Morning Brief

QUICK SUMMARY OF THE MARKETS LAST SESSION

US equities staged a broad recovery on Thursday, the S&P 500 closing at 7'438 (+1.7%), the Nasdaq Composite at 25'122 (+2.8%) and the Dow Jones at 52'208 (+1.2%), as softer growth and inflation data eased fears that the Federal Reserve would need to tighten further.
Semiconductors led the rebound, one day after the Nasdaq-100 had entered correction territory. Breadth nonetheless remained narrow, the equal-weighted S&P 500 slipping 0.2% to 8'723, so the index gain was concentrated in a handful of mega-caps.
Europe closed before the bulk of that move: the STOXX 600 rose 0.8% to 650, its best level since 7 July, while the FTSE 100 eased 0.1% to 10'897 and the defensively weighted SMI fell 0.6% to 14'392.
In Asia this morning the Nikkei 225 jumped 4.0% to 64'362, the Shanghai Composite added 0.7% to 3'832 and the Hang Seng slipped 0.2% to 25'818.
Second-quarter GDP growth of 1.5% annualised, below the 2.1% consensus, and June PCE inflation of 3.7% year-on-year after 4.1% in May shifted the debate away from an imminent hike, September odds falling to 59.2% from 82.3% a week earlier. The front end responded, the 2-year Treasury easing to 4.22%, but the long end kept selling off, the 10-year ending at 4.66% and the 30-year at 5.20%, a nineteen-year high, as investors continued to question the Fed's inflation credibility after Wednesday's hold.
Swiss yields moved the other way, the 10-year down to 0.41% and the 2-year at 0.13%, with the SNB still at 0%.
Gold closed at $4'103 (+0.9%) and Brent at $89.0 (-1.9%).

WHAT TO WATCH IN THE MARKET TODAY

Attention shifts to the after-hours split between Amazon and Apple, which points to another session driven by single-stock dispersion rather than index direction. Month-end rebalancing adds noise, and with the Nasdaq still down roughly 4% in July against 0.8% for the S&P 500, yesterday's leadership could reverse quickly if long-dated yields resume climbing.
In Europe the session should stay earnings-led and cyclical, with the euro area flash inflation estimate due late morning the only scheduled event able to move September ECB pricing.
In Asia, the Bank of Japan intervened Thursday night in the forex market, which took the yen from around 163 to 158 per dollar.

KEY HIGHLIGHTS YESTERDAY

The session first digested Wednesday evening's mega-cap reports: Microsoft rose 15.5%, its largest one-day value gain on record, after showing that AI capital spending is widening cloud margins rather than eroding them, while Meta fell 8.0% for lifting full-year capex guidance without a matching revenue path.
European results were the day's own news, with Shell more than doubling second-quarter adjusted profit to $9.8bn on trading and cost control, Schneider Electric up 11% on raised guidance tied to data-centre demand, Rolls-Royce up 6% on its second upgrade this year and BBVA up around 5% on an 11% rise in net profit.
After the US close, Amazon gained roughly 9% in extended trade on AWS growth at its fastest in eighteen quarters and momentum in custom silicon, while Apple fell around 6% on weak China sales, soft services growth and cautious guidance attributed to component supply constraints.
The market is paying for order visibility and cash conversion, and penalising spending without a stated return timetable.

MACRO RELEASES TO WATCH TODAY

The euro area flash estimate for July is the key release, with consensus at 2.9% year-on-year against 2.8% in June, core steady at 2.4% and the monthly rate at +0.2% after -0.1%. An energy-driven re-acceleration would support the market's high implied probability of an ECB hike on 10 September, lifting the front end of the euro curve and the currency, while a core reading below 2.4% would do the opposite and favour European rate-sensitive sectors. In the US, the second-quarter Employment Cost Index is expected at 0.8% from 0.9%, the cleanest test of whether wage pressure is easing enough to confirm yesterday's more benign inflation signal.

MOST IMPORTANT NEWS YESTERDAY

Shell launched a new $3.0bn buyback alongside $1.232bn carried over from the programme suspended during its ARC Resources acquisition, and declared an interim dividend of $0.3906 per share, confirming that European energy majors are prioritising shareholder returns over volume growth.
Johnson & Johnson completed its purchase of Firefly Bio, a small but strategically consistent addition to its oncology pipeline.
In Ireland, PTSB shareholders approved the takeover by Austria's Bawag with 91.3% backing, another step in the cross-border consolidation of European retail banking.
Deal activity stays concentrated in mid-cap consolidation rather than transformational transactions, consistent with a financing environment in which long-end borrowing costs discourage heavily leveraged structures.

BIG CAPS TO FOLLOW TODAY AND WHY

Amazon and Apple, both covered above, will set the tone at the open, with management commentary mattering more than the headline figures.
Nvidia and the wider semiconductor complex should track hyperscaler capex signals after leading yesterday's rebound.
Microsoft and Meta are about follow-through rather than fresh news, in a month-end context that favours profit-taking.
Shell trades earnings momentum against a softer crude price, while European banks remain the cleanest expression of an elevated long end.

IMPORTANT EARNINGS IN THE LAST FEW DAYS

The wider second-quarter season shows a two-speed regime. Growth is real but concentrated, with cloud infrastructure and electrification-linked industrials delivering revenue acceleration and margin expansion together, while consumer-facing companies defend margins through price rather than volume.
European luxury is the clearest illustration of dispersion, Kering posting its strongest single-day gain since 2002 on better-than-feared Gucci sales and Hermès its worst session since 2010 on the absence of a Chinese rebound.
Results from Randstad and Safran point to a stabilising European demand cycle, whereas Sanofi and Adidas showed that pricing power is far from universal. Cash conversion, not headline growth, is this quarter's differentiator.

MOST IMPORTANT GLOBAL MACRO RELEASES EXPECTED

Monday brings the US ISM manufacturing survey, expected at 54.0 from 53.3, with prices paid at 70.0 after 73.0 and employment last at 49.7; firmer activity alongside elevated input costs is precisely what would revive the hike expectations yesterday's data pushed back. Final euro area PMIs land on 3 and 5 August alongside producer prices, and the ECB publishes its Economic Bulletin on 6 August. US trade and factory orders follow on 4 August, and the window closes with the July employment report, the largest single catalyst.
Sensitivity is asymmetric: a firm payroll and wage print would lift the front end, flatten the curve, support the dollar against the euro and the franc, and rotate leadership back towards value and financials, while a soft print would relieve duration and extend the rebound in rate-sensitive growth names.

MARKET DATA

EQUITY

		Futures	Last	% 1D	% WTD	% MTD	%YTD
Europe	CAC 40	0.69%	8 485.64	0.9%	1.4%	1.0%	4.1% ▲
	DAX 30	0.52%	25 612.03	0.6%	2.0%	2.5%	4.6% ▲
	SMI 20	0.58%	14 392.49	-0.6%	0.5%	1.4%	8.5% ▲
	SPI	-	20 246.22	-0.3%	0.9%	1.2%	11.1% ▲
	FTSE MIB 40	0.49%	52 104.38	1.3%	0.6%	0.8%	15.9% ▲
	EUROSTOXX 50	0.55%	6 344.40	1.5%	1.0%	0.3%	9.5% ▲
	DJ STOXX 600	0.51%	649.95	0.8%	0.8%	1.3%	9.8% ▲
	FTSE 100	0.32%	10 897.27	-0.1%	1.5%	3.8%	9.7% ▲
America	S&P 500	0.35%	7 437.63	1.7%	0.3%	-0.8%	8.6% ▲
	NASDAQ COMP	0.86%	25 122.18	2.8%	0.6%	-4.2%	8.1% ▲
	S&P 500 EW		8 722.98	-0.2%	0.8%	1.1%	12.4% ▲
	S&P 400 MIDCAP	0.39%	3 764.47	0.8%	-0.5%	-2.3%	13.9% ▲
	S&P 600 SMALLCAP		1 770.18	0.8%	0.5%	-1.9%	20.6% ▲
	RUSSELL 2000	0.51%	2 946.10	1.4%	0.5%	-2.6%	18.7% ▲
Asia	NIKKEI 225	3.26%	64 362.02	4.0%	-0.4%	-8.1%	27.9% ▲
	HANG SENG H	-	25 818.39	-0.2%	3.4%	12.8%	0.7% ▲
	SHANGHAI COMP A	-	3 832.26	0.7%	0.5%	-6.4%	-3.4% ▼
	SHENZHEN COMP A	-	2 427.92	2.3%	0.4%	-14.5%	-4.1% ▼
EM	BOVESPA	-	177 158.86	1.9%	1.8%	3.0%	10.0% ▲
	SENSEX	-	77 928.15	0.4%	2.5%	1.9%	-8.6% ▼
Indices Total Return	MSCI WORLD 100% H Sfr NTR		374.29	1.3%	0.3%	-0.6%	7.3% ▲
	S&P 500 TR		16 645.79	1.7%	0.3%	-0.8%	9.4% ▲
	MSCI USA NTR		21 500.61	1.6%	0.4%	-0.7%	9.1% ▲
	MSCI EUROPE NTR		449.19	0.8%	0.8%	1.1%	12.0% ▲
	MSCI EUROPE SMALL NTR		706.51	0.7%	1.1%	3.5%	9.1% ▲
	MSCI EM NTR		863.27	0.2%	-4.0%	-9.1%	12.6% ▲
	MSCI AC ASIA EX JAPAN NTR		869.67	-0.2%	-4.6%	-9.9%	13.7% ▲
	MSCI EM LATAM NTR		845.31	3.2%	2.1%	5.0%	16.0% ▲

		Last	% 1D	% WTD	% MTD	%YTD
MSCI WORLD FACTORS	MSCI WORLD	4 821.78	1.6%	0.7%	-0.1%	8.8% ▲
	GROWTH	7 276.03	2.0%	0.1%	-3.4%	4.8% ▲
	VALUE	4 912.30	1.2%	1.3%	3.4%	13.0% ▲
	MOMENTUM	5 418.04	4.7%	-2.1%	-10.0%	14.7% ▲
	LOW VOL	2 497.36	-0.5%	2.7%	5.6%	4.0% ▲
	QUALITY	5 090.82	1.3%	0.7%	-1.1%	7.5% ▲
	SIZE	6 996.81	1.1%	1.1%	0.9%	10.0% ▲
	HIGH DIV.	1 926.65	-0.5%	1.1%	4.2%	11.8% ▲
	SMALLCAP	750.63	1.6%	0.6%	-2.2%	13.1% ▲
MSCI US SECTORS	MSCI USA	7 092.90	1.6%	0.4%	-0.8%	8.6% ▲
	ENERGY	465.62	0.5%	-1.2%	11.5%	31.6% ▲
	MATERIALS	468.42	0.2%	1.0%	0.9%	12.1% ▲
	INDUSTRIALS	688.85	1.2%	-2.4%	-4.4%	14.8% ▲
	CONSUMER DISC.	752.75	1.6%	2.2%	-4.7%	-6.3% ▼
	CONSUMER STAPLES	361.93	-2.2%	1.5%	2.3%	9.5% ▲
	HEALTH CARE	523.74	-1.7%	0.3%	2.6%	4.7% ▲
	FINANCIALS	313.57	0.6%	1.1%	6.2%	3.7% ▲
	IT	1 442.40	5.1%	0.6%	-2.5%	16.4% ▲
	COMM. SERVICES	138.21	-2.5%	0.7%	-4.4%	-4.2% ▼
	UTILITIES	265.20	-0.5%	-3.5%	-1.6%	4.4% ▲
MSCI EUROPE SECTORS	MSCI EUROPE	217.27	0.8%	0.8%	1.0%	9.9% ▲
	ENERGY	207.46	-0.1%	-0.2%	14.0%	33.5% ▲
	MATERIALS	398.12	1.9%	2.0%	2.3%	13.4% ▲
	INDUSTRIALS	544.91	2.0%	1.4%	-0.3%	9.9% ▲
	CONSUMER DISC.	192.13	0.0%	3.1%	1.7%	-9.8% ▼
	CONSUMER STAPLES	284.90	-0.9%	3.0%	2.6%	5.3% ▲
	HEALTH CARE	285.36	-2.4%	0.3%	-0.6%	1.5% ▲
	FINANCIALS	139.13	1.6%	1.4%	5.7%	13.9% ▲
	IT	283.67	4.0%	-3.6%	-13.8%	27.2% ▲
	COMM. SERVICES	59.74	-1.3%	3.8%	7.3%	1.7% ▲
	UTILITIES	200.31	0.0%	-3.4%	-2.6%	12.8% ▲

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	3.62	5.4	0.0%	0.2%	-1.2%	0.2% ▲			47 bp	-0 bp	-0 bp	+1 bp	+2 bp
	CORP IG 5-7Y	4.06	5.2	-0.0%	0.1%	-1.1%	0.5% ▲			92 bp	-0 bp	+0 bp	-0 bp	+1 bp
	CORP BBB	4.11	4.4	-0.0%	0.1%	-0.8%	0.7% ▲			93 bp	+0 bp	+1 bp	+0 bp	+2 bp
	CORP HIGH YIELD	6.09	2.8	0.0%	-0.1%	-0.4%	1.4% ▲			278 bp	+2 bp	+11 bp	+18 bp	+14 bp
USD	AGGREGATE 5-7Y	4.95	4.9	0.1%	0.3%	-0.7%	-0.3% ▼			29 bp	-1 bp	-1 bp	+2 bp	+0 bp
	CORP IG 5-7Y	5.11	4.0	0.1%	0.3%	-0.5%	0.3% ▲			69 bp	-1 bp	-0 bp	+5 bp	-0 bp
	CORP BBB	5.62	6.4	0.1%	0.1%	-1.4%	-0.3% ▼			98 bp	-1 bp	-0 bp	+6 bp	-1 bp
	CORP HIGH YIELD	7.40	2.8	0.2%	0.2%	-0.2%	1.7% ▲			282 bp	-6 bp	+2 bp	+19 bp	+15 bp
	EM AGG. 5-7Y	6.42	4.6	-0.1%	0.1%	-0.7%	1.3% ▲			190 bp	+3 bp	+15 bp	-5 bp	-10 bp

		1Y	5Y	10Y	Δ 10y 1D	Δ 10y YTD
Sovereign	US	4.09	4.39	4.70	-0 bp	+51 bp
	Germany	2.55	2.89	3.19	+2 bp	+30 bp
	Switzerland	0.04	0.30	0.46	-0 bp	+12 bp
	Italy	2.70	3.38	3.97	+1 bp	+46 bp

		Last	Δ 1D	Δ WTD	Δ MTD	Δ YTD
CDS	CDX $ IG 3Y SPRD	32 bp	-1 bp	-1 bp	+2 bp	+3 bp
	CDX $ HY 5Y SPRD	314 bp	-9 bp	-2 bp	+8 bp	-3 bp
	ITRAXX € IG 3Y SPRD	30 bp	-1 bp	-1 bp	+2 bp	+3 bp
	ITRAXX € HY 3Y SPRD	181 bp	-7 bp	-1 bp	+20 bp	+11 bp

FOREX, VOLATILITY & PHYSICAL ASSETS

		Last	% 1D	% WTD	% MTD	%YTD
FX	EUR/USD	1.1528	0.5%	1.4%	0.9%	-1.9% ▼
	EUR/CHF	0.9280	-0.5%	-0.2%	0.5%	-0.3% ▼
	USD/CHF	0.8051	-1.1%	-1.6%	-0.4%	1.6% ▲
	USD/JPY	159.53	-2.4%	-2.6%	-1.9%	1.8% ▲
	USD/GBP	0.7426	-0.7%	-1.1%	-1.5%	0.1% ▲
	USD/CNY	6.753	-0.2%	-0.3%	-0.5%	-3.4% ▼
	USD/RUB	79.55	-0.2%	2.1%	1.4%	1.0% ▲
	BTC/USD	64 716.90	2.0%	0.9%	10.4%	-26.2% ▼
Vol	S&P500 VOL (VIX)	17.09	-17.3%	-8.0%	3.9%	14.3% ▲
	ICE BOFAML MOVE INDEX	77.09	3.9%	0.4%	7.1%	20.5% ▲

		Last	% 1D	% WTD	% MTD	%YTD
Physical Assets	GOLD	4 103.41	0.9%	1.2%	2.4%	-5.0% ▼
	SILVER	58.99	2.2%	1.4%	0.7%	-17.7% ▼
	COPPER	13 795.00	1.2%	1.3%	3.4%	10.3% ▲
	ALUMINIUM	3 228.88	0.4%	1.8%	5.2%	8.8% ▲
	IRON	92.10		-0.6%	-1.4%	-11.4% ▼
	WHEAT	663.50	0.4%	-2.1%	14.2%	30.9% ▲
	CORN	445.75	-0.7%	-4.0%	8.0%	1.2% ▲
	CRUDE OIL (WTI)	83.59	-1.0%	-6.4%	20.7%	46.6% ▲
	BRENT	89.03	-1.9%	-8.0%	22.0%	48.0% ▲
	DUTCH TTF NATURAL GA	58.18	-3.7%	-8.5%	33.9%	106.6% ▲
	SWISS RES. REAL ESTATE	3 369.94	-0.2%	-0.2%	-0.5%	1.7% ▲

Closing as of Thursday July 30, 2026, futures as of Friday July 31, 2026 09:59

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