MARKET INSIGHT WEEK 31

RISEON

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RISEON

UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Tuesday, July 28			
JP BoJ Core CPI (YoY)	06:00		2.7%
US OPEC Meeting	11:00		
US CB Consumer Confidence (Jul)	15:00	92.1	91.2
Wednesday, July 29			
AU CPI (YoY) (Q2)	02:30		4.1%
US Crude Oil Inventoires	15:30		2.010M
US Fed Interest Rate Decision	19:00	3.75%	3.75%
US FOMC Press Conference	19:30		
Thursday, July 30			
EU GDP (QoQ)(Q2) P	10:00	0.2%	-0.2%
EU Unemployment rate (Jun)	10:00	6.2%	6.2%
GB BoE Interest rate Decision (Jul)	12:00	3.75%	3.75%
US Core PCE Price Index (MoM) (Jun)	13:30	0.1%	0.3%
US GDP (QoQ)(Q2) P	13:30	2.3%	2.1%
US Initial Jobless Claims	13:30	206K	187K
Friday, July 31			
EU CPI (YoY) (Jul) P	10:00	2.9%	2.8%
CA GDP (MoM) (May)	13:30	0.1%	0.5%

*US moves forward one hour for daylight saving time.

Weekly Recap – July 20 – 24, 2026 (W30)

Soft-Landing Narrative Holds as Growth Proves More Resilient Than Expected

Week 30 reinforced the soft-landing narrative as U.S. economic data proved more resilient than expected. Strong business activity and low jobless claims eased concerns after the weak payroll report, while Treasury yields remained stable. The data supported expectations that inflation can continue moderating without pushing the U.S. economy into recession, keeping gradual Fed easing on the table.

United States

Growth Validation Reinforces the Soft Landing

The week's data broadly confirmed the "Growth Remains Resilient" scenario outlined in the outlook. Key developments included:

- Business activity accelerated, led by the services sector.
- Weekly jobless claims fell to 187K, signalling that layoffs remain limited despite the earlier weak payroll report.
- Housing data remained broadly stable.
- Treasury yields stabilised after their recent decline.

As a result:

- Markets viewed the weak 57K NFP as less representative of broader labour-market conditions.
- Confidence in the soft-landing narrative increased.
- The USD stabilised after recent weakness.
- Expectations for gradual Fed easing remained intact.

Rather than pointing to recession, the week's data suggested an economy that continues to expand while inflation gradually moderates.

Geopolitics

Calm Environment Keeps Focus on Fundamentals

Geopolitical conditions remained supportive throughout the week.

- U.S.–Iran dialogue continued without major setbacks.
- Energy supply disruptions remained absent.
- Oil markets showed little evidence of renewed geopolitical pricing.

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

Eurozone

Dollar Stabilisation Limits Further EUR Strength

The Eurozone backdrop remained broadly unchanged:

- Industrial activity stayed weak.
- Growth remained subdued.
- ECB policy flexibility remained limited.

Although the euro retained support from previous USD weakness, stronger U.S. economic data prevented further appreciation. EUR continued to trade primarily as a reflection of U.S. monetary expectations rather than improving domestic fundamentals.

United Kingdom

Stable Fundamentals, Limited Domestic Catalysts

The UK backdrop remained largely unchanged:

- Inflation stayed above target.
- Growth remained modest.
- The BoE maintained its cautious stance.

Sterling remained supported by improved global risk sentiment but continued to lack meaningful domestic catalysts.

Asia-Pacific

Improved Global Conditions Offset Weak China

Asia-Pacific markets benefited from:

- Improved global risk sentiment.
- Stable U.S. financial conditions.
- Moderating inflation expectations.

However, China's recovery remained subdued, with weak domestic demand and measured policy stimulus. AUD and NZD found support from improving global conditions, although gains remained constrained by China's softer outlook.

Commodities

Gold Consolidates as Yields Stabilise

Gold entered a consolidation phase after its post-CPI rally.

- Treasury yields stabilised.
- The USD stopped weakening.
- Expectations for gradual Fed easing remained supportive.

WTI crude remained broadly range-bound as resilient demand balanced stable supply conditions and limited geopolitical risk.

Equities

Resilient Growth Supports Risk Appetite

Equity markets responded positively to the week's data. Supportive factors included:

- Stronger-than-expected business activity.
- Stable Treasury yields.
- Continued expectations for gradual Fed easing.
- Increased confidence in the soft-landing scenario.

Technology and cyclical sectors continued to outperform while broader market participation improved. Investors increasingly viewed the combination of moderating inflation and resilient growth as the most constructive macro backdrop of 2026.

Summary

Week 30 reinforced the soft-landing narrative as resilient U.S. economic data eased concerns following the weak payroll report. Treasury yields and the USD stabilised, while equities extended their gains as markets maintained expectations for gradual Federal Reserve policy easing.

Key Takeaway

» Resilient U.S. growth reinforced confidence in the soft-landing scenario.
» Markets continue to expect gradual Fed easing as inflation moderates.
» Attention now shifts to sustaining resilient growth and easing inflation.

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 31 (July 27–31, 2026)

Central Banks Take Centre Stage as Energy Risks Challenge the Soft-Landing Narrative

Week 31 shifts the focus toward central-bank policy. With monetary policy decisions from the Federal Reserve, Bank of England and Bank of Japan, alongside key U.S. growth and inflation data, investors will assess whether resilient economic activity and higher energy prices require interest rates to remain restrictive for longer.

The macro framework now stands as follows:

- *Global growth remains resilient but uneven.*
- *Energy prices have increased inflation risks.*
- *Treasury yields remain elevated.*
- *Expectations for Fed rate cuts have weakened.*
- *The U.S. dollar continues to benefit from safe-haven demand.*
- *Geopolitical developments remain an important source of volatility.*

<u>Macro Themes</u>

1.United States
Federal Reserve Takes Centre Stage
The Federal Reserve meeting will dominate the week, with markets expecting rates to remain unchanged while focusing on Chair Kevin Warsh's guidance. Investors will also monitor Q2 GDP, PCE inflation and the Employment Cost Index for confirmation of whether inflation pressures remain persistent despite resilient economic growth.
Strategic Scenarios
Fed Maintains a Balanced Tone

- Treasury yields stabilise.
- USD softens.
- Equities recover.
- Gold remains supported.

Fed Turns More Hawkish

- Treasury yields move higher.
- USD strengthens.
- Gold weakens.
- Equities face valuation pressure.

Growth Weakens

- Rate-cut expectations increase.
- Treasury yields decline.
- Risk assets become more volatile.

The week's focus is whether the Federal Reserve validates recent hawkish repricing or maintains confidence that inflation will continue moderating.
USD Bias: Mildly bullish while Treasury yields remain elevated.

2. Geopolitics
Energy Markets Remain the Main Risk
Geopolitical tensions continue to influence markets primarily through energy prices.

- Middle East tensions remain elevated.
- Energy supply risks continue.
- Oil prices remain sensitive to geopolitical developments.
- Financial markets continue monitoring inflation implications.

Macroeconomic data and central-bank communication remain the primary market drivers.

3. Eurozone
Growth and Inflation Remain in Focus
The Eurozone continues to face modest growth and limited ECB flexibility. This week, preliminary Q2 GDP and July inflation will determine whether recent disinflation continues despite higher energy prices.
EUR performance is expected to remain driven primarily by U.S. monetary policy expectations rather than stronger domestic fundamentals.

4.United Kingdom
BoE Assesses the Inflation Outlook
The Bank of England is widely expected to keep rates unchanged while updating its inflation and growth projections.
Markets will monitor:

- MPC voting split.
- Inflation forecasts.
- Future policy guidance.

Sterling may strengthen if the BoE adopts a more hawkish tone, while a cautious stance could weigh on GBP.

5. Asia-Pacific
Regional Data Tests the Recovery
Attention turns to the Bank of Japan meeting, Australia's CPI report and China's official PMIs.
Markets will assess whether:

- The BoJ signals further policy normalisation.
- Australian inflation remains elevated.
- Chinese manufacturing continues improving.

AUD and NZD remain sensitive to Chinese data, while JPY will primarily react to BoJ communication.

6. Commodities
Gold and Oil React to Central Banks and Geopolitics
Gold - Supportive factors remain:

- Safe-haven demand.
- Geopolitical uncertainty.
- Softer Fed communication.

A hawkish Fed and higher Treasury yields would likely pressure gold prices.
WTI Crude - Key drivers remain:

- Middle East developments.
- Supply disruption risks.
- Global demand expectations.

Oil continues to represent the main transmission channel between geopolitics and inflation expectations.

7. Equities
Equity markets face a difficult combination of resilient growth, higher bond yields and renewed inflation pressure.
Technology shares remain particularly sensitive to rising yields and questions surrounding the return on substantial AI investment. Energy companies may continue to outperform if oil remains elevated, while defensive sectors could benefit from geopolitical uncertainty.

Summary & Key Risks

Summary
Week 31 shifts the focus from growth confirmation to central-bank policy. With the Federal Reserve, Bank of England and Bank of Japan all meeting this week, investors will assess whether resilient growth, higher energy prices and persistent inflation require interest rates to remain restrictive for longer.

The soft-landing narrative remains intact but faces its first meaningful challenge from renewed inflation risks. Treasury yields remain elevated, the USD continues to benefit from safe-haven demand, and markets will closely monitor central-bank communication for guidance on the future policy path.

Key Riskst
a. Central banks adopt a more hawkish tone → Treasury yields rise further, the USD strengthens and equities come under pressure.
b. U.S. GDP and PCE inflation surprise to the upside → expectations for future rate cuts are pushed back.
c. Growth data disappoints → recession concerns return, supporting gold and increasing market volatility.
d. China and Asia-Pacific data weakens → weighs on commodities, AUD, NZD and regional equities.
e. Middle East tensions escalate further → oil prices rise, inflation concerns increase and safe-haven demand strengthens.

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