

Morning Brief

QUICK SUMMARY OF THE MARKETS LAST SESSION

US equities closed Thursday's session on a constructive note, with the S&P 500 gaining +0.6% to 7'564 and the Nasdaq adding +0.9% to 26'917, both printing fresh all-time highs. The breadth was tech-led, with the AI infrastructure theme continuing to provide a tailwind following strong results from cloud and semiconductor names earlier in the week.

European equities ended lower: the STOXX 600 slipped -0.3%, the FTSE 100 fell -0.8% to 10'426, and the Swiss SMI lost -0.9% to 13'505, with energy and defensive names dragging as Brent softened on Iran deal speculation.

Asian markets this morning closed dispersed: the Nikkei surged +2.5% to 66'330, buoyed by yen weakness and tech relief, while the Hang Seng added +0.9% to 25'232, and the Shanghai Composite retreated -0.7% to 4'069 amid domestic demand concerns.

The dominant rates driver over the past 24 hours was April's PCE report, which landed broadly in line with expectations and briefly relieved the long end, though conviction remained limited given still-elevated inflation. The US 10-year Treasury ended near 4.47% and the 2-year around 3.99%.

In commodities, gold rose +0.9% to 4'495, supported by lingering geopolitical uncertainty, while Brent crude slipped -0.6% to 93.71 per barrel as rumors of progress in US-Iran ceasefire negotiations weighed on the energy complex.

WHAT TO WATCH IN THE MARKET TODAY

Today's session will pivot around the preliminary CPI releases from Germany and other eurozone countries, which will shape ECB rate expectations heading into next week's flash estimate for the bloc as a whole.

In the US, several data points are due at 14:30 CET including the Advance Goods Trade Balance for April (prior -87.4b), Retail Inventories, and Wholesale Inventories, as well as the Chicago PMI for May (prior 49.2, consensus 50.3).

KEY HIGHLIGHTS YESTERDAY

Yesterday's session was driven by strong consumer-facing prints. Best Buy posted Q1 FY27 revenues of \$8.94b against expectations of \$8.83b and adjusted EPS of \$1.28 versus \$1.23 expected, with comparable sales up +2.0% driven by gaming, computing and mobile, management also flagged appliances returning to growth in May and guided for around +1.0% comps in the current quarter.

Dollar Tree beat on both lines with adjusted EPS of \$1.74 against a \$1.55 consensus, raised its full-year comparable sales guidance to a range of 3-4% growth, and reaffirmed the resilience of the value-oriented consumer in a high-inflation environment.

Costco, reporting after Thursday's close, delivered fiscal Q3 revenues of \$70.5b (up 11.6%), EPS of \$4.93 in line with consensus, a membership renewal rate of 89.7%, and record fuel volumes at its petrol stations, a solid defensive anchor heading into today's open.

MACRO RELEASES TO WATCH TODAY

The first May inflation estimates are now out for two major eurozone economies. France printed CPI at +2.4% year-on-year for May, slightly below the 2.5% consensus and up from 2.2% in April, with a monthly contribution of +0.1%. Spain came in at +3.2% year-on-year, in line with expectations, with the EU harmonised measure at +3.6% and core inflation at +2.9%, energy remaining the primary driver in both countries. Taken together, these prints keep eurozone inflation well above the ECB's 2.0% target ahead of Tuesday's Eurostat flash estimate for the full bloc, and highlight the persistent north-south dispersion within the currency union that complicates any near-term pivot in ECB communication.

MOST IMPORTANT NEWS YESTERDAY

Northland Capital Markets downgraded Intel to market perform from outperform, citing stretched valuation relative to its ongoing turnaround, even as data centre CPU demand is expected to recover – a pointed reminder that AI tailwinds are unevenly distributed within semiconductors and that execution risk still commands a discount for legacy chip names.

Best Buy simultaneously confirmed its CEO transition, with Chief Product Officer Jason Bonfig set to succeed Corie Barry at the start of Q4, an orderly handover the market absorbed without friction.

More broadly, the combination of Best Buy's resilient comparable sales and Dollar Tree's raised guidance reinforced the narrative, consistent with recent Walmart and Target prints, that the US consumer continues to spend selectively but does not appear to be in retrenchment.

BIG CAPS TO FOLLOW TODAY AND WHY

Costco (COST) will be the key price mover at the open, with investor focus on whether the record fuel volumes and solid comps justify the stock's premium valuation.

Marvell Technology (MRVL), which reported Wednesday, will continue to trade on AI-semis sentiment; today's session will test whether the stock can consolidate its post-results gains given the broader market's proximity to all-time highs.

Amazon (AMZN) warrants attention as the strategic counterparty in the Snowflake infrastructure pact announced earlier this week, reinforcing its position as a primary beneficiary of enterprise AI infrastructure build-out. In Europe, TotalEnergies and BP remain sensitive to any further newsflow on the Iran ceasefire following yesterday's move in Brent.

IMPORTANT EARNINGS IN THE LAST FEW DAYS

The past several days have delivered a constructive earnings backdrop, with two distinct themes dominating: the acceleration of enterprise AI spending and the stubborn resilience of the US consumer.

Snowflake, reporting Tuesday evening, set a high watermark with Q1 fiscal 2027 revenues of \$1.39b (up 33% year-on-year), a beat of \$70m against consensus, a full-year product revenue guidance raise to \$5.84b, and a \$6b multi-year AWS infrastructure agreement that underscored the deepening strategic commitment of hyperscalers to third-party AI data platforms.

Marvell similarly delivered record Q1 FY27 revenues of \$2.42b (up 28%), guided Q2 to \$2.7b at the midpoint, and significantly raised its outlook for both fiscal 2027 and 2028, confirming that AI chip demand is broadening from GPU-centric architectures into custom silicon and high-speed networking.

On the consumer side, Best Buy, Dollar Tree, Costco, and Hormel have collectively printed better-than-feared results across the week, echoing Walmart's and Target's earlier signals that household spending remains selective but intact.

MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED

The most critical catalyst of the coming week is the ISM Manufacturing PMI for May, due Monday June 1st (consensus 53.2, prior 52.7), which will test whether the recent expansion in US factory activity is broadening or concentrated in a handful of sectors. On Tuesday June 2nd, the Eurostat flash CPI for May will give the first consolidated read on whether today's country-level prints translate into a bloc-wide acceleration beyond April's 3.0%, with particular focus on whether core inflation stabilises or re-accelerates.

Wednesday brings JOLTS job openings for April (prior 6'866k), a timely read on labour market slack that will inform the Fed's assessment of whether the strong jobs backdrop is beginning to soften, alongside Construction Spending for April.

Friday June 5th brings the US Non-Farm Payrolls report – the week's most rate-sensitive print – where any sign of labour market cooling would be the clearest catalyst for a reassessment of the Fed's on-hold stance and could trigger a meaningful duration rally.

MARKET DATA

		EQUITY						MSCI WORLD FACTORS						
		Futures	Last	% 1D	% WTD	% MTD	%YTD			Last	% 1D	% WTD	% MTD	%YTD
Europe	CAC 40	0.81%	8 188.87	-0.2%	0.9%	0.9%	0.5%	MSCI WORLD	4 845.74	0.4%	0.9%	4.0%	9.4%	
	DAX 30	0.09%	25 092.25	-0.3%	0.8%	3.3%	2.5%		GROWTH	7 567.99	1.0%	1.6%	6.2%	9.0%
	SMI 20	0.42%	13 504.76	-0.9%	0.0%	2.8%	1.8%		VALUE	4 768.90	-0.2%	0.3%	1.9%	9.7%
	SPI	-	19 084.30	-0.8%	0.2%	2.9%	4.7%		MOMENTUM	5 631.72	-0.3%	1.6%	7.4%	19.2%
	FTSE MIB 40	0.31%	49 825.32	0.5%	0.6%	3.3%	10.9%		LOW VOL	2 408.75	-0.3%	-1.3%	-1.5%	0.3%
	EUROSTOXX 50	0.33%	6 055.11	-0.3%	0.6%	3.0%	4.6%		QUALITY	5 134.89	0.2%	0.6%	3.7%	8.4%
	DJ STOXX 600	0.21%	625.11	-0.5%	-0.0%	2.3%	5.6%		SIZE	6 886.74	0.2%	0.6%	2.5%	8.3%
America	FTSE 100	0.09%	10 425.96	-0.8%	-0.4%	0.5%	5.0%	HIGH DIV.	1 848.84	-0.4%	-0.6%	0.7%	7.3%	
	S&P 500	0.05%	7 563.63	0.6%	1.2%	4.9%	10.5%	SMALLCAP	754.36	0.3%	1.6%	3.3%	13.7%	
	NASDAQ COMP	-0.03%	26 917.47	0.9%	2.2%	8.1%	15.8%	MSCI USA	7 204.32	0.6%	1.2%	4.9%	10.3%	
	S&P 500 EW	-	8 422.82	0.4%	0.8%	2.3%	8.5%	ENERGY	443.62	-0.2%	-4.4%	-5.3%	25.4%	
	S&P 400 MIDCAP	-0.03%	3 718.92	0.1%	1.2%	2.2%	12.5%	MATERIALS	464.92	0.3%	1.7%	-0.1%	11.3%	
	S&P 600 SMALLCAP	-	1 697.56	0.1%	1.6%	1.7%	15.7%	INDUSTRIALS	680.28	-0.2%	1.2%	-0.4%	13.3%	
Asia	RUSSELL 2000	-0.16%	2 936.57	0.6%	2.3%	4.9%	18.3%	CONSUMER DISC.	837.10	0.5%	2.5%	3.5%	4.2%	
	NIKKEI 225	2.96%	66 329.50	2.5%	4.7%	11.9%	31.8%	CONSUMER STAPLES	360.67	-0.5%	-1.3%	-1.3%	9.2%	
	HANG SENG H	-	25 157.18	0.6%	-1.8%	-2.4%	-1.8%	HEALTH CARE	484.36	1.4%	0.6%	3.2%	-3.1%	
	SHANGHAI COMP A	-	4 068.57	-0.7%	-1.1%	-1.1%	2.5%	FINANCIALS	281.61	-0.3%	-1.2%	-1.9%	-6.9%	
EM	SHENZHEN COMP A	-	2 805.62	-1.9%	-2.0%	1.1%	10.9%	IT	1 498.83	1.4%	2.6%	13.9%	21.0%	
	BOVESPA	-	175 063.41	-0.4%	-0.7%	-6.5%	8.7%	COMM. SERVICES	159.41	0.2%	1.8%	0.9%	10.5%	
	SENSEX	-	75 867.80	0.6%	-1.4%	-11.0%	-	UTILITIES	264.21	-1.1%	-1.6%	-5.1%	4.0%	
Indices Total Return	MSCI WORLD 100% H Sfr NTR	-	2 694.01	0.3%	0.9%	4.4%	10.4%	MSCI EUROPE	208.67	-0.5%	-0.0%	2.4%	5.6%	
	S&P 500 TR	-	16 897.64	0.6%	1.2%	5.0%	11.0%	ENERGY	196.62	0.3%	-3.8%	-6.6%	26.5%	
	MSCI USA NTR	-	21 811.18	0.6%	1.2%	5.0%	10.6%	MATERIALS	405.68	0.1%	2.1%	4.5%	15.6%	
	MSCI EUROPE NTR	-	430.64	-0.5%	0.1%	3.0%	7.4%	INDUSTRIALS	534.19	-0.2%	1.0%	1.5%	7.7%	
	MSCI EUROPE SMALL NTR	-	701.27	-0.1%	0.4%	3.7%	8.3%	CONSUMER DISC.	188.52	0.2%	3.0%	6.5%	-11.5%	
	MSCI EM NTR	-	947.72	-0.8%	2.3%	8.0%	23.6%	CONSUMER STAPLES	269.77	-1.4%	-0.2%	1.6%	-0.3%	
	MSCI AC ASIA EX JAPAN NTR	-	960.34	-1.0%	2.2%	9.2%	25.5%	HEALTH CARE	274.75	-0.7%	-0.7%	1.5%	-2.3%	
	MSCI EM LATAM NTR	-	829.28	-0.3%	0.4%	-3.7%	13.8%	FINANCIALS	123.70	-1.3%	-0.3%	1.5%	1.3%	
								IT	300.85	1.3%	0.1%	15.4%	34.9%	
								COMM. SERVICES	60.83	-0.7%	-1.7%	3.9%	3.5%	
							UTILITIES	197.30	-1.1%	-1.9%	-5.1%	11.1%		

		FIXED INCOME													
		Yield	Duration	% 1D	% WTD	% MTD	%YTD	Range 1Y	Range 5Y	Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD	
EUR	AGGREGATE 5-7Y	3.39	5.4	0.1%	0.5%	0.9%	0.7%	41	57 41	113	44 bp	-0 bp	-1 bp	-3 bp	-0 bp
	CORP IG 5-7Y	3.84	5.2	0.1%	0.5%	0.9%	0.8%	84	112 84	253	91 bp	-0 bp	-1 bp	-4 bp	+1 bp
	CORP BBB	3.88	4.4	0.1%	0.4%	0.9%	0.8%	84	116 84	277	92 bp	-0 bp	-1 bp	-4 bp	+1 bp
	CORP HIGH YIELD	5.86	2.8	0.0%	0.3%	0.9%	1.1%	249	331 249	668	267 bp	+0 bp	-2 bp	-15 bp	+3 bp
USD	AGGREGATE 5-7Y	4.70	4.9	0.2%	0.7%	0.0%	0.1%	23	38 21	67	25 bp	-1 bp	-0 bp	+0 bp	-3 bp
	CORP IG 5-7Y	4.85	4.1	0.1%	0.5%	0.2%	0.5%	62	84 57	155	64 bp	-1 bp	-1 bp	-6 bp	-5 bp
	CORP BBB	5.34	6.6	0.2%	0.8%	0.6%	0.7%	91	115 91	198	91 bp	-1 bp	-0 bp	-7 bp	-8 bp
	CORP HIGH YIELD	6.99	2.7	0.1%	0.4%	0.4%	1.5%	247	338 247	588	259 bp	-0 bp	-1 bp	-11 bp	-9 bp
	EM AGG. 5-7Y	6.29	4.6	0.1%	0.7%	0.3%	1.3%	186	266 186	463	199 bp	-1 bp	-2 bp	-6 bp	-1 bp
Sovereign	US	3.89		4.17	4.47	-3 bp	+28 bp								
	Germany	2.36		2.68	3.00	-2 bp	+11 bp								
	Switzerland	0.01		0.25	0.46	-3 bp	+12 bp								
	Italy	2.48		3.09	3.69	-2 bp	+18 bp								
CDS	CDX \$ IG 3Y SPRD									30 bp	-0 bp	-1 bp	-3 bp	+1 bp	
	CDX \$ HY 5Y SPRD									302 bp	-3 bp	-6 bp	-28 bp	-14 bp	
	ITRAXX € IG 3Y SPRD									29 bp	-1 bp	-2 bp	-6 bp	+2 bp	
	ITRAXX € HY 3Y SPRD									180 bp	-4 bp	-9 bp	-28 bp	+11 bp	

		FOREX, VOLATILITY & PHYSICAL ASSETS											
		Last	% 1D	% WTD	% MTD	%YTD	Last	% 1D	% WTD	% MTD	%YTD		
FX	EUR/USD	1.1651	0.2%	0.4%	-0.7%	-0.8%	Physical Assets	GOLD	4 495.29	0.9%	-0.3%	-2.7%	4.1%
	EUR/CHF	0.9133	-0.2%	0.3%	-0.4%	-1.9%		SILVER	75.63	1.3%	0.1%	2.5%	5.5%
	USD/CHF	0.7840	-0.4%	-0.1%	0.3%	-1.1%		COPPER	13 513.00	-0.2%	-0.2%	3.8%	8.1%
	USD/JPY	159.24	-0.2%	0.0%	1.7%	1.6%		ALUMINIUM	3 752.03	1.1%	0.9%	6.3%	26.4%
	USD/GBP	0.7438	-0.1%	-0.1%	1.2%	0.2%		IRON	100.24	-1.2%	-1.2%	-2.6%	-3.5%
	USD/CNY	6.776	-0.1%	-0.3%	-0.8%	-3.0%		WHEAT	624.00	0.2%	-3.4%	0.0%	23.1%
	USD/RUB	70.92	-0.1%	-0.6%	-5.5%	-9.9%		CORN	455.75	0.7%	-1.6%	-1.9%	3.5%
	BTC/USD	73 481.23	-2.2%	-3.2%	-3.9%	-16.2%		CRUDE OIL (WTI)	88.90	0.2%	-8.0%	-10.3%	55.9%
Vol	S&P500 VOL (VIX)	15.74	-3.4%	-5.7%	-6.8%	5.3%	BRENT	93.71	-0.6%	-9.5%	-15.1%	55.6%	
	ICE BOFAML MOVE INDEX	69.74	-1.6%	-11.1%	-3.2%	9.0%	DUTCH TTF NATURAL GA	46.92	1.1%	-3.6%	2.0%	66.6%	
							SWISS RES. REAL ESTATE	3 344.96	1.0%	1.3%	-1.3%	1.0%	

Closing as of Thursday May 28, 2026, futures as of Friday May 29, 2026 10:03

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