Tech turbulence and tensions rise once again

Global equity markets weakened over the week as investors balanced encouraging inflation data against renewed geopolitical uncertainty and the start of the US corporate earnings season. While several of the largest US banks reported stronger-than-expected quarterly results, positive earnings were overshadowed by broad-based weakness in technology shares, particularly across semiconductor, memory and artificial intelligence-related companies. Renewed tensions between the US and Iran heightened concerns over potential disruptions to global energy supplies, driving WTI crude oil back above $82 per barrel. The rise in oil prices supported energy stocks but also reignited concerns that higher fuel costs could complicate the outlook for inflation and interest rates.

Economic data from the US provided a more encouraging backdrop. Consumer prices fell 0.4% month-on-month in June, marking the largest monthly decline since April 2020. Core inflation, which excludes food and energy, was unchanged over the month, while annual headline inflation slowed to 3.5% and core inflation eased to 2.6% from. Producer prices also surprised to the downside, with the Producer Price Index declining 0.3% during the month, reinforcing signs that underlying price pressures continue to moderate.

European equity markets finished the week little changed following several volatile trading sessions. The region continued to benefit from easing inflationary pressures, with annual eurozone inflation slowing to 2.8% in June, down from 3.2% in May, its lowest reading since the outbreak of the Iran conflict. However, gains were limited as weakness in global technology stocks spread to European markets, while renewed concerns over Middle East tensions weighed on investor confidence. Higher oil prices supported the energy sector but pressured more economically sensitive industries, including travel and leisure, as investors assessed the potential impact of rising fuel costs and a more uncertain economic outlook.

Japanese equities also declined over the week, reflecting the global sell-off in technology stocks and increasing questions surrounding valuations within the artificial intelligence sector. Escalating geopolitical tensions further reduced investors' appetite for risk, while higher crude oil prices placed additional pressure on Japan's import-dependent economy. Concerns that rising energy costs could weaken the country's terms of trade weighed on the yen and contributed to the cautious tone across Japanese markets.

Fact of the week

NVIDIA briefly lost its title as the world's most valuable listed company before reclaiming the top spot by Friday, as its market cap swung by over $230B across just two days.

Our regular market information continues on the next page.

Snapshot

Up:
- Oil
- Copper

Down:
- World Equities
- Corporate Bonds
- Sovereign Bonds
- Gold

The week ahead	
22 July	UK PPI inflation data is reported.
23 July	The ECB makes an interest rate decision.
24 July	Eurozone and US PMI data is released.

	1 Week Return 10.07.26 to 17.07.26		Year to Date Return 31.12.25 to 17.07.26	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-1.2%	-1.4%	9.3%	12.2%
U.S.	-1.5%	-1.6%	9.4%	12.3%
Europe	-0.4%	-0.4%	10.1%	10.1%
Ireland	-2.1%	-2.1%	3.2%	3.2%
U.K.	1.1%	1.2%	8.9%	11.8%
Japan	-3.7%	-4.2%	16.2%	15.1%
Hong Kong	2.9%	2.7%	5.8%	7.9%
Corporate Bonds	-0.4%	-0.4%	-1.1%	-1.1%
Sovereign Bonds	-0.5%	-0.5%	-0.4%	-0.4%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product, you may lose some or all of the money you invest.

Equities

- Global stocks finished down at -1.4% in euro terms and down -1.2% in local terms last week.
- Year-to-date global markets are up by 12.2% in euro terms and up by 9.3% in local terms.
- The U.S. market, the largest in the world, finished down at -1.6% in euro terms and down at -1.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% last week. The German equivalent finished at 3.1%. The Irish 10-year bond yield finished at 3.3%.
- The Euro/U.S. Dollar exchange rate finished at 1.14, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at $83 per barrel and is up 47.5% year-to-date in euro terms.
- Gold finished the week at $4,017 per troy ounce and down -4.5% year-to-date in euro terms.
- Copper finished the week at $13,501 per tonne and is up 11.3% year-to-date in euro terms.

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