بنك الإمارات دبي الوطني
Emirates NBD

CIO OFFICE DAILY OUTLOOK

6 July 2026

Global markets had a shorter week with US holiday last Friday, but it was overall positive. Stocks gained 2% in developed regions and 1% in emerging ones, with a notable rebound of technology. The fixed income asset class was held back by a bear steepening of the US Treasury, where longer tenors gained 10 basis points to 4.23% for the 5-year and 4.48% for the 10-year. The impact on global bond indices was however mitigated by the dollar weakening -0.5% against pretty much everything. This helped gold, up 2.2% to $4,180, while oil prices were stable, around $72 for the Brent.

In terms of data, regional PMI reports were a bit disappointing on global manufacturing activity, down in June from a five-year high in May. On the positive side, Japan was stronger than expected on all measures. June CPI inflation came out slightly slower than expected in Europe at 2.8% year over year. Finally, but importantly, the US economy created only 57,000 jobs in June, half the median forecast, while May number was revised from 172,000 to 129,000. This remains high enough for economic growth -as demographics and immigration policies have lowered the break-even number, but this was low enough to impact market implied expectations for the Fed. Fed fund futures now price in 30 basis points of tightening this year, 10 less than a week ago. This makes sense even if the unemployment rate dropped to 4.2%. Our house view is for no hike this year.

In other news, both Meta and Softbank confirmed plans to build more datacenters and generate revenues from renting compute, following SpaceX and adding to capacity – hopefully not excessively. By contrast, Volkswagen is reportedly weighing up closing four factories in Germany (despite their 2024 commitment not to do so) and cut as many as 100,000 jobs. The carmaker under pressure is also considering selling its stake in FC Bayern Munich.

We held our monthly investment committee last week, and decided to maintain a slightly defensive positioning. We overweight cash and stocks from emerging regions, but underweight DM stocks and hedge funds. We are neutral on everything else. Our profiles delivered returns between +3.4% and +8.4% in the first half of the year.

Markets this morning

There is no clear trend in Asia as we write this morning. Stocks are slightly up in China and Hong-Kong but slightly down in Japan and Korea with tech in search of momentum. Taiwan is an exception as Nvidia's assembly partner Hon Hai reported spectacular quarterly results. US Treasury yields shed a couple of basis points across the curve, yet the dollar is slightly up. Major commodities are fluctuating in narrow ranges, with the ounce of gold trading at $4,185 and the barrel of Brent crude at $72.3.

Upcoming key events/data

The week ahead will start with US leading indicators for services tonight, the ISM and S&P PMI. The weekly data dossier is however quite light, with China's CPI report on Thursday and the usual weekly US jobless claims. The focus will imminently switch to the Q2 earnings season, and in the meantime, we will hold our Mid Year Update webinar Tuesday at 11am. Have a great week.

Have a great day.

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