MARKET INSIGHT WEEK 32

RISEON

INDEX

UPCOMING ECONOMIC EVENTS

	Time*	Forecast	Previous
Monday, August 3			
US S&P Global Manufacturing PMI (Jun)	14:45	53.8	53.8
US ISM Manufacturing PMI (Jun)	15:00	54.00	53.3
Tuesday, August 4			
US JOLTS Job Openings (Jun)	15:00	7.420M	7.594M
NZ Unemployment Rate (Q2)	23:45	5.4%	5.3%
Wednesday, August 5			
US ADP Nonfarm Employment Change (Jun)	13:15	71K	90K
US Crude Oil Inventoires	15:30		-7.167
Thursday, August 6			
US Initial Jobless Claims	13:30	205K	197K
Friday, August 7			
US Nonfarm Payrolls (Jun)	13:30	88K	57K

*US moves forward one hour for daylight saving time.

Weekly Recap – July 27–31, 2026 (W31)

Central Banks Hold Rates as Resilient Growth and Persistent Inflation Keep Markets Volatile

Week 31 unfolded largely in line with expectations as the Federal Reserve, Bank of England and Bank of Japan all kept interest rates unchanged. While resilient economic activity supported the soft-landing narrative, persistent inflation and higher energy prices reinforced expectations that monetary policy will remain restrictive for longer, keeping markets volatile and delaying expectations for future rate cuts..

United States

Fed Holds, but Internal Pressure for Higher Rates Increases

The Federal Reserve kept rates unchanged, as expected, but the 9-3 vote revealed greater internal support for tighter policy than markets anticipated.

Key developments:

- The Fed maintained rates at 3.50%–3.75%.
- Three FOMC members voted for a rate hike.
- Q2 GDP slowed, but domestic demand remained resilient.
- PCE inflation moderated while remaining above target.
- Wage pressures eased only gradually.

As a result:

- Treasury yields stayed elevated.
- The USD remained supported.
- September hike expectations increased modestly.
- Markets delayed expectations for Fed easing.

The week confirmed that inflation is moderating, but not yet enough for the Fed to confidently shift toward easier policy.

Geopolitics

Energy Remains the Main Inflation Risk

Geopolitical developments continued to influence markets mainly through energy prices.

- Middle East tensions remained elevated.
- Energy supply concerns persisted.
- Oil stayed volatile.
- Inflation expectations remained sensitive to geopolitical developments.

Markets continued to focus primarily on monetary policy and macroeconomic data.

Eurozone

Growth Surprises Positively as Inflation Moves Higher

Eurozone data surprised positively.

- Q2 GDP exceeded expectations.
- Inflation increased slightly.
- Energy prices continued to pressure headline inflation.

Stronger growth and firmer inflation increased expectations that the ECB may need to maintain restrictive policy for longer.

United Kingdom

BoE Hold Becomes More Hawkish

The Bank of England kept rates unchanged, but the MPC vote shifted from 7–2 to 6–3.

- More members supported a rate increase.
- Inflation risks remained elevated.
- Energy prices remained a concern.

Sterling found support, although markets still await clearer guidance for September.

Asia-Pacific

Mixed Regional Signals

Asia-Pacific delivered mixed results.

- The BoJ kept rates unchanged while adopting a more hawkish tone.
- Australia's inflation moderated but remained above target.
- China's manufacturing PMI returned to contraction.

Weak Chinese data continued to limit upside for AUD and NZD.

Commodities

Gold

- Geopolitical uncertainty supported prices.
- Higher Treasury yields limited upside.
- Gold finished the week broadly weaker.

Oil

- Middle East developments kept prices highly volatile.
- Temporary easing in tensions reduced prices before renewed geopolitical concerns supported a rebound.

Equities

Earnings Offset Hawkish Central Banks

Equities experienced a sharp correction following the Federal Reserve meeting as higher Treasury yields and a more hawkish tone weighed on valuations. However, strong corporate earnings—particularly from AI-related companies—helped restore confidence later in the week.

- Treasury yields remained elevated.
- Technology shares recovered strongly.
- Major U.S. indices finished the week higher.
- Broader market sentiment improved despite persistent policy uncertainty.

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 has pulled back toward the 99.80–100.00 support area, where the rising trendline and 200-day moving average may provide support. The current setup favours a rebound toward 101.00–101.50 while price holds above 99.80. A break below this zone would weaken the broader recovery and expose 99.00–98.80 as the next support.

EUR/USD

EURUSD is testing key resistance around 1.1550–1.1580, where the 200-day moving average and descending trendline may cap further gains. The current setup favours a pullback toward 1.1450–1.1400 if price fails to break higher. A move above 1.1580–1.1600 would strengthen bullish momentum and open the way toward 1.1700.

GBP/USD

GBPUSD is testing key resistance around 1.3500–1.3570, where the descending trendline and previous highs may limit further gains. The current setup favours a pullback toward 1.3300, with 1.3180–1.3200 as the next support if selling pressure increases. A break above 1.3570–1.3600 would strengthen bullish momentum and invalidate the current bearish bias.

USD/JPY

USDJPY has corrected toward the 157.50–158.00 support zone, where the rising trendline and 200-day moving average may provide support. The current setup favours a rebound toward 160.00–160.50 while price holds above 157.50. A break below this area would weaken the broader bullish structure and increase the risk of a deeper correction.

USD/CHF

USDCHF is holding above the 0.8000–0.8020 support area after its recent pullback. The current setup favours a rebound toward 0.8120–0.8150 while this zone holds. A break below 0.8000 would weaken the recovery and expose 0.7950–0.7920, while a move above 0.8150 would restore bullish momentum.

USD/CAD

USDCAD is testing the 1.4000–1.4020 support area, where the 55-day moving average may provide support. The current setup favours a rebound toward 1.4150–1.4200 while price holds above 1.4000. A break below this level would weaken the recovery and expose the 200-day moving average near 1.3890.

AUD/USD

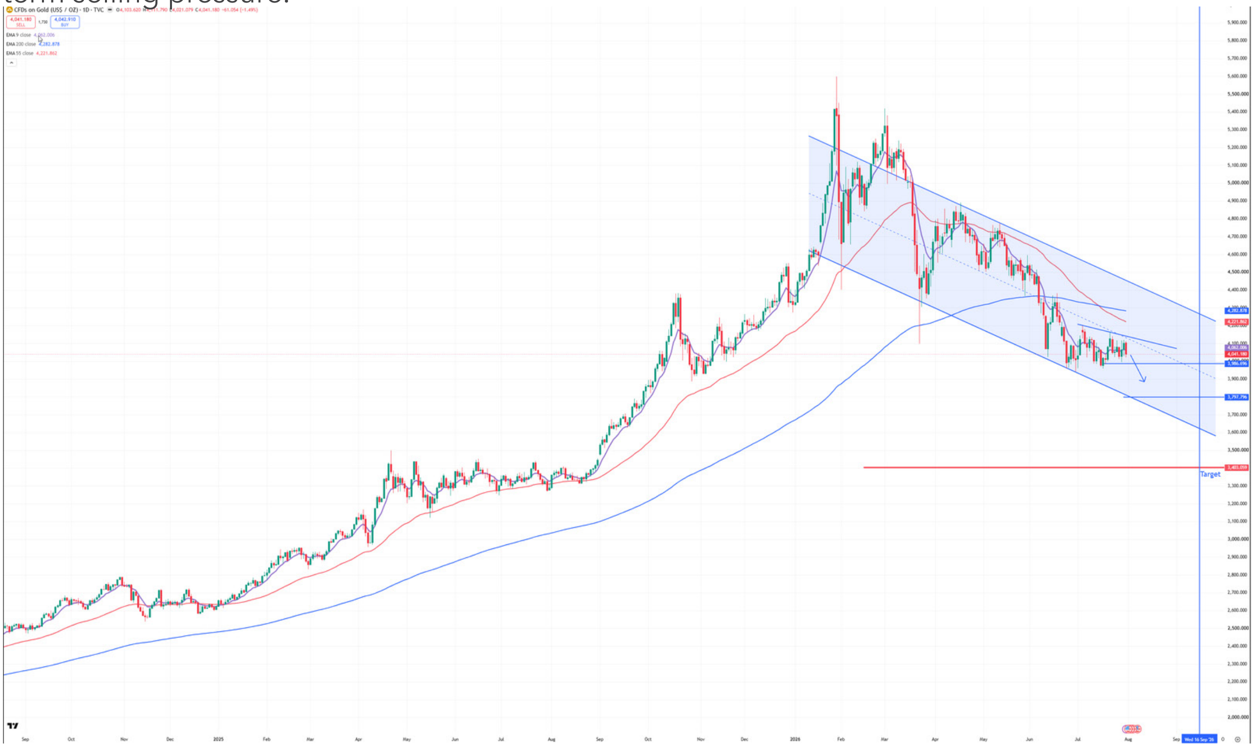
AUDUSD is testing key resistance around 0.7020–0.7040, where the 55-day moving average and previous resistance may limit further gains. The current setup favours a pullback toward 0.6900–0.6920 if price fails to break higher. A move above 0.7040–0.7060 would strengthen bullish momentum and open the way toward 0.7150.

NZD/USD

NZDUSD is testing key resistance around 0.5900–0.5960, where previous highs and the 200-day moving average may limit further gains. The current setup favours a pullback toward 0.5820–0.5800 if price fails to break higher. A move above 0.5960 would strengthen bullish momentum and open the way toward 0.6050.

Gold (XAU/USD)

Gold remains inside a bearish corrective channel, trading below its key moving averages. The current setup favours renewed downside toward 3,800–3,780, where support may emerge. The broader bearish structure remains valid while price stays below 4,100–4,150. A recovery above this zone would reduce short-term selling pressure.



WTI Crude

WTI has strengthened above the 9-day, 55-day and 200-day moving averages, confirming improving bullish momentum. The current setup favours continuation toward 95.50–96.00, the next key resistance area. The bullish recovery remains valid while price holds above 83.00–84.00. A break below this zone would weaken momentum and expose the 200-day moving average near 79.00.

S&P 500

S&P 500 remains in a broader bullish trend but is rejecting the 7,530–7,550 resistance area. The current setup favours a corrective move toward 7,300–7,320, where support may emerge. The broader bullish structure remains valid while this zone holds. A break below 7,300 would weaken momentum and increase the risk of a deeper correction.

EuroStoxx 50

EuroStoxx 50 remains in a broader bullish trend but is rejecting the 6,330–6,360 resistance area. The current setup favours a corrective move toward 6,170–6,125, where support may emerge. The broader bullish structure remains valid while this zone holds. A break below 6,125 would weaken momentum and increase the risk of a deeper correction.

Strategic Outlook
Week 32 (August 3 - 7, 2026)

U.S. Labour Market Takes Centre Stage as Markets Reassess September Rate Expectations

Week 32 shifts the market's attention from central-bank decisions to the U.S. labour market. Following a more hawkish tone from the Federal Reserve, Bank of England and Bank of Japan, investors will assess whether employment conditions remain strong enough to justify further policy tightening.

The macro framework now stands as follows:
- *U.S. growth remains resilient.*
- *Inflation remains above target.*
- *Labour-market momentum is softening.*
- *Treasury yields remain elevated.*
- *Fed easing expectations remain limited.*
- *Oil continues to influence inflation expectations.*
- *China remains a structural headwind.*
- *Equities continue to rely on resilient earnings.*

<u>Macro Themes</u>

1.United States

NFP Becomes the Week's Key Catalyst

The July Employment Report will dominate market attention after June payrolls rose by only 57K. Investors will monitor whether labour-market weakness proves temporary or signals a broader slowdown.

Key Focus
- Nonfarm Payrolls
- Unemployment Rate
- Average Hourly Earnings
- Labour-force Participation
- ISM Manufacturing & Services
- JOLTS Job Openings
- Jobless Claims

Strategic Scenarios

Strong NFP
- Treasury yields rise.
- USD strengthens.
- September hike expectations increase.
- Gold weakens.
- Equities face valuation pressure.

Balanced NFP
- Treasury yields remain stable.
- USD consolidates.
- Soft-landing narrative remains intact.
- Equities respond positively.

Weak NFP
- Treasury yields decline.
- USD weakens.
- Gold benefits.

Markets increase Fed easing expectations.
The week's focus is whether labour-market resilience continues supporting the soft-landing narrative.
USD Bias: Neutral to mildly bullish unless labour data deteriorates materially.

2. Geopolitics

Energy Markets Continue Driving Inflation Risk

Middle East developments remain the principal geopolitical risk.
- Oil prices remain sensitive to geopolitical events.
- Inflation expectations continue reflecting energy prices.
- Markets remain alert to supply disruptions.
- Monetary policy remains the primary market driver.

3. Eurozone

Growth Momentum Faces a New Test

Markets will monitor final PMI data together with German factory orders and industrial production.
- Business activity.
- Manufacturing recovery.
- Employment.
- Input prices.

EUR performance remains largely dependent on U.S. yields and dollar direction.

4.United Kingdom

Sterling Continues to Process the BoE Decision

Following last week's hawkish BoE vote, markets will focus on final PMI data and business confidence.
- Services activity.
- Employment.
- Input costs.

Sterling remains primarily driven by relative interest-rate expectations.

5. Asia-Pacific

China and Japan Remain the Regional Drivers

Markets will monitor:
- China's trade data.
- Australian trade figures.
- New Zealand employment.
- BoJ policy expectations.

Chinese weakness remains the main constraint for regional assets.

6. Commodities

Gold and Oil Remain Data Dependent

Gold - Supportive factors:
- Weak NFP.
- Lower Treasury yields.
- Safe-haven demand.

A stronger labour report would likely pressure prices through higher real yields.

WTI Crude - Key drivers
- OPEC+ developments.
- Middle East tensions.
- Global demand.
- U.S. inventories.

Oil remains the main transmission channel between geopolitics and inflation.

7. Equities

Labour Data Becomes the Main Valuation Driver

Equities continue benefiting from resilient earnings but remain sensitive to Treasury yields.

Balanced NFP
- Equities extend gains.
- Soft-landing narrative strengthens.

Strong NFP
- Higher yields pressure valuations.
- Financials outperform.

Weak NFP
- Lower yields support growth stocks.
- Volatility increases on growth concerns.

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Summary & Key Risks

Summary

Week 32 shifts the focus from central-bank decisions to labour-market confirmation. Following last week's more hawkish policy tone, markets will assess whether the July U.S. Employment Report validates expectations that the economy remains resilient enough to keep the possibility of a September Fed rate hike alive.

The soft-landing narrative remains intact, but the labour market has become the key test for monetary policy. Treasury yields remain elevated, the USD continues to find support, and Friday's NFP report is expected to determine the next major move across global markets.

Key Riskst

a. Strong NFP and firm wage growth → Treasury yields rise, the USD strengthens and Fed hike expectations increase.
b. Balanced employment report → the soft-landing narrative remains intact and markets continue pricing a prolonged Fed hold.
c. Weak payrolls or negative revisions → Treasury yields decline, gold strengthens and recession concerns return.
d. China trade data disappoint → pressure on commodities, AUD, NZD and broader Asia-Pacific assets.
e. Renewed Middle East escalation → oil prices rise, inflation expectations increase and safe-haven demand strengthens.

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