US Market Wrap - 10th July 2026

Stocks gain into the weekend as US/Iran updates await

- **SNAPSHOT**: Equities up, Treasuries down, Crude down, Dollar flat, Gold down.
- **REAR VIEW**: Trump said ceasefire is over; Qatar negotiators are reportedly in Iran to meet Iranian officials to create conditions for negotiations to continue; Iranian media downplays reports of US-Iran talks next week; BoJ reportedly to keep rates unchanged in July; Japanese official said they are to pursue steps to promote investment in Japanese assets by GPIF; META CEO said new model outperforms Gemini 3.1 Pro; DAL earnings & guidance beat fails to impress.
- **COMING UP**: **Data:** German Current Account (May). **Events:** OPEC MOMR (Jul), US Monthly Budget Statement (Jun), Coalition of the Willing Summit (Jul). **Speakers:** Fed's Waller; BoE's Pill; RBNZ's Conway. **Supply:** EU.
- **WEEK IN FOCUS:** US Inflation and Retail Sales, Fed Chair Warsh Testimony, BoC, China Activity Data, and UK GDP. Click here for the full report.
- **WEEKLY US EARNINGS ESTIMATES:** Earnings season begins with big financials set to report. Click here for the full report.

MARKET WRAP

Stocks closed higher on Friday, with only healthcare trading in the red. Breadth was strong, led in Materials, Staples, and Communications. A rally in Meta supported the Comms sector despite a slight downside in Alphabet following Zuckerberg saying the new model outperforms Gemini 3.1 Pro. Separately, US Global Jets (ETF) traded 1% lower after a Delta Air Lines earnings and guidance beat failed to impress investors.

US data and trade updates were light, meaning geopolitical events became the main focus to end the week. New developments included US President Trump being more assertive that the US-Iran ceasefire is over, "in no uncertain terms, that the ceasefire is over (prev. said "I think") and reiterated that talks are to continue. Overall, crude prices were modestly lower, perhaps as strikes in the region lessened, although traffic has slowed in the Strait of Hormuz in the last couple of days.

Despite the move lower in energy prices, US yields were higher across the curve, particularly on the short-end. This likely put a floor under the dollar, which has struggled this week despite the renewed geopolitical risk.

Elsewhere, JPY outperformed following comments from the Japanese Finance Minister Katayama, "they are to pursue steps to promote investment in Japanese assets by GPIF and others". Meanwhile, CAD saw a limited reaction towards a better-than-expected June jobs report.

Ahead of Fed Chair Warsh's testimony to the House and Senate next week, the Fed's semi-annual Monetary Policy Report reiterated that inflation remains elevated, citing tariffs alongside developments in the Middle East and AI as contributing factors; a limited reaction was seen.

FIXED INCOME

T-NOTE FUTURES (U6) SETTLED 7+ TICKS LOWER AT 109-01

T-notes flatten in quiet trade with eyes on geopolitics. At settlement, 2-year +3.4bps at 4.208%, 3-year +3.1bps at 4.244%, 5-year +2.8bps at 4.308%, 7-year +2.2bps at 4.429%, 10-year +1.8bps at 4.567%, 20-year +0.9bps at 5.080%, 30-year +0.9bps at 5.070%.

THE DAY: The Treasury curve flattened on Friday, with front-end yields edging higher while longer-dated yields were little changed. Price action largely tracked a choppy session in the crude complex, with oil ultimately settling lower despite bouts of strength after President Trump said he had told Iran the ceasefire was not over. However, he also reiterated that Iran had reached out to the US and wanted to hold talks.

Elsewhere, trading conditions were relatively quiet with no major US economic data released. Attention now turns to next week's CPI and PPI reports, where headline CPI is expected to ease on the month as it reflects the unwind in energy prices following the US-Iran memorandum of understanding signed in June, although the subsequent breakdown in the ceasefire leaves upside risks to the inflation outlook. Reports had suggested that US-Iran talks would continue next week, but the Iranian press denied the report.

The Fed's semi-annual Monetary Policy Report reiterated that inflation remains elevated, citing tariffs alongside developments in the Middle East and AI as contributing factors. The report also acknowledged that the labour market remains broadly stable and that longer-term inflation expectations remain well anchored. The report comes ahead of Chair Warsh's testimony to the House on Tuesday and the Senate on Wednesday. Warsh is likely to reiterate his recent emphasis on price stability while continuing to avoid providing explicit forward guidance.

Overall, it was a quiet session for the Treasury market. However, a sizeable 10.6k block trade at 102-317 in September 2026 2-year Treasury note futures crossed the tape at 08:41ET, while Deere (DE) Funding Canada also entered the debt market with a USD-denominated offering.

SUPPLY

Bills

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

STIRS / OPERATIONS

- Fed Pricing: Dec 33bps (prev. 33bps)
- EFFR at 3.62% (prev. 3.62%), volumes at USD 126bln (prev. USD 131bln) on July 9th
- SOFR at 3.53% (prev. 3.58%), volumes at USD 3.126tln (prev. USD 3.158tln) on July 9th
- NY Fed RRP op demand at 0.545bln (prev. 5.77bln) across 3 counterparties (prev. 6) on July 10th

CRUDE

WTI (Q6) SETTLES USD 0.67 LOWER AT 71.41/BBL; BRENT (U6) SETTLES USD 0.29 LOWER AT 76.01/BBL

The crude complex was lower on Friday, as geopolitical headlines seemingly took a pause as participants await any weekend updates. Despite saying that, there were a couple of market moving headline which moved benchmarks. As US players entered for the day, the energy space saw downside amid reports that Qatar negotiators are in Iran to meet Iranian officials in an effort to de-escalate tensions and create conditions for broader negotiations to continue, and talks conducted in coordination with the US. However, reversing this price action and seeing a broad-based risk-off market reaction was Trump stating, "Iran has asked us to continue 'talks. We have agreed to do so, but the US has stated to them, in no uncertain terms, that the Cease Fire is OVER!". Overall, WTI traded between USD 70.77-73.16/bbl and Brent USD 75.30-77.52/bbl as attention turns to the aforementioned weekend rhetoric. On that, there have been conflicting reports as some suggested another round of negotiations between the US and Iran is expected next week, possibly in Switzerland, but Fars later pushed back on this.

EQUITIES

CLOSES: SPX +0.42% at 7,575, NDX +0.33% at 29,825, DJI +0.29% at 52.642, RUT -0.49% at 2,978

SECTORS: Health -0.82%, Consumer Discretionary +0.05%, Financials +0.29%, Industrials +0.45%, Real Estate +0.50%, Technology +0.59%, Energy +0.60%, Utilities +0.61%, Consumer Staples +0.85%, Communication Services +0.93%, Materials +1.12%.

EUROPEAN CLOSES: European Closes: Euro Stoxx 50 -0.27% at 6,268, Dax 40 -0.13% at 25,085, FTSE 100 +0.24% at 10,497, CAC 40 +0.15% at 8,339, FTSE MIB +0.44% at 52,614, IBEX 35 +0.32% at 19,385, PSI -0.19% at 9,107, SMI +0.14% at 14,235, AEX +0.08% at 1,084

STOCK SPECIFICS:

- **Meta (META)** CEO Zuckerberg said new model outperforms Gemini 3.1 Pro.
- **Delta Air Lines (DAL):** Earnings & guidance beats.
- **Circle Internet Group (CRCL)** received final OCC approval to establish National Trust Bank.
- **Fermi (FRMI)** announced its intention to offer $350M of convertible senior notes due 2031.
- **Energy Fuels (UUUU)** CEO bought 74k shares of common stock, size $968k.
- **Sensient (SXT)** 2.05mln share block trade within a price range of USD 114-116.
- **WD-40 (WDFC):** EPS & rev. beat; raised guidance & approved USD 100mln share buyback.
- **Shopify (SHOP)** was upgraded at Stifel to 'Buy' from 'Hold'.
- **Paramount (PSKY)** merger with **Warner Bros Discovery (WBD)** receives antitrust approval from South Korea, according to Semafor, citing sources

FX

USD was little changed to end the week with mixed signals out of the Middle-East, ultimately leaving US yields higher W/W. Data was absent, meaning the focus was on geopolitics, in which US President Trump reaffirmed that Iran has requested talks, which will continue, but sounded more affirmative that the ceasefire is over. Overall, US yields move higher on Friday despite the move lower in crude prices, limiting USD downside amid the risk-on sentiment. DXY hit intraday lows of 100.60 before paring to 100.960.

JPY outperformance came amid remarks from Finance Minister Katayama. She noted that they are to pursue steps to promote investment in Japanese assets by GPIF and others. Bart Wakabayashi, Tokyo branch manager at State Street Bank & Trust said that this story could really change the narrative, though it's a six or 12 months down the road type of thing. "The sustainability of further yen buying would need to be backed by further commitment". Additionally, reports noted that the BoJ is reportedly to keep rates unchanged in July but maintain policy guidance and also raise growth outlook. USD/JPY set a trough of 161.28 before bouncing to 161.69.

CAD was slightly firmer than the buck to finish the week. Today's jobs report had a limited reaction on USD/CAD. Employment growth was better than expected at 18.2k (exp.10k) due to private sector growth being at 56k, leaving the unemployment rate lower at 6.5% from 6.6%. Following the data, Oxford Economics believes excess slack in the labour market will help keep the BoC on hold until late 2027.