MARKET INSIGHT WEEK 30

RISEON

INDEX

UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Monday, July 20			
CA CPI (MoM) (Jun)	**13:30**		0.6%
NZ CPI (QoQ) (Q2)	**23:45**	1.5%	0.9%
Tuesday, July 21			
GB Employment Rate (May)	**07:00**	4.9%	4.9%
Wednesday, July 22			
GB CPI (YoY) (Jun)	**07:00**	2.7%	2.8%
US Crude Oil Inventoires	**15:30**		-1.692M
Thursday, July 23			
EU ECB Interest Rate Decision (Jul)	**13:15**	2.40%	2.40%
US Initial Jobless Claims	**13:30**	211K	208K
Friday, July 24			
US S&P Global Manufacturing PMI (Jul) P	**14:45**	54.5	53.9

*US moves forward one hour for daylight saving time.

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Weekly Recap – July 13 – 17, 2026 (W29)

Softer Inflation Reinforces the Soft-Landing Narrative and Revives Rate-Cut Expectations

Week 29 was defined by softer-than-expected U.S. CPI, confirming that inflation is moderating alongside a cooling labour market. The data reinforced confidence in the soft-landing narrative and increased expectations that the Federal Reserve may begin easing policy later this year, shifting markets away from the higher-for-longer outlook.

United States

Softer CPI Changes the Policy Narrative

The weaker-than-expected CPI was the defining macro event of the week.

The report suggested:

- Inflation continues to moderate.
- Price pressures are easing faster than expected.
- Softer inflation and weaker labour data strengthen the case for future Fed easing.
- The soft-landing narrative gained credibility.

As a result:

- Treasury yields declined.
- The USD weakened.
- Markets increased expectations for future Fed rate cuts.
- Financial conditions eased.
- Risk appetite improved.

The key shift was not weaker growth, but stronger confidence that inflation can continue cooling without triggering a recession, reinforcing the soft-landing narrative.

Geopolitics

Stable Background Supports Macro Optimism

Geopolitical conditions remained supportive:

- U.S.–Iran dialogue continued without major setbacks.
- Energy supply remained uninterrupted.
- Shipping through the Strait of Hormuz stayed stable.
- Oil's geopolitical risk premium remained subdued.

With tensions contained, macroeconomic data and monetary policy expectations remained the primary drivers of market sentiment.

Eurozone

EUR Benefits from a Softer Dollar

The Eurozone's domestic backdrop remained largely unchanged:

- Industrial activity remained weak.
- Growth momentum stayed subdued.
- ECB policy remained constrained.

However, softer U.S. CPI weakened the dollar, allowing the euro to appreciate through lower Treasury yields and narrower U.S. rate expectations. Domestic European fundamentals remained secondary.

United Kingdom

Sterling Strength Driven by USD Weakness

Sterling benefited from the post-CPI repricing. While UK fundamentals changed little:

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

GBP strengthened mainly as a result of a weaker U.S. dollar rather than improving domestic conditions.

Asia-Pacific

Softer CPI Improves Global Financial Conditions

Asia-Pacific markets responded positively:

- Lower U.S. yields eased financial conditions.
- AUD and NZD outperformed.
- Commodity-linked currencies recovered.
- Regional equities benefited from improved risk appetite.

However, China's subdued recovery and ongoing structural challenges continued to limit longer-term upside, leaving the improvement driven mainly by global monetary expectations.

Commodities

Gold Responds Exactly as Expected

Gold was one of the strongest beneficiaries of the softer CPI.

- Falling real yields supported prices.
- The weaker USD increased demand.
- Expectations for Fed easing strengthened.

WTI crude remained broadly stable as demand concerns offset USD weakness, while stable geopolitical conditions limited supply risks. Oil continued to lack a clear directional catalyst.

Equities

Lower Inflation Supports Valuation Expansion

Equity markets reacted positively to softer inflation.

- Lower Treasury yields supported technology and growth stocks.
- Broader equity participation improved.
- Risk appetite strengthened.

The combination of cooling inflation, moderating labour conditions and stable economic activity reinforced confidence in a soft landing. While valuations remain elevated, investors viewed the CPI report as a step toward future policy normalisation.

Summary

Week 29 delivered a constructive macro shift as softer-than-expected U.S. CPI reinforced confidence that inflation is moderating. Treasury yields and the USD declined, while gold and equities advanced as markets increased expectations for future Federal Reserve rate cuts.

Key Takeaway

» Softer U.S. CPI strengthened confidence in a more constructive market outlook.

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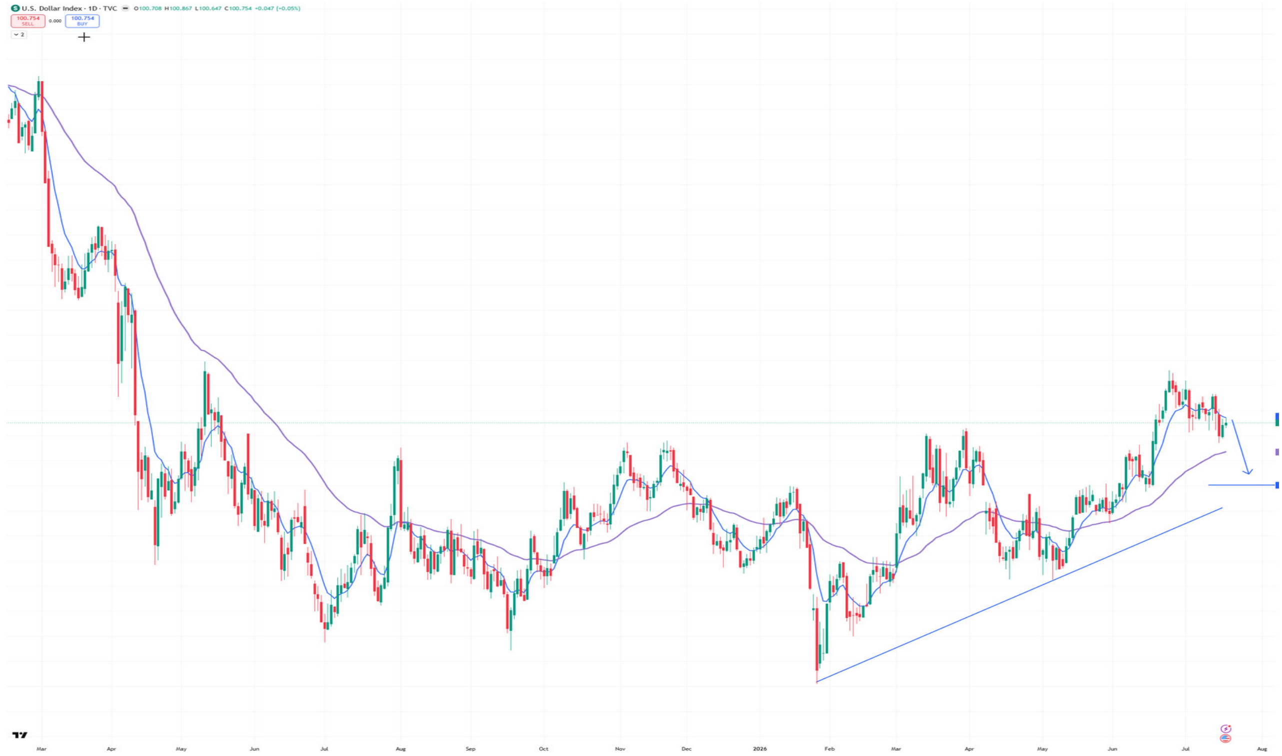
»Markets are now focused on the timing of future Fed rate cuts rather than additional tightening.

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

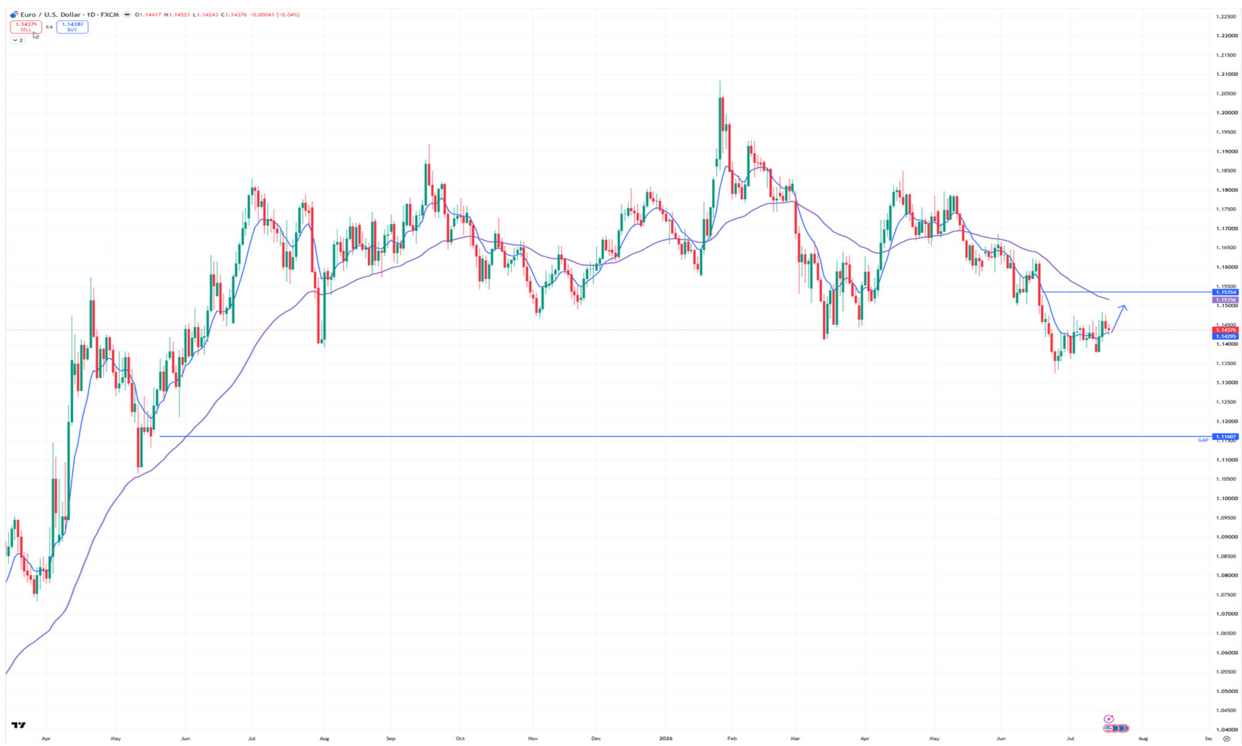
U.S. Dollar Index

DXY is showing short-term weakness after failing to sustain the move above 101.00. The current setup favours a corrective move toward 100.00–99.80, where support may emerge. The broader recovery remains valid while price holds above this zone. A break below 99.80 would weaken momentum and expose the trendline near 99.00.



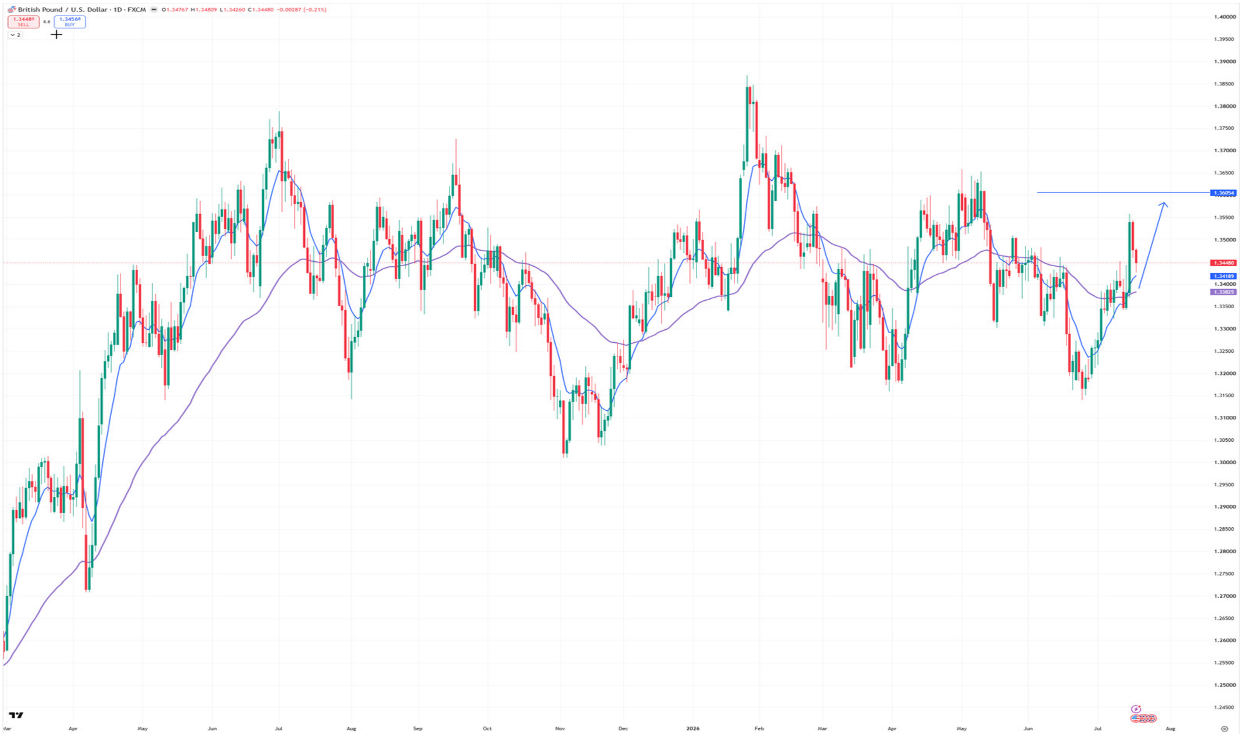
EUR/USD

EURUSD is attempting a short-term rebound after stabilising above 1.1400–1.1420. The current setup favours a move toward 1.1515–1.1535, where resistance may limit upside. The rebound remains valid while price holds above 1.1400. A break below this area would weaken momentum and renew downside pressure.



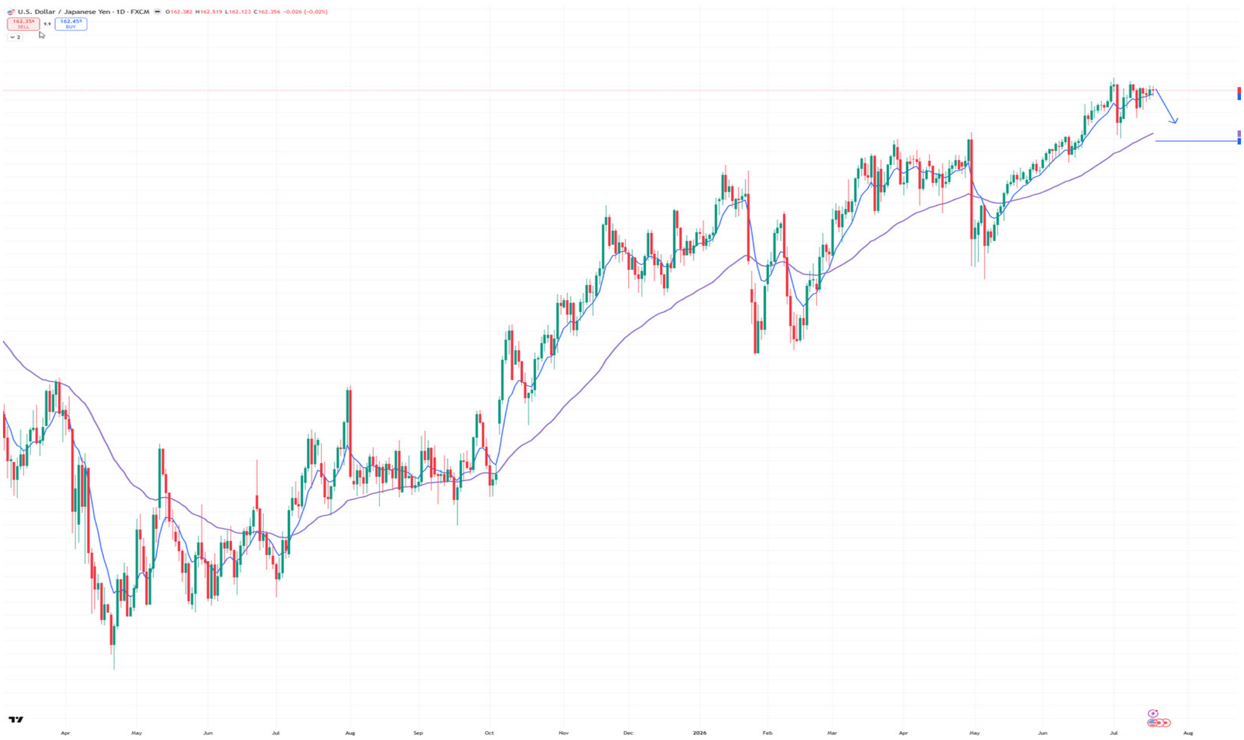
GBP/USD

GBPUSD is maintaining a bullish rebound after recovering from the 1.3150–1.3200 support area and moving above both moving averages. The current setup favours continuation toward 1.3600–1.3610, the next key resistance. The bullish scenario remains valid while price holds above 1.3380–1.3400. A break below would weaken momentum.



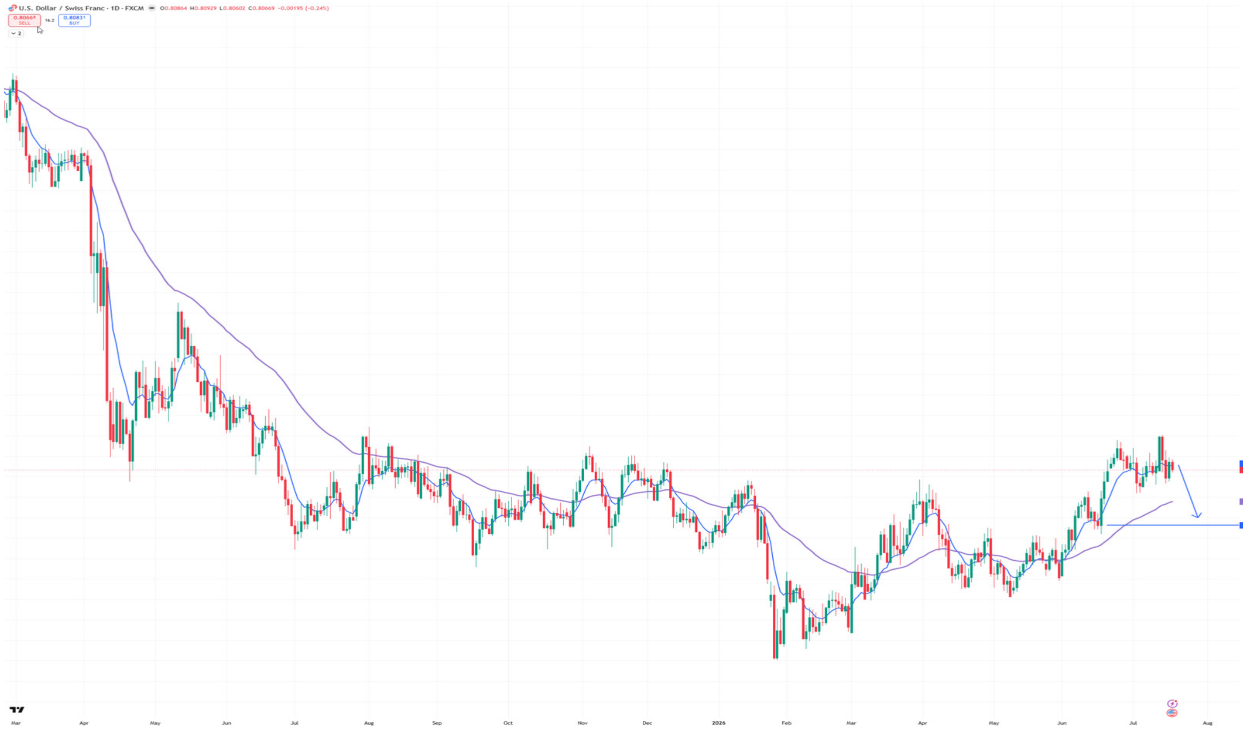
USD/JPY

USDJPY remains in a bullish structure but is consolidating near recent highs after showing signs of short--term exhaustion. The current setup favours a corrective move toward 161.00–160.50, where support may emerge. The broader trend remains valid while this zone holds. A recovery above 162.50–163.00 would restore upside pressure.



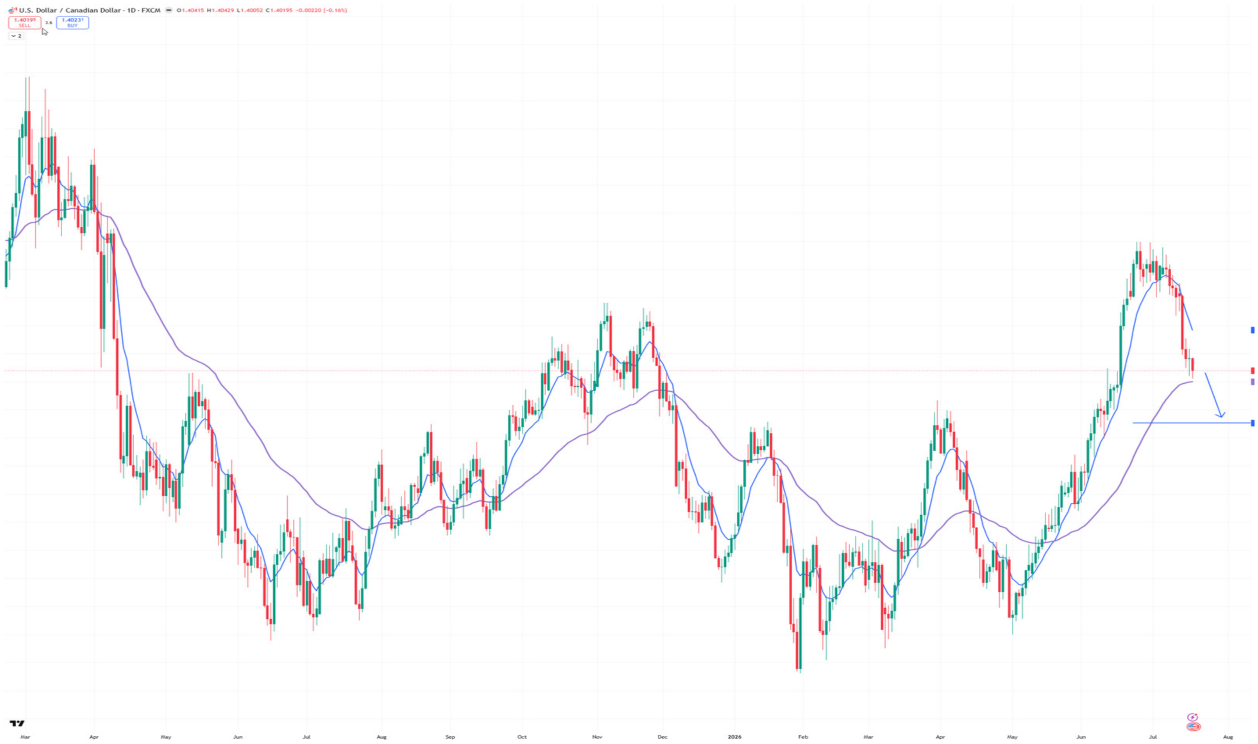
USD/CHF

USDCHF is showing short-term rejection after failing to extend above 0.8100–0.8120. The current setup favours a corrective move toward 0.7950–0.7930, where support may emerge. The broader recovery remains valid while this zone holds. A break below 0.7930 would weaken momentum, while a move above 0.8100 would restore bullish pressure.



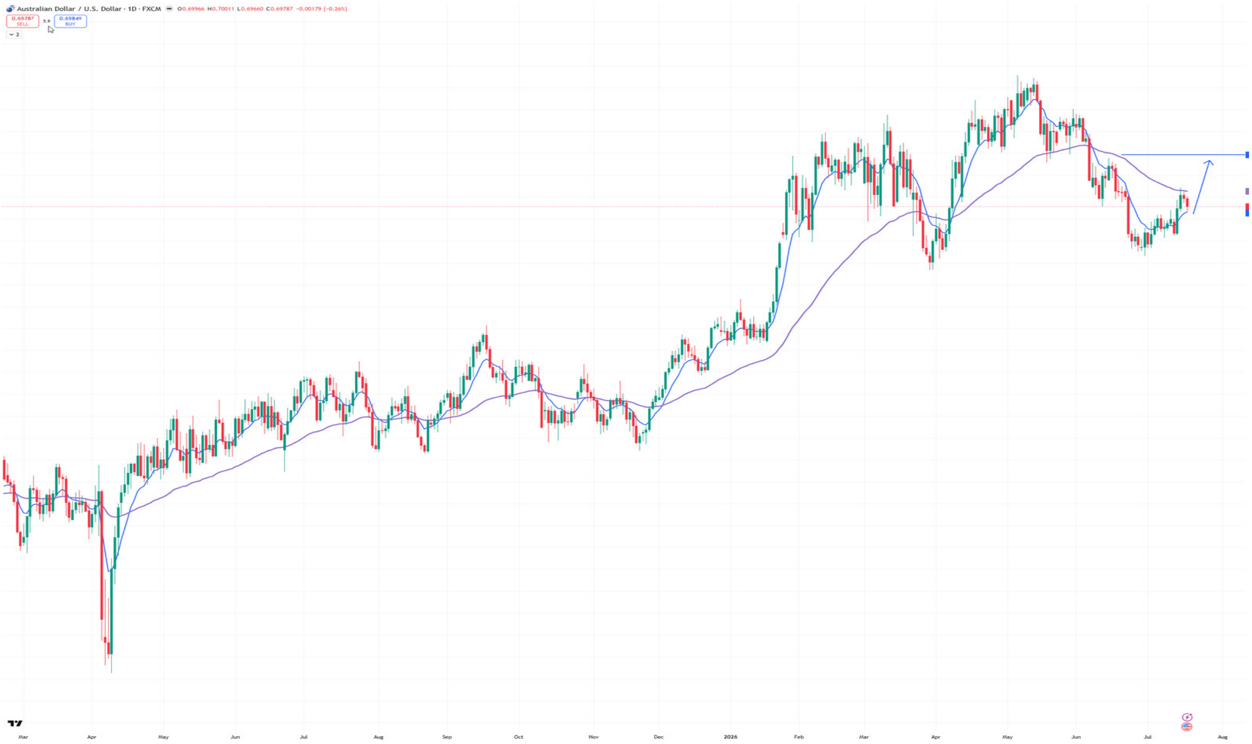
USD/CAD

USDCAD is showing a corrective pullback after failing to extend above 1.4200–1.4250. The current setup favours further downside toward 1.3920–1.3950, where support may emerge. The broader recovery remains valid while this zone holds. A break below 1.3920 would weaken momentum, while a move above 1.4150–1.4200 would restore bullish pressure.



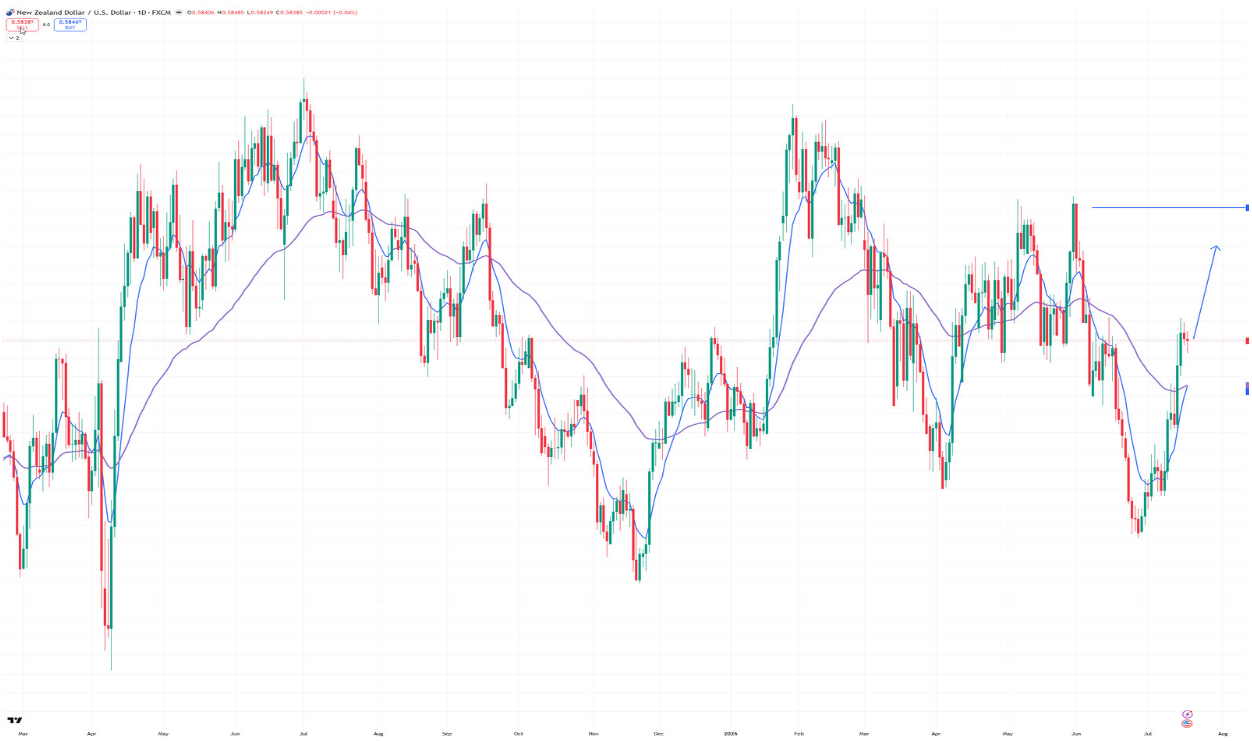
AUD/USD

AUDUSD is attempting a bullish recovery after holding support around 0.6850–0.6880. The current setup favours continuation toward 0.7060–0.7080, where resistance may limit upside. The rebound remains valid while price holds above 0.6930–0.6900. A break below this zone would weaken momentum and renew downside pressure.



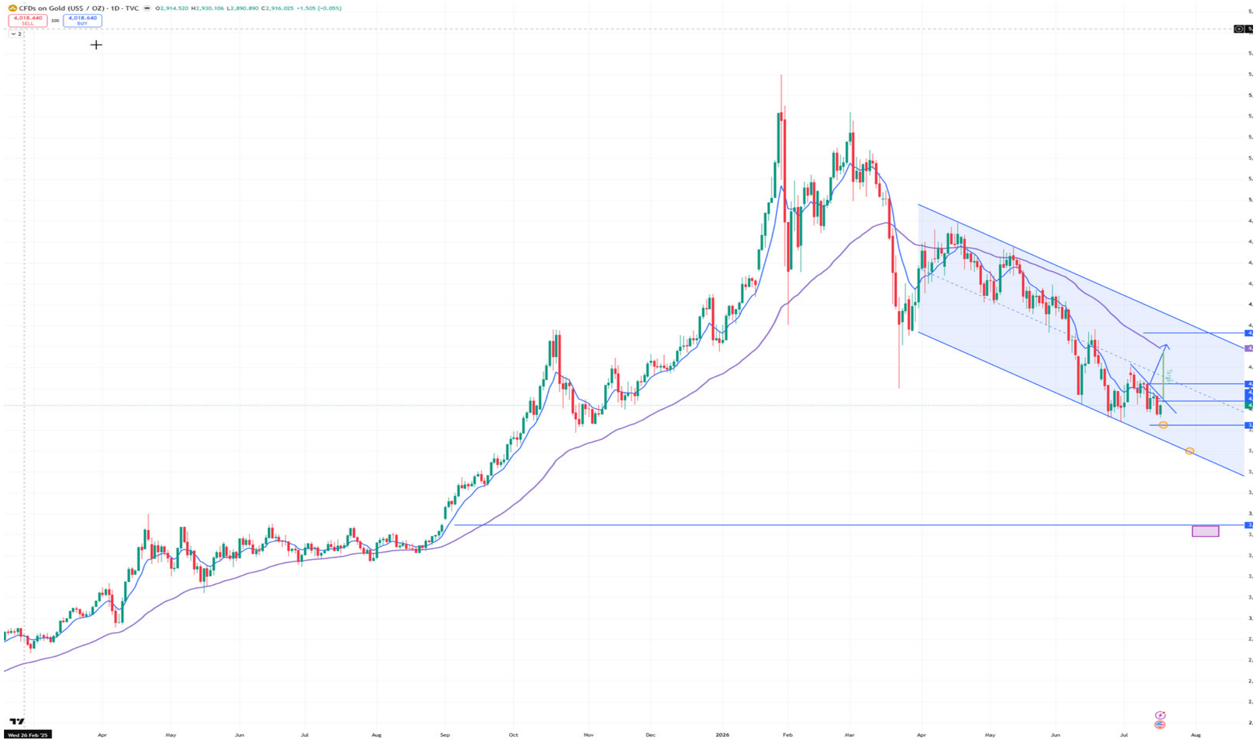
NZD/USD

NZDUSD is maintaining a bullish rebound after holding recent lows and recovering above the moving averages. The current setup favours continuation toward 0.5940–0.5980, where previous resistance may limit upside. The bullish scenario remains valid while price holds above 0.5800–0.5780. A break below this area would weaken momentum.



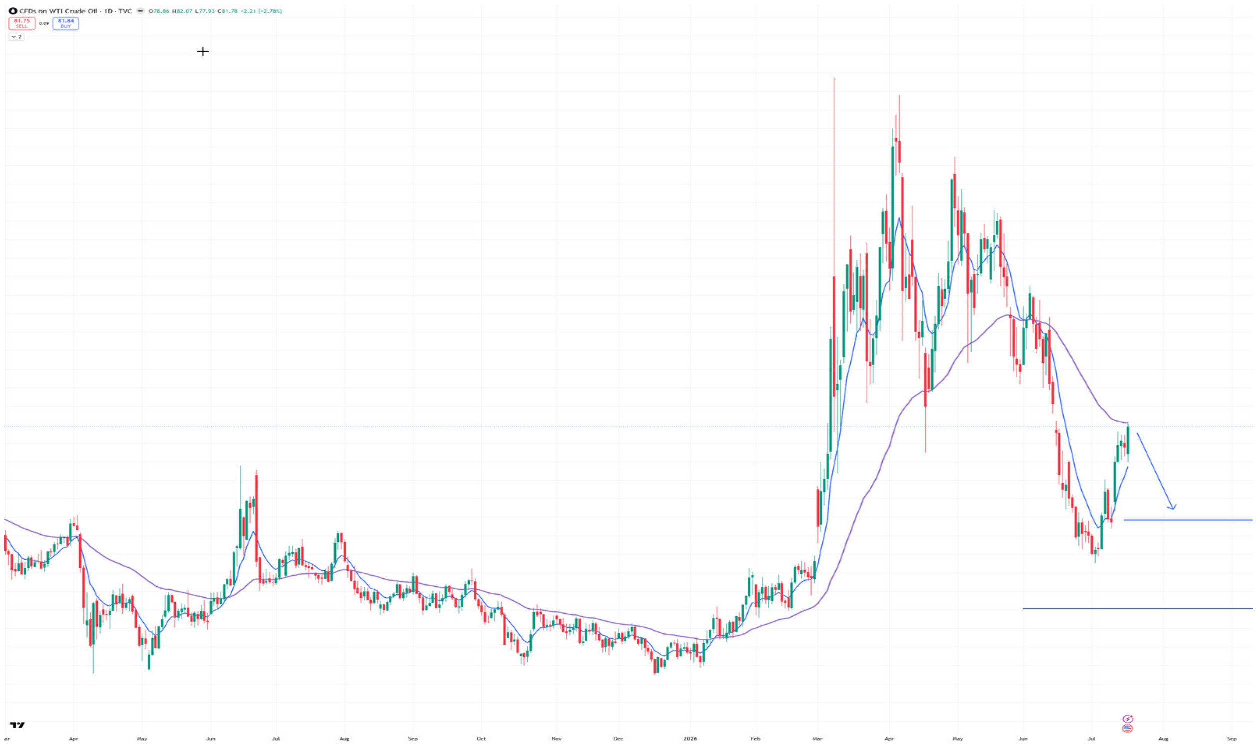
Gold (XAU/USD)

Gold remains inside a bearish corrective channel but is reacting from the lower boundary. The current setup favours a rebound toward 4,100–4,150, followed by 4,250–4,300 if momentum improves. The broader structure stays corrective while price remains inside the channel. Failure to recover above 4,150 would keep downside risk active.



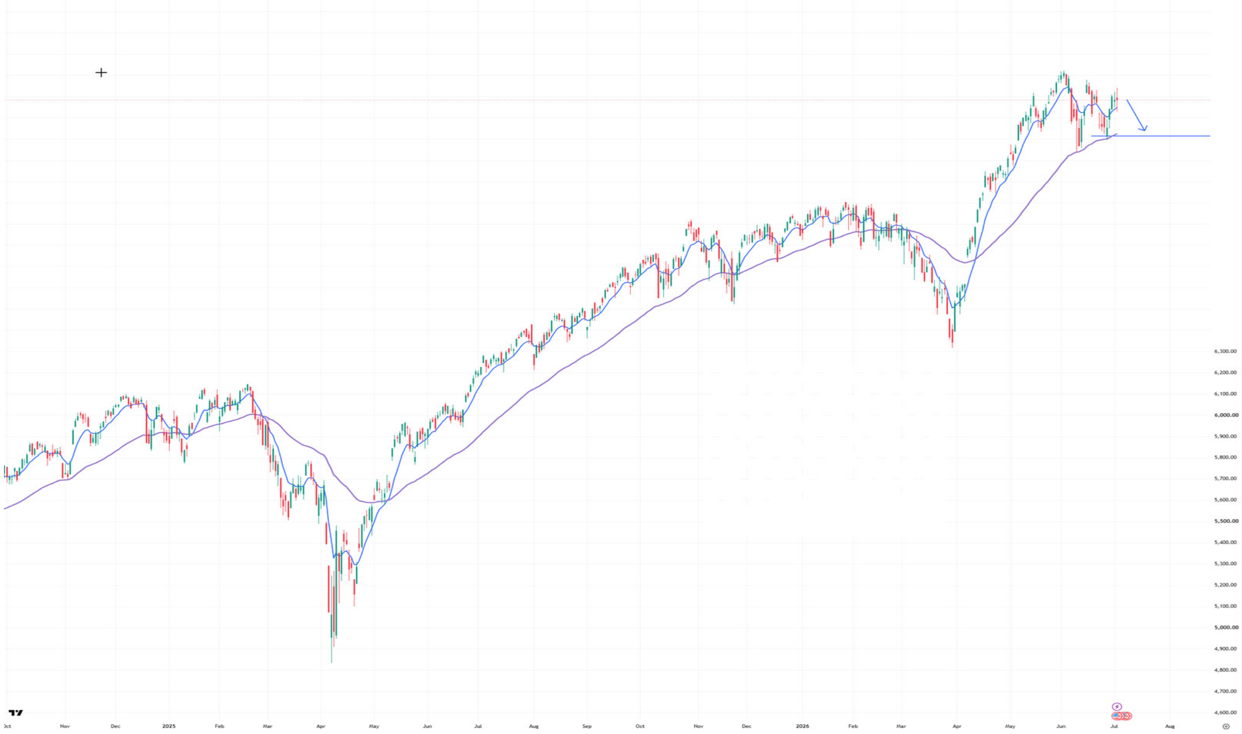
WTI Crude

WTI is attempting a short-term rebound but is approaching key resistance near the 55-day moving average. The current setup favours rejection from 82.00–83.00, followed by a corrective move toward 72.00–73.00. The broader structure remains vulnerable while price stays below 83.00. A break above this zone would support a stronger recovery.



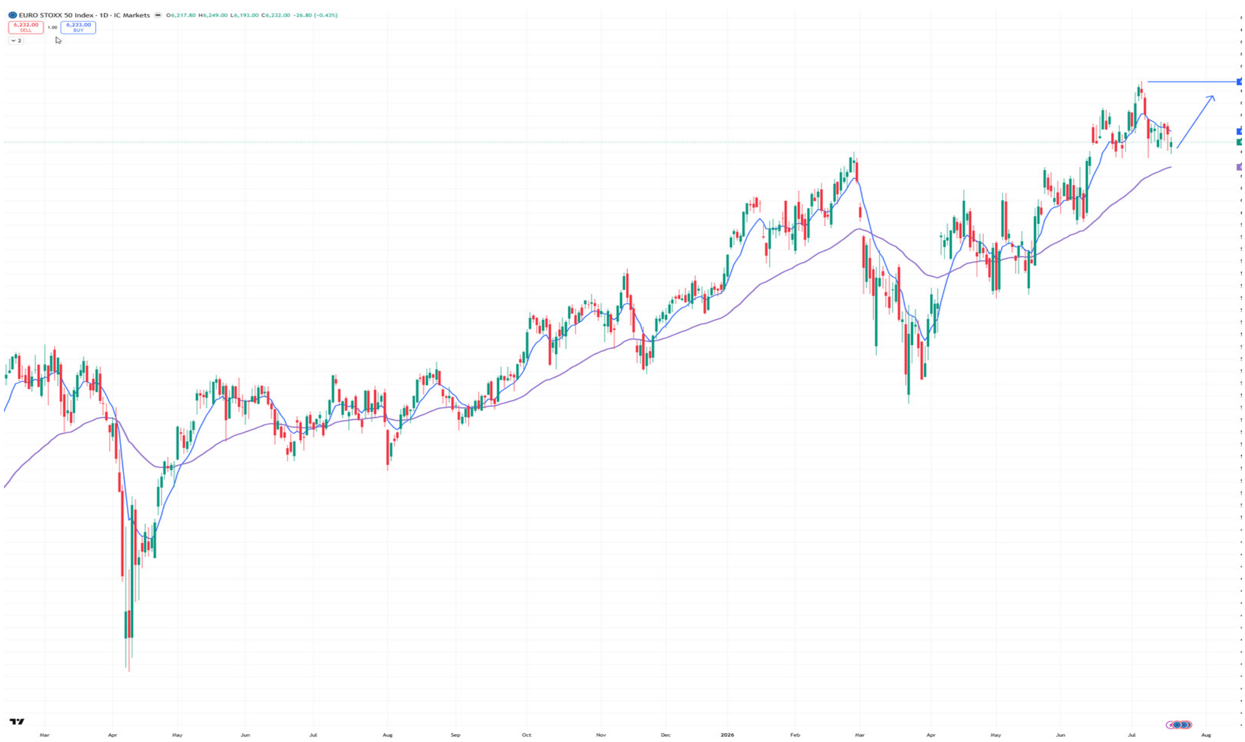
S&P 500

S&P 500 remains in a bullish structure, trading above the 55-day moving average and holding its recent range. The current setup favours a move toward the recent highs, with key resistance around 7,700. The bullish scenario remains valid while price holds above 7,400–7,350. A break below this zone would weaken momentum.



EuroStoxx 50

EuroStoxx 50 remains in a bullish structure, consolidating above the 55-day moving average after the recent pullback. The current setup favours a move toward 6,430–6,450, the next key resistance. The bullish scenario remains valid while price holds above 6,150–6,100. A break below this zone would weaken momentum.



Strategic Outlook
Week 30 (July 20–24, 2026)

Soft Landing Strengthens as Markets Shift from Inflation Relief to Growth Confirmation

Week 30 begins with markets increasingly confident that inflation is returning toward target without a significant deterioration in economic activity. Following softer U.S. CPI and the previous week's weak labour report, expectations for future Fed easing have strengthened as the soft-landing narrative gains credibility.

The macro framework now stands as follows:

- *Inflation continues to moderate.*
- *Labour markets are cooling gradually.*
- *Rate-cut expectations are increasing.*
- *Treasury yields have eased.*
- *Geopolitical risks remain contained.*

<u>Macro Themes</u>

1.United States
Markets Test the Soft-Landing Narrative
With inflation and labour both moderating, investors now focus on whether economic activity remains resilient enough to support a soft landing.
Key Focus
- PMI Manufacturing & Services
- Durable Goods Orders
- Existing & New Home Sales
- Initial Jobless Claims
- Consumer Sentiment
- Treasury market behaviour
- Fed speakers

Strategic Scenarios
Growth Remains Resilient
- Soft-landing narrative strengthens.
- Treasury yields remain stable.
- USD consolidates.
- Equities extend gains.
- Fed easing expectations remain intact.

Growth Weakens Further
- Rate-cut expectations increase.
- Treasury yields decline.
- USD weakens.
- Gold benefits.
- Equities become more volatile.

Growth Reaccelerates
- Treasury yields recover.
- USD strengthens.
- Rate-cut expectations are pushed back.
- Valuation pressure returns to equities.

The focus is whether economic activity remains resilient enough to validate the soft-landing narrative.
USD Bias: Mildly bearish while Fed easing expectations continue to build.

2. Geopolitics
Calm Conditions Continue to Support Markets
The geopolitical backdrop remains supportive:
- Continued U.S.–Iran diplomatic progress.
- Stable energy supply routes.
- Limited geopolitical risk premium.
- Lower market volatility.

Macroeconomic fundamentals remain the primary market driver.

3. Eurozone
Benefiting from a Softer Dollar
The Eurozone continues to face familiar structural challenges:
- Weak industrial production.
- Modest economic growth.
- Limited ECB flexibility.

However, a softer USD and improving financial conditions continue to support the euro. EUR performance remains driven more by U.S. monetary expectations than by stronger domestic fundamentals.

4.United Kingdom
Sterling Supported by Global Conditions
The UK backdrop remains stable:
- Inflation remains above target.
- Growth remains modest.
- The BoE maintains a cautious stance.

Sterling should remain supported while USD weakness persists, although domestic growth continues to limit upside.

5. Asia-Pacific
Softer Dollar Improves Sentiment
Asia-Pacific should benefit from:
- Lower U.S. yields.
- Softer USD.
- Improved financial conditions.

AUD, NZD and regional equities may outperform, although China remains the main structural constraint due to weak demand and limited policy support.

6. Commodities
Gold Consolidates While Oil Watches Demand
Gold - Supportive factors remain:
- Lower real yields.
- Softer USD.
- Fed easing expectations.

After recent gains, consolidation is likely unless U.S. data weakens further.
WTI Crude - Oil remains broadly balanced:
- Reduced geopolitical premium.
- Stable supply outlook.
- Moderate demand expectations.

7. Equities
Optimism Faces Its First Real Test
Equities continue to benefit from lower inflation, easing yields and improved rate expectations. The next move depends on whether growth remains resilient.
Equity Scenarios
Soft Landing Confirmed
- Broader participation.
- Cyclical sectors outperform.
- New highs become more likely.

Growth Weakens
- Defensive sectors lead.
- Earnings expectations soften.
- Volatility increases.

Growth Reaccelerates
- Financials outperform.
- Treasury yields recover.
- Rate-cut expectations moderate.

Summary & Key Risks

Summary
Week 30 is about validating the increasingly optimistic macro narrative. Following weaker inflation and moderating labour-market conditions, investors now seek confirmation that the U.S. economy can continue slowing gradually without falling into recession.

The soft-landing scenario remains the market's preferred outcome. Treasury yields have eased, the USD has softened, and equities continue to benefit from improving financial conditions. The sustainability of this environment now depends on whether growth remains resilient enough to support corporate earnings while allowing inflation to continue moving toward the Fed's target.

Key Riskst
a. U.S. activity data weakens materially → recession concerns return, equities become volatile, gold strengthens.
b. Growth proves stronger than expected → Treasury yields recover, USD stabilises, Fed easing expectations are delayed.
c. Fed speakers adopt a more hawkish tone → markets reassess the pace of future rate cuts.
d. China continues to disappoint → limits upside for commodities, AUD, NZD, and Asian equities.
e. Unexpected geopolitical deterioration → oil regains a risk premium and safe-haven demand returns to gold and the USD.

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