expectations, Treasury yields and USD direction.

4. United Kingdom - Sterling Remains Yield-Driven

The UK outlook remains largely unchanged:

- Inflation remains above target.
- Growth remains modest.
- BoE maintains a cautious stance.

Sterling continues to trade mainly as a function of U.S. macro developments and global risk sentiment.

5. Asia-Pacific - Labour Data Drives Global Sentiment

Regional markets remain constrained by:

- Weak Chinese demand.
- Limited fiscal stimulus.
- Elevated U.S. interest rates.

A strong NFP would strengthen the USD and pressure AUD and NZD. A weaker report would provide temporary relief. China remains the principal structural headwind.

6. Commodities - Employment Data Drives Rates

Gold remains driven by real-yield expectations.

Strong NFP:

- Higher yields.
- Stronger USD.
- Gold pressured.

Weak NFP:

- Lower yields.
- Softer USD.
- Gold strengthens.

WTI continues to trade within a balanced framework, with NFP influencing prices mainly through growth expectations.

7. Equities - Labour Data Becomes the Next Valuation Test

Equities begin the second half of the year from a position of relative stability.

Supportive factors:

- Stable earnings.
- Improved geopolitical backdrop.
- Resilient economic activity.

However:

- Elevated yields continue limiting valuation expansion.
- Leadership remains concentrated.
- Investors remain selective.

Equity Scenarios:

- **Balanced NFP:** Continued consolidation and selective sector rotation.
- **Strong NFP:** Higher yields pressure valuations, financials outperform, and growth stocks face renewed pressure.
- **Weak NFP:** Increased volatility as markets balance lower yields against slower growth expectations.

Summary & Key Risks

Summary

Week 27 marks the transition into the second half of 2026 with markets once again focused on the U.S. labour market. Following several weeks dominated by inflation and monetary policy, the Nonfarm Payrolls report on July 3 becomes the principal catalyst for determining whether the soft-landing narrative remains intact.

The USD remains fundamentally supported, Treasury yields remain elevated, and equities continue to trade under valuation discipline. However, the labour market now becomes the key determinant of whether the Federal Reserve can comfortably maintain its higher-for-longer stance.

Key Risks

- a. Strong NFP → Higher yields, stronger USD, renewed pressure on equities.
- b. Weak NFP → Markets price earlier easing, USD weakens, gold rallies.
- c. Unexpected deterioration in labour-market participation or wages → Increased rate volatility.
- d. Renewed geopolitical tensions → Oil and gold recover their safe-haven premium.
- e. Continued weakness in China → Ongoing pressure on commodity-linked currencies and industrial metals.

For additional Information and Contacts:

www.riseon.io

Phone

+44 20 4587 3861

E-mail

inquiries@riseon.io

Address

Capital Office, 124 City Road
London, EC1V 2NX
England

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