

newsquawk

US Market Wrap - 9th July 2026

Stocks and bonds bid while crude is sold as Trump said Iran wants to make a deal

- **SNAPSHOT:** Equities up, Treasuries up, Crude down, Dollar down, Gold up
- **REAR VIEW:** US and Iran strikes continue; Trump stated Iran called a while ago, they want to make a deal; Further reports of explosions heard in Southern Iran, US denies it was them; Initial & continued claims little changed W/W; Fed's Williams affirmed commitment to price stability; US existing home sales unexpectedly decline; Softer-than-expected Chinese CPI; China is reportedly mulling tightening the process of vetting AI modes; META reportedly signs long-term supply agreements for memory, networking gear, and flash storage; MU to invest more than \$250B through 2035.
- **COMING UP: Data:** German/French Inflation Final (Jun), Norwegian Inflation (Jun), Canadian Jobs Report (Jun). **Events:** IEA OMR (Jul). **Speakers:** ECB's Vujcic. **Supply:** Australia, Italy. **Earnings:** Delta Air Lines. **Credit Ratings:** Fitch on the Netherlands; Morningstar DBRS on Switzerland; Scope Ratings on Japan.

MARKET WRAP

US indices closed higher on Thursday, with sector performance mixed, as geopolitical headlines dominated price action. While the US struck multiple Iranian targets overnight and Iran retaliated, risk sentiment improved after President Trump said Iran had reached out to the US and wanted to make a deal, easing concerns over a further escalation that could threaten energy infrastructure. As a result, crude prices declined throughout much of the session and extended losses after the IRGC issued a statement on the US attack, with the move attributed to the statement threatening US military bases rather than energy infrastructure. However, crude pared losses into the close following reports of explosions heard in Iran. Precious metals gained, with spot silver outperforming gold, while Treasuries advanced and saw little reaction to a strong 30-year Treasury auction. The Dollar weakened against most G10 currencies, although moves were generally contained. The New Zealand Dollar outperformed as it continued to benefit from the RBNZ's hawkish rate hike earlier in the week, while the Canadian Dollar lagged amid weakness in the energy complex. Elsewhere, economic data and Fed commentary had little market impact. Initial jobless claims were broadly unchanged from the prior week, while Fed's Williams reiterated that inflation poses a greater risk than the labour market. Looking ahead, market participants will continue to monitor developments surrounding the US-Iran conflict.

US

JOBLESS CLAIMS: Initial jobless claims fell to 215k in the week ending July 4th (exp. 218k, prev. 217k revised from 215k), while the four-week moving average declined to 218.8k from 222.5k, pointing to continued stability in layoffs. Continuing claims rose modestly to 1.814mln (exp. 1.820mln, prev. 1.806mln revised from 1.814mln), although they remained below expectations, with the insured unemployment rate unchanged at 1.2%. In the unadjusted data, initial claims rose by 9,967 (4.6%) to 224,583, slightly less than the seasonal factors had anticipated. The largest increases were in California (+8,467), Missouri (+5,872), New York (+4,855), Michigan (+4,401), and Tennessee (+2,310), while the largest declines were in New Jersey (-3,014), Connecticut (-2,566), Oregon (-1,806), Maryland (-1,640), and Florida (-1,416). Pantheon Macroeconomics notes that both initial and continuing claims remain low and stable, arguing that the modest increase seen over recent months is more likely the result of residual seasonality than a meaningful deterioration in labour market conditions.

EXISTING HOME SALES: Existing home sales fell 2.4% in June to 4.09mln, below the expected 4.2mln. Inventory of homes for sale was 1.56mln units, or 4.6 months' worth (prev. 4.5 months' worth), with the national median home price for existing homes USD 440,600, +1.8% Y/Y (prev. 429.3k). Geographically, M/M sales increased in the Northeast, and declined in the Midwest, South and West, while Y/Y sales rose in the MW, S, W, and were flat in the NE. NAR Chief Economist Dr. Lawrence Yun said "The back-and-forth in monthly home sales activity, driven by mild fluctuations in mortgage rates, shows how sensitive home buyers are to affordability conditions, however, job gains will continue to provide support for the housing market." Yun added, "The median home price has reached an all-time high. Even so, affordability is better than a year ago because wage growth is outpacing home price growth. However, progress on long-term housing affordability could be hampered if inventory growth continues to stall."

FED'S WILLIAMS: Williams reiterated that the labour market remains stable while inflation continues to pose the greater risk. He stressed that inflation remains too high, policy will remain data-dependent, and the Committee is closely monitoring how energy prices feed through into the inflation outlook. Williams also acknowledged uncertainty surrounding the neutral rate. On the balance sheet, he said it remains unclear how much further the Fed's holdings can be reduced, arguing the debate should not focus on the nominal size of the balance sheet.

FIXED INCOME

T-NOTE FUTURES (U6) SETTLED 8+ TICKS HIGHER AT 109-08+

T-notes gain as Trump says Iran wants a deal while fresh strikes avoid energy infrastructure. At settlement, 2-year -5.2bps at 4.164%, 3-year -5.6bps at 4.203%, 5-year -5.6bps at 4.271%, 7-year -5.2bps at 4.398%, 10-year -4.0bps at 4.541%, 20-year -3.0bps at 5.060%, 30-year -2.1bps at 5.054%.

THE DAY: Treasuries rallied across the curve on Thursday as oil prices declined. The weakness in crude came despite continued

military exchanges between the US and Iran overnight, with selling pressure emerging after President Trump said Iran had reached out to the US and wanted to make a deal, easing concerns about a further escalation that could threaten energy infrastructure.

Focus remained firmly on geopolitics following this week's escalation in tensions, with economic data generating little market reaction. The latest jobless claims report saw both initial and continuing claims decline, reinforcing the narrative of a resilient labour market. However, attention is likely to remain on next month's nonfarm payrolls report to assess whether June's softer employment print proves to be a one-off or the beginning of a broader slowdown.

Fed commentary came from New York Fed President Williams, who reiterated that the labour market remains stable while inflation continues to pose the greater risk. He stressed that inflation remains too high, policy will remain data-dependent, and the Committee is closely monitoring how energy prices feed through into the inflation outlook. Williams also acknowledged uncertainty surrounding the neutral rate. On the balance sheet, he said it remains unclear how much further the Fed's holdings can be reduced, arguing the debate should not focus on the nominal size of the balance sheet.

Meanwhile, the USD 22bn 30-year bond auction was met with decent demand, stopping through by 0.3bps. Similar to Wednesday's 10-year auction, exceptionally strong indirect demand more than offset another sharp decline in direct participation, suggesting overseas demand for long-duration Treasuries remains robust despite the recent pickup in geopolitical tensions and higher oil prices.

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 33bps (prev. 36bps)
- EFR at 3.62% (prev. 3.63%), volumes at USD 131bn (prev. USD 117bn) on July 8th
- SOFR at 3.58% (prev. 3.62%), volumes at USD 3.158tn (prev. USD 3.154tn) on July 8th
- NY Fed RRP op demand at 5.77bn (prev. 3.35bn) across 6 counterparties (prev. 8) on July 9th
- NY Fed T-Bill Purchases (1-4 month): Accepts USD 6.64bn of USD 29.19bn offered; Offer-to-cover 4.40x
- Treasury Buyback [Liquidity support, 2-3 year, max USD 4bn]: Accepts USD 2.295bn of USD 12.464bn offered; Offer to cover 5.43x

CRUDE

WTI (Q6) SETTLED USD 1.44 LOWER AT 72.08/BBL; BRENT (U6) SETTLED USD 1.72 LOWER AT 76.30/BBL

The crude complex was lower, and ultimately weighed by Trump's more positive remarks in the European morning. Overnight, the US struck around 90 Iranian military targets, and in return, the IRGC said it attacked two US bases in Bahrain and two in Kuwait. Further attacks were reported throughout the day from both sides, as Iranian media noted of a projectile at Iran's Bushehr Nuclear Power Plant, while Jordan intercepted an Iranian missile which entered their airspace. Elsewhere, CNN reported that Trump is losing patience with the pace of negotiations, particularly on nuclear. However, despite the further attacks, sentiment took its cue from the US President stating that Iran called a while ago, and they want to make a deal. Thereafter, benchmarks were sold throughout the US session as the IRGC said, "If the US army repeats its aggression, other US bases in the region will not be safe from our heavy fire." Pressure in crude benchmarks was attributed to the statement threatening military bases, but not energy infrastructure. As such, and as expected, attention moves to any new attacks or further escalations overnight, as most recent reporting suggested the US has launched another wave of attacks on Iran with explosions heard across the South, seeing crude settle slightly off lows. For the record, WTI traded between USD 71.42-75.13/bbl and Brent USD 75.58-79.25/bbl.

EQUITIES

CLOSES: SPX +0.81% at 7,544, NDX +1.62% at 29,727, DJI +0.27% at 52,492, RUT +1.22% at 2,993

SECTORS: Technology +1.65%, Consumer Discretionary +1.46%, Financials +1.02%, Communication Services +0.52%, Industrials +0.37%, Materials +0.33%, Real Estate +0.19%, Health -0.09%, Utilities -0.55%, Energy -1.58%, Consumer Staples -1.75%.

EUROPEAN CLOSES: Euro Stoxx 50 +1.25% at 6,282, Dax 40 +0.83% at 25,104, FTSE 100 -0.16% at 10,472, CAC 40 +0.90% at 8,327, FTSE MIB +1.09% at 52,382, IBEX 35 +1.14% at 19,323, PSI +0.43% at 9,124, SMI +0.39% at 14,229, AEX +0.67% at 1,083

STOCK SPECIFICS

- **AstraZeneca (AZN):** Wainua failed to meet its target in a Phase III trial
- **Meta (META)** signed long-term supply agreements for Memory, networking gear, and flash storage, according to Reuters citing a memo Plans to double computing capacity to 14 GW next year. Plans to start manufacturing its Iris AI chip in September.
- **Micron (MU)** raised planned US fab and tech investment to more than USD 250bn through 2035; increased investment is

expected to support the long-term goal of producing 40% of DRAM in the US.

- **Costco Wholesale (COST):** Total comparable sales growth in June eased from May.
- **PepsiCo (PEP):** Earnings weighed by tightening consumer budgets; expects higher input cost inflation in H2 versus H1.
- **Levi Strauss & Co. (LEVI):** Q3 and FY26 outlook disappointed.
- **Cerebras Systems (CBRS):** Announced a major expansion of its European AI infrastructure
- **International Business Machines (IBM) / Microsoft (MSFT):** Starbucks is reportedly developing in-house AI tools that could replace some software applications it currently buys from companies such as Microsoft and IBM.
- **Enovix (ENVX):** Appointed former Apple Director of Product Operations Michael Vyvoda as COO.
- **AZZ (AZZ):** EPS and revenue beat.
- **FuelCell Energy (FCEL):** Announced a collaboration with Siemens to accelerate the deployment of fuel cell-based distributed power generation.
- **Salesforce (CRM):** Downgraded at KeyBanc to 'Sector Weight' from 'Overweight'.
- **Paramount Skydance (PSKY):** Downgraded at Arete to 'Sell' from 'Neutral'.
- **Amazon Shipping (AMZN)** looks to snag **FedEx (FDX) and UPS (UPS)** customers with low pricing, Supplychain dive reports.

FX

The Dollar was lower against most G10 FX peers as price action was dominated by broader macro sentiment and geopolitical developments, as opposed to anything Dollar related. On the day, there was little reaction to comments from Fed's Williams or initial jobless claims, which were more-or-less unchanged M/M. As such, US/Iran rhetoric dominated the tape and will continue to be in focus with attention on any further escalation or updates overnight.

All G10 FX, ex-CAD, was firmer vs. the Greenback, with the Kiwi the clear outperformer and continuing to climb post-RBNZ hawkish hike. The Loonie was the relative underperformer and weighed on by lower oil prices.

GBP, AUD, JPY, EUR, and CHF all saw similar strength, albeit in thin currency specific newsflow. For the Pound, BoE Chief Economist Pill said interest rates may need to increase this year to keep rising prices under control, while for the EUR, ECB Minutes were a non-event.

In EMFX, Yuan saw no reaction despite the cooler-than-expected CPI print. For the PLN, NBP Governor Glapinski said level of rates is appropriate and think a rate cut this year is likely, and is "maybe" the only MPC member that is thinking of one 25bps cut this year. Lastly, Banxico Minutes were a non-event, as members considered balance of risks for trajectory of inflation within forecast horizon remains biased to the upside, and estimates it will be appropriate to maintain reference rate at current level.

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