US Market Wrap - 30th June 2026

Stocks bid on quarter end while bonds fall as focus shifts to data

- **SNAPSHOT**: Equities up, Treasuries down, Crude down, Dollar flat, Gold flat.
- **REAR VIEW**: US JOLTS top expectations; US Consumer Confidence misses; Fed's Hammack said may need to consider hikes with inflation too high; Chinese NBS PMIs beat; Softer-than-expected French & German inflation; Trump admin reportedly plans to pay smaller meatpackers to keep slaughtering cattle; Iran's Ghalibaf stated current meetings held by Iran are aimed at fulfilling MoU commitments.
- **COMING UP**: **Data:** Japanese Tankan Survey (Q2), Consumer Confidence (Jun), Global S&P Manufacturing PMI Final (Jun), EU Inflation Prelim. (Jun), US Challenger Job Cuts (Jun), ADP Employment Change (Jun), ISM Manufacturing PMI (Jun), Atlanta Fed GDP (Q2). **Speakers:** ECB's Vujcic, Cipollone, Lane, Lagarde; Fed's Warsh; BoE's Bailey; BoC's Macklem. **Supply:** Australia, UK, Germany.

MARKET WRAP

Stocks were green on Tuesday, with outperformance in the Nasdaq driven by strength in the tech sector, while Industrials also rallied. Performance was more mixed elsewhere, however, with the equal-weight S&P 500 closing flat. There was no obvious catalyst behind the move, although quarter-end rebalancing may have provided support.

Oil prices sold off throughout the session, with WTI trading on the USD 69.00/bbl handle and Brent on the USD 72.00/bbl handle, although little emerged from the mediated US-Iran discussions. Iranian Parliament Speaker Ghalibaf spoke after settlement, striking a largely negative tone by stressing that passage through the Strait of Hormuz would only remain toll-free for 60 days and that Iran is prepared to return to war if necessary. He also suggested Iran is selling its oil at a 20% premium.

T-notes were lower across the curve with no obvious catalyst, although the latest JOLTS report reinforced the narrative of a resilient labour market ahead of Thursday's NFP report. Treasury Secretary Bessent also touted the upcoming payrolls report as likely to be strong—just as he did ahead of the May release—while claiming he has not seen the data.

In FX, the Dollar was little changed, but the Yen continued to underperform, with USD/JPY hitting fresh multi-decade highs of 162.66 and keeping participants on intervention watch. The pair then saw a sharp intraday decline without any obvious headline catalyst, potentially reflecting a rate check, although the move was quickly pared. Meanwhile, the Australian and New Zealand Dollars outperformed as equities rallied through the session.

Looking ahead, attention turns to the Sintra central bank panel featuring BoE Governor Bailey, ECB President Lagarde and BoC Governor Macklem, before Thursday's NFP report in the holiday-shortened week.

US

JOLTS: US job openings were broadly unchanged at 7.594mln in May (exp. 7.280mln, prev. 7.618mln revised to 7.561mln), remaining above expectations, while the vacancy rate held steady at 4.6%. Hires fell marginally to 5.17mln from 5.2mln, total separations ticked up slightly to 5.1mln from 5.04mln, quits were steady around 3.05mln with the quits rate unchanged at 1.9%, and layoffs and discharges rose slightly to 1.7mln from 1.67mln. Within the details, job openings increased in wholesale trade, while hires rose in the federal government and layoffs and discharges declined in arts, entertainment and recreation. April job openings were revised down by 33k, while hires and quits were revised higher. Pantheon Macroeconomics argues the report still paints an unconvincing picture of improving labour demand, noting that while professional and business services job openings were revised sharply lower, upward revisions in healthcare and leisure and hospitality largely offset the decline. Pantheon adds that May's headline masked notable sectoral shifts, with a sharp fall in healthcare openings offset by gains in manufacturing, construction and distribution. The consultancy also stresses that too few businesses participate to take the data seriously.

CONSUMER CONFIDENCE: US consumer confidence for June rose to 91.2 from 90.6, but beneath the expected 94.4. The Expectations index lifted to 74.4 (exp. 75.2, prev. 71.4), while the Present situation index fell to 116.4 (exp. 123.0, prev. 119.4). Within the report, consumers' views of current business conditions improved, but views of the labour market worsened; 24.9% said jobs were 'plentiful' 24.9% (prev. 24.8%), but 22.5% said jobs were 'hard to get' (prev. 19.8%). Ahead, consumers were more optimistic about future business conditions, as they were for their income prospects. Chief Economist Peterson added, "Consumer confidence inched up as falling oil prices in recent weeks provided some relief to consumer inflation fears". She added, "Consumer appraisals of current business conditions were slightly more positive compared to last month. However, perceptions of the current labor market softened measurably as the percentage of consumers saying jobs were 'hard to get' rose to 22.5%, the highest level since January 2021 (22.8%). Moreover, consumers anticipate little change in the labor market six months from now. This was offset by improving expectations for business conditions and incomes." Note, the survey period for this month's preliminary results was June 1–23, encompassing an extension of the US-Iran ceasefire agreement.

FIXED INCOME

T-NOTE FUTURES (U6) SETTLED 9 + TICKS LOWER AT 109-28+

Yields rise across curve despite lower oil prices as attention turns to jobs data . At settlement, 2-year +3.2bps at 4.139%, 3-year +3.8bps at 4.147%, 5-year +4.7bps at 4.193%, 7-year +5.5bps at 4.306%, 10-year +5.4bps at 4.430%, 20-year +5.7bps at 4.924%, 30-year +5.1bps at 4.916%.

THE DAY: Treasury yields moved higher across the curve on Tuesday despite lower oil prices. There was no clear catalyst for the move, with yields drifting higher throughout the US session as participants remained reluctant to price out the Fed's recent hawkish shift ahead of Thursday's nonfarm payrolls report, which Treasury Secretary Bessent touts to be a strong one.

Economic data was mixed. The JOLTS report was broadly constructive, with job openings little changed from the prior month but above expectations, while both the quits rate and vacancy rate remained unchanged. The data reinforced the view that labour demand remains stable. Consumer confidence improved from the prior month, although by less than expected. Within the report, the share of respondents saying jobs are plentiful was little changed, while the proportion saying jobs are hard to get rose to 22.5% from 19.8%, suggesting perceptions of labour market conditions softened somewhat. Elsewhere, the Chicago PMI declined from the prior month.

Fed commentary came from Hammack, who maintained a hawkish tone. She said the labour market remains around full employment, economic growth continues to look solid and inflation is still too high, adding that the Fed may ultimately need to consider further rate hikes. At the same time, she stressed she would approach upcoming meetings with an open mind and would not prejudge policy decisions, while acknowledging the risks that higher interest rates could pose to the broader economy.

Looking ahead, market attention turns to Chair Warsh's appearance at the ECB's Sintra Forum on Wednesday before focus shifts to Thursday's US nonfarm payrolls report. The employment data will provide another important read on labour market conditions ahead of the July 29th FOMC meeting, where markets continue to expect the Fed to leave policy unchanged. Looking ahead to September, the market assigns an 80% probability of a 25bps hike. Regarding the NFP data, Treasury Secretary Bessent said he expects another strong jobs report, but claims he has not seen the data yet.

SUPPLY

Bills

- US sold 6-week bills at a high rate of 3.655%, B/C 2.71x
- US to sell USD 72bln of 17-week bills (prev. 69bln) on July 1st, USD 85bln of 4-week bills (prev. 70bln) and USD 85bln of 8-week bills (prev. 75bln) on July 2nd; all to settle July 7th

STIRS/OPERATIONS

- Fed Pricing: 35bps (prev. Dec +33bps)
- EFFR at 3.63% (prev. 3.63%), volumes at USD 123bln (prev. USD 120bln) on June 29th
- SOFR at 3.62% (prev. 3.62%), volumes at USD 3.126tln (prev. USD 3.171tln) on June 29th
- NY Fed RRP op demand at USD 26.90bln (prev. 3.55bln) across 10 counterparties (prev. 4) on June 30th

CRUDE

WTI (Q6) SETTLED USD 1.25 LOWER AT 69.50/BBL; BRENT (U6) SETTLES USD 0.96 LOWER AT 72.95/BBL

The crude complex saw slight losses, as benchmarks largely treaded water as participants await the Doha meeting . In regards to that, desks continue to digest different reporting around what, if anything, to expect from that, in terms of US-Iran discussions. While headline driven newsflow was sparse on Tuesday, the highlight was arguably a NYT citing sources report that Iran and US-allied Oman are moving forward with plans to collect payment for ships transiting the Strait of Hormuz, despite public American objections. Nonetheless, oil ground lower throughout the duration of the session to settle at troughs. Highlighting the narrow parameters of the energy space, especially by recent standards, WTI traded between USD 69.45-71.60/bbl and Brent USD 72.90-74.90/bbl. After-hours participants await the weekly private inventory report.

EQUITIES

CLOSES: SPX +0.78% at 7,499, NDX +1.69% at 30,276, DJI +0.265 at 52,318, RUT +0.52% at 3,026.

SECTORS: Technology +2.55%, Industrials +1.35%, Materials +0.55%, Consumer Discretionary +0.07%, Communication Services U/C, Financials -0.16%, Energy -0.63%, Health -1.30%, Consumer Staples -1.48%, Utilities -1.49%, Real Estate -2.18%.

EUROPEAN CLOSES: Euro Stoxx 50 +1.51% at 6,326, Dax 40 +1.43% at 24,979, FTSE 100 +0.12% at 10,497, CAC 40 +0.44% at 8,404, FTSE MIB +1.01% at 51,682, IBEX 35 +0.37% at 19,459, PSI -0.29% at 9,133, SMI -0.21% at 14,194, AEX +1.39% at 1,080

STOCK SPECIFICS:

- **Concentrix (CNXC):** EPS & rev. marginally missed w/ dismal next quarter & FY outlook
- **Digital Realty Trust (DLR):** Agreed to buy Blackstone's (BX) blended 64% equity interest in three fully leased Northern Virginia data centres for $3.5bln
- **AeroVironment (AVAV):** Top & bottom line surpassed Wall St. consensus
- **AbbVie (ABBV) & Genmab (GMAB)** reported positive Phase 3 EPCORE DLBCL-4 results.
- **AbbVie (ABBV), Merck (MRK):** US House committee opens investigation into Cos. China drug trials.
- **Abivax (ABVX):** Reported positive topline Phase 3 ABTECT Maintenance Part 2 results
- **Joby Aviation (JOBY):** Partners with Toyota Motor, focusing on commercial production of Joby's eVTOL aircraft.
- **Sable Offshore (SOC):** Announced USD 100mln common stock offering and USD 300mln convertible senior note offering.

- **LCI Industries (LCII): Patrick Industries (PATK)** & Co. to combine in an all-stock merger.
- Jana Partners has built a new position in **Everpure (P)**.
- FDA will allows Zyn pouches to be marketed as "less harmful" for humans, in comparison to cigarettes, Axios reports. Of note for **Philip Morris (PM)**.
- US President Trump's administration reportedly plans to pay smaller meatpackers to keep slaughtering cattle, reports WSJ. Of note for J**BS, TSN and HRL**.

FX

The Dollar Index was mixed against G10 FX peers, in what was pretty light newsflow with little heard from the US meeting with mediators in Qatar but more discussions are expected on Wednesday. Meanwhile, attention turns to June's payrolls report on Thursday, brought forward a day on account of Independence Day on Friday. Back to Tuesday, US job openings were broadly unchanged, remaining above expectations, while Consumer Confidence disappointed. Ahead of that aforementioned data, US Treasury Secretary Bessent said he wouldn't be surprised if June jobs are 'very strong', but caveated that he hasn't seen the June figures. Elsewhere, usual hawk Hammack said the Fed may need to consider rate hikes

As mentioned, **G10 FX** performance was mixed as the Antipodeans were the clear outperformers, while the Yen lagged. For the latter, overnight, the pair jumped above the 162.00 mark, amid commentary from Chief Cabinet Secretary Kihara, as he initially suggested that he would not comment on FX, which saw the pair breach 162.00, but soon after he stated that they are always ready to take necessary action on FX. After that, Finance Minister Katayama warned that they will respond appropriately to currency moves at any time as needed, while action could include decisive action as agreed in the joint statement with the US. In addition, during the US session USD/JPY sharply dropped from 162.50 to 162.00, before paring, albeit on no headline newsflow.

AUD and NZD saw little headline newsflow, ahead of Aussie S&P Global PMI data overnight, but were the G10 beneficiaries as equities rose. As a reminder, latest RBA Minutes from the June meeting stated that policy needed to remain restrictive and will do what is needed to achieve price stability including raising rates if necessary.

CAD, GBP, and EUR were all little changed vs. the Greenback For the single-currency Euro, there was a bit of central bank speak and source reports. Firstly, ECB sources say rapid oil price retreat eases pressure on ECB to hike in July and September is seen as more likely, although a June inflation surprise could reignite talk of a July hike; added rate hike is not off agenda even though it may be delayed. Later, Chief Economist Lane highlighted that the oil price curve remains elevated, and that could suggest higher costs for the economy. All in all, policymakers have broadly reiterated data dependency and avoided any pre-commitment to July/September.