

# newsquawk

## US Market Wrap - 8th July 2026

### Stocks mixed and oil bid on escalating US/Iran tensions

- **SNAPSHOT:** Equities mixed, Treasuries down, Crude up, Dollar down, Gold down
- **REAR VIEW:** US-Iran tensions build amid renewed strikes between both sides; Trump thinks Iran ceasefire is over, believes dealing with Iran is a waste of time; Trump says might hit Iran tonight; Trump says will allow US negotiators to continue to talk if they want; Iran reportedly suspends talks on a final settlement with the US; Trump says cutting of all trade with Spain and all visits; Strong US 10yr note auction; Minutes repeat hawkish statement; RBNZ hikes rates as expected; AAPL announced plans to spend over \$30B in a chip-supply deal with AVGO; China reportedly plans to allow some of their biggest AI companies to purchase a "small" number of NVDA H200 chips.
- **COMING UP: Data:** Chinese Inflation (Jun), PPI (Jun), German Trade Balance (May), US Initial Jobless Claims (Jul/04), Existing Home Sales (Jun). **Events:** ECB Minutes (Jun), Banxico Minutes (Jun). **Speakers:** Fed's Williams, Logan; BoE's Breeden. **Supply:** Japan, US. **Earnings:** PepsiCo.

### MARKET WRAP

Stocks ultimately closed mixed on Wednesday, with the Nasdaq in the green while the S&P 500 finished marginally lower. The Dow and Russell 2000 were the clear laggards. Sector performance was predominantly weaker, although Technology and Energy closed in positive territory, while Materials underperformed amid broad weakness in metal prices.

Technology was supported by gains in Broadcom (AVGO) after the company signed a deal worth more than USD 30bln to develop and supply chips for Apple (AAPL), helping underpin the Nasdaq despite broader market weakness.

The primary driver throughout the session was the renewed escalation in Middle East tensions. Overnight, the US struck targets in southern Iran, prompting Tehran to retaliate with attacks on US military sites in the Gulf. Later in the day, President Trump said he believed the ceasefire was over, further lifting geopolitical risk sentiment. Also, in late trade, explosions were heard across southern Iran.

The renewed tensions pushed crude prices higher, reigniting inflation concerns and weighing on Treasuries, while also limiting demand for precious metals as higher Treasury yields offset the typical safe-haven bid. Despite the geopolitical backdrop, the Dollar failed to benefit, with the New Zealand Dollar leading G10 gains following the RBNZ's hawkish rate hike overnight, while the Japanese Yen underperformed.

Elsewhere, the June FOMC Minutes generated little market reaction but reinforced the hawkish tone delivered at last month's meeting, highlighting the broad range of views among policymakers on the appropriate future path for interest rates. The USD 39bln 10-year Treasury auction was also met with strong demand but had little impact on broader price action, with markets remaining focused on developments in the Middle East.

### US

**FOMC MINUTES:** The FOMC Minutes largely echoed the hawkish June press conference and showed the committee was divided about the outlook for rates, similar to what the dot plots suggested. A few said that there was a case for hiking rates but ultimately supported maintaining rates in June. Meanwhile, most pointed to a scenario of stable labour conditions and elevated inflation, where the Fed would need to tighten policy. Meanwhile, those who felt inflationary pressures would dissipate and return to 2%, almost all said it would be appropriate to maintain or eventually lower rates. Regarding the level of restrictiveness, several said they did not see it as restrictive, while a few others said they saw it as slightly restrictive. Regarding the statement changes, a majority saw advantages of shortening the statement, and some welcomed the opportunity to review communication tools and practices. Most preferred not to repeat the easing bias within the statement. Summarising the Minutes, WSJ's Timiraos says, "The June FOMC minutes are interesting: they frame the committee's divide as a split over the outlook, not necessarily over tactics". [For a full review, please click here.](#)

### FIXED INCOME

#### T-NOTE FUTURES (U6) SETTLED 10+ TICKS LOWER AT 109-00

**T-notes lower across the curve as oil prices rise on rising US/Iran tensions.** At settlement, 2-year +1.4bps at 4.201%, 3-year +2.5bps at 4.238%, 5-year +2.1bps at 4.306%, 7-year +1.9bps at 4.430%, 10-year +1.0bps at 4.561%, 20-year +1.1bps at 5.072%, 30-year +0.5bps at 5.062%.

**THE DAY:** Treasuries were weaker across the curve on Wednesday as renewed geopolitical tensions reignited inflation concerns. Overnight, the US struck targets in southern Iran, while Tehran responded with attacks on US military sites in the Gulf. Later in the session, President Trump said he believed the ceasefire was over. The renewed escalation lifted crude prices further, extending gains seen after this week's attacks in the Strait of Hormuz and the US decision to revoke Iran's licence to produce, deliver and sell energy products.

Aside from geopolitics, focus also fell on the June FOMC Minutes, which largely reinforced the hawkish message from the meeting. A few participants noted there was a case for raising the target range at the June meeting but ultimately supported leaving rates unchanged. The discussion around the policy outlook remained divided, with many participants judging that the appropriate policy rate over time would be within or slightly below the current target range, while many others viewed it as appropriate to move above the current range, broadly reflecting the dispersion seen in the June dot plot. On communications, a majority saw advantages in shortening the FOMC statement, while most participants preferred not to reintroduce the easing bias into future statements.

Meanwhile, the USD 39bn 10-year note auction was met with strong demand, stopping through by 0.6bps, the largest stop-through since January. Exceptionally strong indirect demand more than offset another decline in direct participation, highlighting robust foreign appetite for benchmark Treasury exposure at current yield levels.

Attention now turns to Thursday's USD 22bn 30-year bond auction, although geopolitical developments and their implications for the inflation outlook are likely to remain the primary driver of Treasury price action.

## SUPPLY

### Notes

- [US sold USD 39bn of 10-year notes; stop-through 0.6bps](#)
- US Treasury to sell USD 22bn of 30-year bonds on July 9th; all to settle July 15th

### Bills

- US sold 17-wk bills at high-rate 3.790%, B/C 3.41x
- US to sell USD 100bn of 4-week bills (prev. 85bn) and USD 95bn of 8-week bills (prev. 85bn) on July 9th.

## STIRS / OPERATIONS

- **Fed Pricing: Dec 36bps (prev. 32bps)**
- EFFR at 3.63% (prev. 3.63%), volumes at USD 117bn (prev. USD 117bn) on July 7th
- SOFR at 3.62% (prev. 3.63%), volumes at USD 3.154tn (prev. USD 3.212tn) on July 7th
- NY Fed RRP op demand at 3.35bn (prev. 4.48bn) across 8 counterparties (prev. 14) on July 8th

## CRUDE

### WTI (Q6) SETTLED USD 3.08 HIGHER AT USD 73.52/BBL; BRENT (U6) SETTLED USD 3.86 HIGHER AT USD 78.02/BBL

The crude complex saw notable gains on Wednesday, amid a clear souring of relations between Iran and US. The relationship started to deteriorate at the start of the week after the Iran attacks on vessels in the Strait of Hormuz, and US President upped his rhetoric on Iran today, sparking significant risk-off trade and upside in the energy complex, following US attacks overnight; Trump said the Iran ceasefire is over "I think" and as far as he is concerned, it is a waste of time dealing with Iran. Moreover, no reason was given, but US War Secretary Hegseth cancelled his visit to Israel. Trump spoke numerous times throughout the day, with prices extending as the US President said the US will probably hit Iran again tonight; it may be a big attack, and may take over Kharg Island, while threatening they may put the blockade back. While plenty of punchy comments came from the US, reports suggested that Iran would close the Strait of Hormuz and strike twice as many targets in response to any US attack, which once again exaggerated the known moves. As such, all attention will be on this evening and what happens, given the numerous threats. According to TASS, citing an Iranian source, "Iran suspends talks on a final settlement with the United States".

In the weekly EIA metrics, crude saw a surprise build, distillates an unexpected draw, and a larger-than-forecasted draw in gasoline. Overall, crude production was up 50k W/W at 13.86mln.

WTI traded between USD 71.75-76.08/bbl and Brent USD 75.44-80.59/bbl.

## EQUITIES

**CLOSES:** SPX -0.28% at 7,483, NDX +0.27% at 29,253, DJI -1.09% at 52,353, RUT -0.88% at 2,956

**SECTORS:** Materials -2.49%, Financials -1.91%, Real Estate -1.62%, Consumer Discretionary -1.60%, Communication Services -1.41%, Health -1.32%, Industrials -1.08%, Utilities -0.73%, Consumer Staples -0.44%, Energy +1.41%, Technology +1.44%.

**EUROPEAN CLOSES:** Euro Stoxx 50 -1.79% at 6,207, Dax 40 -2.35% at 24,866, FTSE 100 -1.66% at 10,489, CAC 40 -2.18% at 8,253, FTSE MIB -1.22% at 51,817, IBEX 35 -3.01% at 19,049, PSI -1.77% at 9,085, SMI -1.30% at 14,174, AEX -0.26% at 1,076.

### STOCK SPECIFICS:

- **Apple (AAPL)** announced plans to spend over USD 30bn in a chip-supply deal with Broadcom (AVGO).
- **ExxonMobil (XOM)** expects higher liquids prices to lift earnings by USD 3.5-3.9bn Q/Q.
- **Penguin Solutions (PENG):** EPS, revenue and guidance beat.
- **FuelCell (FCEL)** announced a USD 200mln common stock offering.
- **Rivian Automotive (RIVN)** 75mln share secondary priced at USD 15.50; note, closed Tuesday at USD 16.49/shr.
- **Kura Sushi (KRUS)** cut FY26 revenue outlook.
- **Dollar Tree (DLTR)** was upgraded at Raymond James and Goldman Sachs.
- **Alcoa (AA)** was downgraded at Morgan Stanley to 'Equal Weight' from 'Overweight'.
- **Bath & Body Works (BBWI)** was downgraded at Goldman Sachs to 'Sell' from 'Neutral'.

- China reportedly plans to allow some of its biggest AI companies to purchase a "small" number of **Nvidia (NVDA)** H200 chips, The Information reports, citing sources. Names include: Alibaba (BABA), ByteDance, and DeepSeek.
- Hunterbrook Media short **Bloom Energy (BE)**, and long **NioCorp (NB)**. Bloom Energy says its reviewing Hunterbrook short report, will "correct the record"
- **Meta (META)** said it will build a 1-GW USD 9.17bn data centre in Alberta, Canada.
- Michael Burry says he bought shares of **Draftkings (DKNG)** and **Flutter (FLTR)**.

## FX

**The dollar** was modestly offered against major peers as the FX markets' risk appetite prevailed despite the rise in oil prices, global yields, and weakness across equities. Geopolitics has returned as a key risk for markets, with the latest strikes between the US and Iran, remarks from Trump, and the revocation of the Iranian oil sanctions waiver showcasing rapidly increasing tensions in the region. As it stands, strikes are seemingly set to continue, as suggested by both sides, and talks are to be brushed aside. Trump believes it's a "waste of time dealing with Iran", while TASS reported that "Iran suspends talks on a final settlement with the United States". That said, Trump continues to demonstrate an unpredictable nature, later in the session saying he doesn't think war with Iran will start again, which may provide a ceiling to any upside in the buck. On the macro picture, the FOMC Minutes provided very marginal weakness for the dollar, containing few extra details from what was provided in the hawkish June statement, Warsh press conference, and dot plot. WSJ's Nick Timiraos highlights that the minutes frame the committee's divide as a split over the outlook, not necessarily over tactics.

**NZD** led strength against the USD following the RBNZ decision to hike the OCR by 25bps to 2.5%. Whilst the decision was expected, the accompanying statement provided hawkish elements. The central bank said further OCR increases appear likely at upcoming meetings, albeit their timing is highly uncertain, and the committee assesses that the current OCR level remains accommodative. RBNZ Governor Breman estimates the neutral rate range at 2.5-3.5%, suggestive of further room for tightening to bring inflation to the 2% target midpoint. NZD/USD hit highs of 0.5720 before trimming to 0.5710.

**JPY** underperformed amid US yields tracking oil prices higher, which in turn weighed on the attractiveness of the carry trade. USD/JPY hit a peak of 162.71.

**CHF** also lagged as US yields rose, seeing similar performance to the buck and the Yen. The currency was little phased by commentary from SNB Chair Schlegel, who reiterated a readiness to intervene in the FX market if necessary, and that the bar for negative interest rates is high, but if needed, they would do so.

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