Morning Brief

QUICK SUMMARY OF THE MARKETS LAST SESSION

Thursday was a risk-off session concentrated in mega-cap technology and rate-sensitive names rather than in the broad market. The S&P 500 fell 1.2% to 7'408, the Nasdaq Composite 2.2% to 25'138 and the Dow Jones 1.0% to 51'712, while the equal-weighted S&P 500 lost only 0.4% and the Russell 2000 0.7%, placing the damage squarely in the largest index weights; the VIX rose 12.4% to 18.7.
Europe closed lower across the board, the STOXX 600 down 1.2% at 639, the FTSE 100 down 0.7% at 10'639 and the SMI down 0.7% at 14'215.
Asia extended the move overnight, the Nikkei 225 closing 2.7% lower at 64'611, the Hang Seng down 1.3% at 24'885 and the Shanghai Composite down 1.6% at 3'814.
The trigger was an energy-led inflation shock layered on hawkish central bank rhetoric, after fresh US strikes on Iran and Houthi attacks on Saudi tankers in the Red Sea, with the ECB holding its deposit rate at 2.25% and Lagarde read as opening the door to a September hike.
Treasuries sold off for a fourth session, the 2-year ending at 4.37% and the 10-year at 4.71%, its highest since January 2025, while Swiss rates followed only marginally, the 10-year near 0.5% and the 2-year close to 0.2%, with SARON pinned at the SNB's 0.0% policy rate.
Brent surged 7.0% to 100.69 dollars, above 100 for the first time since late May, while gold fell 2.0% to 4'049 dollars as higher real yields outweighed the geopolitical bid.

WHAT TO WATCH IN THE MARKET TODAY

European futures point to a modest rebound, DAX futures up 0.7% and EURO STOXX 50 futures up 0.6%, but the setup is fragile given the weak Asian handover and an oil price that has not stabilised.
The dominant risk is rotation rather than direction: energy, defence and value keep absorbing flows while long-duration technology carries the cost of higher discount rates.
European semiconductors and software open on the read-across from last night's US after-close results, and flash PMIs on both sides of the Atlantic are the only scheduled catalysts.

KEY HIGHLIGHTS YESTERDAY

The mega-cap message was strong revenue and deteriorating cash conversion.
Alphabet fell close to 7% despite record results, as full-year capital expenditure guidance of 195 to 205 billion dollars and negative free cash flow overshadowed Google Cloud growth of 82% and a cloud operating margin of 35.6% against 20.7% a year earlier.
Tesla dropped 14.5% to an eleven-month low, revenue up 26% to 28.2 billion dollars on record deliveries but free cash flow at minus 1.09 billion and 2026 capital expenditure confirmed above 25 billion.
After the close Intel surprised positively, with revenue up 25% to 16.1 billion dollars, adjusted earnings of 0.42 dollars against 0.22 expected and third-quarter guidance comfortably above consensus, lifting the shares around 12% after hours.
SAP beat with earnings of 1.89 euros per share on revenue up 11%, easing fears that AI adoption is eroding enterprise software demand, while STMicroelectronics fell over 18% on soft guidance and Nestlé lost close to 8% on a weaker first half.

MACRO RELEASES TO WATCH TODAY

Flash PMIs dominate the session. Euro area prints at 10:00 CET are expected at 51.5 for manufacturing, 49.8 for services and 50.2 for the composite, against 51.4, 49.4 and 50.0 in June: marginal expansion overall, but services still short of the threshold at a moment when policy is leaning restrictive rather than supportive.
Released alongside, the ECB Survey of Professional Forecasters and one-year consumer inflation expectations, seen easing to 3.2% from 3.5%, carry more weight than usual for the September debate. US flash PMIs at 15:45 CET are seen at 54.4, 51.5 and 52.2, all improving, with the price sub-indices the real focus given the risk of energy pass-through, followed by June new home sales at 16:00 CET expected at 607'000 after 580'000.

MOST IMPORTANT NEWS YESTERDAY

Nestlé agreed to sell a stake in its water and premium beverages business to Platinum Equity for expected proceeds of about 3.4 billion dollars, a portfolio simplification the market read instead as confirmation of structural weakness.
Tesla secured a debt facility of up to 30 billion dollars to fund its AI and robotics build-out, a meaningful shift for a company that has historically self-financed.
Palantir fell 6% after UK regulators opened scrutiny of its NHS data contract, a reminder that political risk is now priced into government-exposed software.
Iberdrola agreed to take control of Finland's Caruna for 2.3 billion dollars, extending consolidation in regulated European grid assets.

BIG CAPS TO FOLLOW TODAY AND WHY

Intel and SAP set the tone for technology at the open, with the read-across to semiconductor equipment and enterprise software mattering more than the moves in the names themselves.
TotalEnergies, Shell and BP are the cleanest expression of Brent above 100 dollars, while airlines and logistics sit on the wrong side of that trade, Ryanair notably after a 5.1% fall yesterday.
Alphabet and Tesla deserve attention for follow-through, since tolerance of AI capital intensity now drives index leadership.
Nestlé and Roche will show whether the Swiss defensive complex stabilises, and Nvidia remains the barometer for a semiconductor sector already in a bear market.

IMPORTANT EARNINGS IN THE LAST FEW DAYS

The regime is one of solid top lines and increasingly uneven cash conversion. STOXX 600 second-quarter earnings are tracking growth of 17.3%, falling to 7.2% excluding an energy sector expanding profits by 122.6%, on revenue growth of 11.5%, the best in more than three years; the headline flatters a narrow reality.
TotalEnergies posted its strongest quarterly profit in three years and Dassault Aviation rose 8.3% on first-half results, confirming energy and defence as the pricing-power winners of this cycle.
Roche reaffirmed full-year guidance and Randstad signalled a demand recovery, while Moncler's weak print dragged luxury, with LVMH, Hermès and Ferrari each losing more than 3.5%.
In the United States, Lockheed Martin and Thermo Fisher both raised full-year guidance, evidence that outside the AI spending debate revisions remain positive.

MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED

The Federal Reserve decision on 29 July dominates: the target range stands at 3.50% to 3.75% and markets attach roughly a one-in-three probability to a hike at this meeting, rising towards 80% by September. Thursday 30 July brings advance second-quarter US GDP and the June PCE deflator, alongside euro area and German GDP, German inflation and the Bank of England decision. Friday 31 July delivers euro area flash inflation, Chinese PMIs and the Bank of Japan, leaving the yen and Japanese duration most exposed. Sensitivity is asymmetric: an upside surprise in core PCE or euro area inflation would validate the hawkish repricing, lift both front ends and extend the rotation from long-duration growth into energy, defence and value, whereas any Middle East de-escalation pulling Brent back below 90 dollars would unwind much of the past week's factor move.

MARKET DATA

EQUITY

		Futures	Last	% 1D	% WTD	% MTD	%YTD	
Europe	CAC 40	-0.02%	8 299.09	-1.6%	-0.5%	-1.2%	1.8%	▲
	DAX 30	0.82%	24 763.12	-1.6%	-0.3%	-0.9%	1.1%	▲
	SMI 20	0.39%	14 214.95	-0.7%	-0.9%	0.1%	7.1%	▲
	SPI	-	19 932.10	-0.8%	-1.1%	-0.4%	9.4%	▲
	FTSE MIB 40	0.47%	51 315.84	-2.8%	-1.1%	-0.7%	14.2%	▲
	EUROSTOXX 50	0.74%	6 210.17	-1.7%	-0.3%	-1.9%	7.2%	▲
	DJ STOXX 600	0.53%	639.27	-1.2%	-0.4%	-0.4%	8.0%	▲
	FTSE 100	0.32%	10 639.17	-0.7%	0.4%	1.4%	7.1%	▲
America	S&P 500	0.16%	7 408.30	-1.2%	-0.7%	-1.2%	8.2%	▲
	NASDAQ COMP	0.01%	25 137.69	-2.2%	-1.5%	-4.1%	8.2%	▲
	S&P 500 EW		8 585.81	-0.4%	-0.7%	-0.5%	10.6%	▲
	S&P 400 MIDCAP	0.26%	3 769.22	-0.4%	-0.2%	-2.2%	14.0%	▲
	S&P 600 SMALLCAP		1 761.99	-0.7%	-0.8%	-2.3%	20.0%	▲
	RUSSELL 2000	0.11%	2 940.16	-0.7%	-0.7%	-2.8%	18.5%	▲
Asia	NIKKEI 225	-2.70%	64 611.15	-2.7%	0.7%	-7.8%	28.4%	▲
	HANG SENG H	-	24 921.66	-1.1%	1.5%	8.9%	-2.8%	▼
	SHANGHAI COMP A	-	3 814.20	-1.6%	1.3%	-6.8%	-3.9%	▼
	SHENZHEN COMP A	-	2 419.23	-2.6%	-0.6%	-14.8%	-4.4%	▼
EM	BOVESPA	-	176 723.62	-0.5%	1.7%	2.7%	9.7%	▲
	SENSEX	-	76 391.39	-0.5%	-2.3%	-0.1%	-10.4%	▼
Indices Total Return	MSCI WORLD 100% H Sfr NTR		372.82	-1.0%	-0.4%	-1.0%	6.9%	▲
	S&P 500 TR		16 578.28	-1.2%	-0.7%	-1.2%	8.9%	▲
	MSCI USA NTR		21 409.02	-1.2%	-0.7%	-1.2%	8.6%	▲
	MSCI EUROPE NTR		441.95	-1.2%	-0.3%	-0.5%	10.2%	▲
	MSCI EUROPE SMALL NTR		693.10	-1.2%	-0.4%	1.5%	7.0%	▲
	MSCI EM NTR		923.04	1.1%	3.2%	-2.8%	20.4%	▲
	MSCI AC ASIA EX JAPAN NTR		939.12	1.5%	3.5%	-2.7%	22.8%	▲
	MSCI EM LATAM NTR		832.36	-1.4%	1.9%	3.4%	14.3%	▲

		Last	% 1D	% WTD	% MTD	%YTD	
MSCI WORLD FACTORS	MSCI WORLD	4 782.64	-1.1%	-0.5%	-0.9%	8.0%	▲
	GROWTH	7 284.51	-1.9%	-1.1%	-3.3%	4.9%	▲
	VALUE	4 828.30	-0.4%	0.1%	1.6%	11.1%	▲
	MOMENTUM	5 628.63	-0.1%	3.5%	-6.5%	19.2%	▲
	LOW VOL	2 403.51	-0.5%	-1.3%	1.6%	0.1%	▲
	QUALITY	5 054.38	-0.8%	-0.7%	-1.9%	6.7%	▲
	SIZE	6 896.44	-0.7%	-0.3%	-0.5%	8.4%	▲
	HIGH DIV.	1 889.95	-0.3%	-0.1%	2.2%	9.7%	▲
	SMALLCAP	747.94	-0.7%	0.1%	-2.6%	12.7%	▲
MSCI US SECTORS	MSCI USA	7 063.25	-1.2%	-0.7%	-1.2%	8.1%	▲
	ENERGY	469.97	0.6%	3.5%	12.6%	32.8%	▲
	MATERIALS	457.17	-1.0%	-0.1%	-1.5%	9.5%	▲
	INDUSTRIALS	704.39	1.8%	1.4%	-2.2%	17.3%	▲
	CONSUMER DISC.	735.59	-5.0%	-6.2%	-6.9%	-8.4%	▼
	CONSUMER STAPLES	353.22	-1.1%	-2.3%	-0.2%	6.9%	▲
	HEALTH CARE	518.71	1.3%	0.2%	1.6%	3.7%	▲
	FINANCIALS	307.35	-0.4%	-0.8%	4.1%	1.6%	▲
	IT	1 445.83	-1.1%	1.1%	-2.3%	16.7%	▲
	COMM. SERVICES	136.73	-5.1%	-6.5%	-5.4%	-5.2%	▼
	UTILITIES	274.49	0.5%	2.3%	1.9%	8.0%	▲
MSCI EUROPE SECTORS	MSCI EUROPE	213.80	-1.2%	-0.3%	-0.6%	8.2%	▲
	ENERGY	210.26	2.4%	5.9%	15.6%	35.3%	▲
	MATERIALS	387.81	-1.4%	-0.3%	-0.3%	10.5%	▲
	INDUSTRIALS	530.78	-0.8%	0.2%	-2.9%	7.0%	▲
	CONSUMER DISC.	184.82	-2.3%	-3.7%	-2.2%	-13.3%	▼
	CONSUMER STAPLES	273.42	-3.6%	-4.2%	-1.5%	1.1%	▲
	HEALTH CARE	283.44	1.0%	-0.0%	-1.3%	0.8%	▲
	FINANCIALS	135.31	-1.6%	-0.1%	2.8%	10.8%	▲
	IT	294.80	-2.2%	1.0%	-10.4%	32.2%	▲
	COMM. SERVICES	57.20	-1.4%	-2.1%	2.7%	-2.7%	▼
	UTILITIES	206.74	-1.1%	-0.3%	0.6%	16.4%	▲

FIXED INCOME

Avg ◆ Now ●

		Yield	Duration	% 1D	% WTD	% MTD	%YTD		Range 1Y	Range 5Y	Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD
EUR	AGGREGATE 5-7Y	3.70	5.4	-0.3%	-0.6%	-1.6%	-0.3%	▼	41 – 55	41 – 113	48 bp	+1 bp	+1 bp	+2 bp	+3 bp
	CORP IG 5-7Y	4.12	5.2	-0.3%	-0.6%	-1.4%	0.1%	▲	84 – 111	84 – 253	91 bp	+1 bp	+1 bp	-1 bp	+1 bp
	CORP BBB	4.17	4.4	-0.2%	-0.5%	-1.1%	0.4%	▲	84 – 111	84 – 277	91 bp	+1 bp	+0 bp	-1 bp	+1 bp
	CORP HIGH YIELD	6.01	2.8	-0.2%	-0.2%	-0.2%	1.6%	▲	249 – 331	249 – 668	261 bp	+2 bp	-0 bp	+1 bp	-3 bp
USD	AGGREGATE 5-7Y	5.02	4.9	-0.3%	-0.8%	-1.1%	-0.7%	▼	23 – 33	23 – 67	30 bp	+1 bp	+2 bp	+3 bp	+1 bp
	CORP IG 5-7Y	5.18	4.0	-0.2%	-0.6%	-0.8%	-0.1%	▼	62 – 84	57 – 155	68 bp	+1 bp	-0 bp	+4 bp	-1 bp
	CORP BBB	5.66	6.4	-0.3%	-1.0%	-1.6%	-0.5%	▼	90 – 115	90 – 198	96 bp	+1 bp	+1 bp	+5 bp	-2 bp
	CORP HIGH YIELD	7.43	2.8	-0.4%	-0.5%	-0.4%	1.5%	▲	247 – 338	247 – 588	276 bp	+9 bp	+7 bp	+13 bp	+9 bp
	EM AGG. 5-7Y	6.42	4.6	-0.3%	-0.6%	-0.8%	1.2%	▲	169 – 241	169 – 463	172 bp	+3 bp	-18 bp	-23 bp	-28 bp

		1Y	5Y	10Y	Δ 10y 1D	Δ 10y YTD
Sovereign	US	4.19	4.47	4.73	+4 bp	+54 bp
	Germany	2.60	2.97	3.23	+4 bp	+34 bp
	Switzerland	0.14	0.39	0.55	+5 bp	+21 bp
	Italy	2.76	3.48	4.04	+5 bp	+53 bp

		Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD
CDS	CDX $ IG 3Y SPRD	33 bp	+1 bp	+1 bp	+2 bp	+3 bp
	CDX $ HY 5Y SPRD	316 bp	+8 bp	+6 bp	+10 bp	-0 bp
	ITRAXX € IG 3Y SPRD	32 bp	+2 bp	+2 bp	+4 bp	+5 bp
	ITRAXX € HY 3Y SPRD	184 bp	+10 bp	+10 bp	+23 bp	+14 bp

FOREX, VOLATILITY & PHYSICAL ASSETS

		Last	% 1D	% WTD	% MTD	%YTD	
FX	EUR/USD	1.1377	-0.3%	-0.5%	-0.4%	-3.1%	▼
	EUR/CHF	0.9293	-0.0%	0.7%	0.7%	-0.2%	▼
	USD/CHF	0.8169	0.3%	1.2%	1.1%	3.1%	▲
	USD/JPY	163.86	0.4%	0.9%	0.8%	4.6%	▲
	USD/GBP	0.751	0.4%	1.0%	-0.4%	1.2%	▲
	USD/CNY	6.777	0.0%	0.0%	-0.1%	-3.0%	▼
	USD/RUB	78.37	0.1%	0.5%	-0.2%	-0.5%	▼
	BTC/USD	65 097.70	-1.2%	1.6%	11.0%	-25.7%	▼
Vol	S&P500 VOL (VIX)	18.70	12.4%	-0.4%	13.7%	25.1%	▲
	ICE BOFAML MOVE INDEX	80.08	4.9%	13.0%	11.3%	25.2%	▲

		Last	% 1D	% WTD	% MTD	%YTD	
Physical Assets	GOLD	4 049.48	-2.0%	0.8%	1.0%	-6.2%	▼
	SILVER	57.60	-3.6%	3.0%	-1.7%	-19.6%	▼
	COPPER	13 745.00	-1.1%	2.8%	3.0%	9.9%	▲
	ALUMINIUM	3 205.98	-0.1%	1.5%	4.4%	8.0%	▲
	IRON	92.86		-1.6%	-0.6%	-10.6%	▼
	WHEAT	696.25	-1.3%	2.0%	19.9%	37.3%	▲
	CORN	464.00	0.4%	4.3%	12.4%	5.4%	▲
	CRUDE OIL (WTI)	92.19	6.2%	12.7%	33.1%	61.7%	▲
	BRENT	100.69	7.0%	14.3%	38.0%	67.3%	▲
	DUTCH TTF NATURAL GA	61.90	-1.0%	7.8%	42.5%	119.8%	▲
	SWISS RES. REAL ESTATE	3 370.43	-0.9%	-1.3%	-0.5%	1.7%	▲

Closing as of Thursday July 23, 2026, futures as of Friday July 24, 2026 10:10

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