European Market Wrap - 24th July 2026

- **European bourses are to end the final trading session of the week entirely in the green.**
- **Crude was softer despite ongoing geopolitical tensions, with no fresh escalation beyond continued US–Iran strikes.**
- **US cash equities opened mixed, with the RUT outperforming while underperformance was seen in the NDX.**

EQUITIES

- **European bourses** (STOXX 600 +0.6%) are to end the final trading session of the week entirely in the green, with lower energy prices supporting the broader risk tone. Spain's **IBEX** (+1.2%) outperformed, helped by the rebound in banks and well-received Sabadell earnings, while the **DAX 40** (+1.0%) followed given the positive earnings by SAP. In addition, flash PMIs in the EZ and UK came in stronger than expected.
- **Sectors** finished with a positive bias. **Technology** (+1.4%) outperformed, followed by **Banks** (+1.2%) and **Travel & Leisure** (+1.2%). To the downside was **Energy** (-0.6%), while **Telecoms** (-0.5%) and **Autos** (-0.3%) rounded out the sector laggards.
- Key movers included: **SAP** (+6.8%), Q2 cloud revenue beat estimates; **Volkswagen** (-1.8%), cut its FY revenue outlook citing strong Chinese competition; **Carrefour** (-3.5%), gross margin fell 28bps due to the evolution in the integrated/franchise store mix and the continued investments in competitiveness; **Neste** (-10.9%), Q2 revenue missed estimates; Wise (-5.3%), the US OCC denied its application for a national trust bank charter.
- **US cash equities** opened mixed, with the **RUT** (+0.2%) outperforming while underperformance was seen in the **NDX** (-0.1%). Intel, despite posting Q2 earnings that topped Q2 expectations and issued stronger guidance, opened lower by 1%. Elsewhere, Verizon shares have been given a boost after the co. lifted its FY guidance for adj. profit and FCF.

FX

- **G10s** were initially firmer against the Buck, though now set to complete the London FX session in a mixed picture with low-yielders underperforming, while Antipodeans are the best performers.
- **DXY** weakened throughout the morning as crude succumbed to profit-taking after Brent Sept'26 gained c. 7%, and DXY saw gains of 0.3% on Thursday. However, as the session progressed, USD buyers emerged without a clear catalyst. **DXY** rose from a 101.25 base to mark a session high of 101.53.
- **EUR** saw modest strength after a strong French PMI figure, which was extended by a couple of pips after Germany. EUR attempted a bounce towards 1.14 following the strong PMI read, foiled just above that level, thereafter slipping to a session low around 1.1365, which has proven support recently.
- Much stronger than expected **UK Retail Sales had little follow-through to Sterling** amid World Cup/weather related demand, with the purchase of fans and football shirts influencing the figure. Pantheon Macro still looks for consumer spending to ease to 0.1% quarter-to-quarter across H2, with a reversal in the aforementioned components likely to weigh. Elsewhere, UK composite PMI surprisingly rose to expansionary by a decent margin, though the strong caveats of the data not encompassing the recent geopolitical escalation saw the handful of pips strength in EUR/GBP pared at the time. **GBP is set to finish the domestic session flat** after hovering around 1.3310 for most of the session.
- **Barclays' month-end rebalancing model** indicated weak USD buying against most majors by month-end. The model suggested moderate bearish signals for CAD and GBP.
- The US Treasury said no major US trading partner manipulated its currency to gain an unfair trade advantage in 2025, while 10 leading trading partners remain on a list for enhanced monitoring of their foreign exchange practice. The Treasury added that yen weakness has persisted despite narrowing of US-Japan interest rate differentials and excess volatility in the yen is unwanted.
- **Barclays** said its month-end rebalancing model indicates a weak USD buying signal against most majors by month-end.

FIXED INCOME

- **Bunds** were firmer, taking impetus from the pullback in energy prices after Brent slipped from above USD 100/bbl towards USD 98/bbl. The benchmark lifted to a 124.37 peak. The contract saw a knee-jerk lower on French flash PMIs and more pronounced pressure after German/EZ figures, though the move unwound as energy trimmed.
- **Gilts** opened on the front foot despite stronger-than-expected Retail Sales, with the move driven by the pullback in energy. The benchmark initially gained around 17 ticks and extended to an 86.43 peak, where it held.
- **USTs** were modestly firmer, lifting to a 108-08 peak, though still shy of Thursday's 108-15 best. The contract was up around five ticks on the day but remained roughly a full point lower on the week, with only a couple brief downticks seeen on the dated Flash PMIs against the backdrop of fluid geopolitics.

COMMODITIES

- **Crude** was softer despite ongoing geopolitical tensions, with no fresh escalation beyond continued US–Iran strikes. Traders appeared to take profit following the prior session's sharp gains, while tariff developments also weighed on sentiment in energy. WTI and Brent fell by over 3% at one point after rising 6–7% intraday yesterday. Prices thereafter gradually clambered off lows heading into the weekend, with WTI towards the middle of a USD 88.74–92.83/bbl range and Brent back under USD 100/bbl within USD 96.40–101.19/bbl.

- **Dutch TTF** continued grinding higher, approaching EUR 64/MWh after holding around EUR 62/MWh during the European morning and after finding support near EUR 61/MWh, with continued focus on the Middle East.
- **Precious Metals** found some slight reprieve from the pullback in energy. Spot gold rebounded from a USD 4,022/oz low to trade towards session highs near USD 4,053/oz before settling around flat. Spot silver also recovered, rising from near USD 57/oz to a high around USD 58.62/oz.
- **Base Metals** were mixed and failed to benefit from the pullback in energy, as tariff concerns weighed on sentiment. 3M LME copper traded within a narrow USD 13,574.88–13,683.63/t range.
- **Danish flagged oil tanker Torm Innovation** is transporting Naphtha to Japan, according to reported, citing shipping data; will sail to Asia via Southern Africa after crossing Suez.

EUROPEAN DATA

- **UK S&P Global Composite PMI Flash (Jul) 52.1 vs. Exp. 49.7 (Prev. 49.3).**
- **UK S&P Global Services PMI Flash (Jul) 51.8 vs. Exp. 49.4 (Prev. 48.8).**
- **UK S&P Global Manufacturing PMI Flash (Jul) 52.8 vs. Exp. 52.1 (Prev. 52.5).**
- **UK Retail Sales ex Fuel YoY (Jun) Y/Y 5.4% vs. Exp. 3.2% (Prev. 4.6%).**
- **UK Retail Sales MoM (Jun) M/M 1.0% vs. Exp. 0.2% (Prev. 1.2%).**
- **UK Retail Sales ex Fuel MoM (Jun) M/M 1.1% vs. Exp. -0.4% (Prev. 1.2%).**
- **UK Retail Sales YoY (Jun) Y/Y 4.2% (Prev. 3.2%).**
- **EU S&P Global Composite PMI Flash (Jul) 51.9 vs. Exp. 50.3 (Prev. 50.0).**
- **EU S&P Global Manufacturing PMI Flash (Jul) 52.0 vs. Exp. 51.3 (Prev. 51.4).**
- **EU S&P Global Services PMI Flash (Jul) 51.6 vs. Exp. 49.8 (Prev. 49.4).**
- **German S&P Global Manufacturing PMI Flash (Jul) 52.2 vs. Exp. 50.1 (Prev. 50.3).**
- **German S&P Global Composite PMI Flash (Jul) 51.2 vs. Exp. 49.8 (Prev. 49.5).**
- **German S&P Global Services PMI Flash (Jul) 49.6 vs. Exp. 48.8 (Prev. 48.6).**
- **German GfK Consumer Confidence (Aug) -29.6 vs. Exp. -28.5 (Prev. -29.2).**
- **French S&P Global Services PMI Flash (Jul) 49.8 vs. Exp. 47.2 (Prev. 46.8).**
- **French S&P Global Manufacturing PMI Flash (Jul) 50.0 vs. Exp. 51 (Prev. 51.2).**
- **French S&P Global Composite PMI Flash (Jul) 49.6 vs. Exp. 48.4 (Prev. 47.2).**
- **Spanish** PPI YoY (Jun) Y/Y 7% (Prev. 10.5%).
- **Hungarian** Unemployment Rate (Jun) 4.5% (Prev. 4.3%).
- **Swedish** Unemployment Rate (Jun) 9.9% (Prev. 9.4%).
- **Swedish** Employed Persons (Jun) 5.398M (Prev. 5.299M).
- **Swedish** PPI YoY (Jun) Y/Y 7.4% (Prev. 6.6%).
- **Swedish** PPI MoM (Jun) M/M 0.1% (Prev. 1.3%).

NOTABLE HEADLINES

- **German Chancellor Merz's pick for Transport Minister, Guntzler, declined the position, Handelsblatt's Olk reported citing a text.**
- **German Chancellor Merz** said Nina Warken will be appointed chief of staff; Linnemann will be appointed health minister; further cabinet changes in the future, but will take more time.

TRADE/TARIFFS

- **China** announced on Friday the decision to place 14 EU entities on its export control list, effective immediately, citing the need to safeguard national security and interests and fulfil international non-proliferation obligations, Global Times reported.
- **China's Foreign Ministry** said it opposes all unilateral tariffs, said position on China-US economic and trade issues are clear.

CENTRAL BANKS

- **ECB's Zigman said the ECB will take stock of the situation in September.**
- **ECB's Rehn said there are no signs of second-round effects; energy crisis is not over.**
- **ECB's Simkus said uncertainty has been evident over the past six weeks, oil over USD 100/bbl will have repercussions; inflationary environment has increased with risks to the upside.** No value in rushing. See the probability of a hike as higher than a hold.
- **ECB's Sleijpen said ECB could hike in September even without second-round effects as long as the broader inflation outlook warrants it, via EconoStream interview.** Second-round effects are important, but will assess the entire inflation outlook; no evidence of second-round effects yet. Markets understand the reaction function and decision triggers. From a cyclical perspective, the economy has held up reasonably well. Neutral rate estimates are not a decisive factor in setting policy. Conditions are again more consistent with the June baseline.
- **ECB's Moulin said he will look at the size and duration of the oil shock.**
- **ECB's Kocher said the recent developments in oil markets are concerning; said 50bps hike was not discussed, hopefully something ECB will not have to consider.**
- **ECB's Nagel said ECB is in a good position to closely monitor further developments.**
- **ECB's Makhlouf** said inflationary pressures have not yet eased, more information will be available in September.

- **ECB** said the Eurosystem has started onboarding process of non-euro area central banks to enhanced repo facility (EUREP), with drawings possible as of Q4 2026.
- **ECB Survey of Professional Forecasters (Q3)** :. Inflation:. 2026 2.7% (prev. 2.7%). 2027 2.2% (prev. 2.1%). 2028 2.0% (prev. 2.0%). Core Inflation:. 2026 2.4% (prev. 2.2%). 2027 2.2% (prev. 2.2%). 2028 2.1% (prev. 2.1%). Real GDP:. 2026 0.6% (prev. 1.0%). 2027 1.2% (prev. 1.3%). 2028 1.3% (prev. 1.3%).
- **ECB Consumer Expectations Survey (Jul): Median consumer perceptions of inflation over the past 12 months decreased significantly, as did the next 12 months.** 1-year inflation expectation: 3% (exp. 3.2%, prev. 3.5%). 3-year inflation expectation: 2.8% (prev. 2.9%). 5-year inflation expectation: Unch. at 2.4%.
- **BoE Monthly Decision Maker Panel data: Expectations for 1yr-ahead CPI inflation fell to 3.4% in the three months to July (prev. 3.7% in the three months to June); 3yr-ahead CPI inflation expectations was 2.8% in the three months to July (prev. 2.9%).**
- **China's PBoC will conduct overnight reverse repo operations via fixed-rate, fixed-quantity tenders, injecting CNY 600bln daily on July 29–31st and CNY 300bln on August 3rd.**
- **BoJ to keep rates unchanged in July meeting, Nikkei reported, citing sources; majority of members expected to vote for keeping the rate steady.** The majority of members currently favour a steady approach, citing a desire to monitor the impact of June's hike amid geopolitical tensions and inflation risks; Many suggest that there is no rush to raise rates. A few members have called for raising the rate in July following the previous rate hike in June.
- **Russian** Federation Interest Rate Decision 14.00 vs. Exp. 14 (Prev. 14.25).

GEOPOLITICS

MIDDLE EAST

- **Iran's IRGC** said it destroyed a residence housing US military personnel and several fighter jets in Jordan, a Patriot air defence system, and a surveillance balloon, ISNA reported.
- **Sound of several explosions heard in Jask, Southern Iran, IRIB News reported.**
- **US Secretary of State Rubio** said Houthi forces should understand that participation in the war could lead to their annihilation, the US should have struck Iran earlier.
- **Iran's IRGC** said it attacked the Al-Adiri base in Kuwait and an observation tower of the U.S. Fifth Fleet in Bahrain, Tasnim reported.
- **Iranian diplomat said Iran has not closed the door to diplomacy, and messages are still being exchanged through intermediaries, ISNA reported.**
- **Iraq denied a New York Times report that it** was mediating a US-Iran ceasefire, calling the report "groundless.".
- **Iran's army** said it has launched another wave of drone attacks against US military facilities in Kuwait, Noor News reported.
- **Yemeni National Negotiating Body Head Abdulsalam** said Contrary to some claims, the Bab al-Mandab Strait has not been closed, Tasnim reported; The official position of the Yemeni armed forces is limited to a "maritime blockade" against Saudi Arabia.
- **Explosion heard in Saudi Arabia, Tasnim reported.**
- **Jordan's Army** said it downed seven Iranian missiles and six drones.
- **Only one oil tanker passed through the Strait of Hormuz yesterday, Mehr News reported.**
- **Iranian and Pakistani foreign ministers met on the sidelines of the Shanghai Cooperation Organization summit to discuss bilateral issues, Tasnim reported.**
- **Sound of several explosions** was heard around Erbil airport, Iraq, Tasnim reported.
- **Some sources report explosions in Bahrain, Tasnim reported.**
- **Sirens sound again in Bahrain; "Citizens and residents are urged to remain calm and head to the nearest safe place ", the Interior Ministry posted.**
- **US President Trump reportedly told Lebanese President Aoun he would seek to curb Israeli escalation in Lebanon and support expanded US assistance to the Lebanese army, Saudi newspaper reported.**
- **Reports of explosions in Erbil in northern Iraq, Mehr News reported citing sources.**
- **Several explosions shook the Sheikh Isa airbase in Bahrain, Tasnim reported citing sources.**

RUSSIA-UKRAINE

- **Russian** Federation Interest Rate Decision 14.00 vs. Exp. 14 (Prev. 14.25).
- **Ukraine's Air Force** warned that missiles were heading toward the Odesa and Pivdenne areas.
- **US Senate leaders** are reportedly nearing an agreement to vote on a revised Russia sanctions bill before August recess, Punchbowl reported, citing sources.
- **Ukrainian President Zelensky told Trump ally Laura Loomer that he may visit Washington next week and** plans to meet President Trump again.
- **Russian Deputy Foreign Minister, regarding the possibility of Russian Foreign Minister Lavrov's trip to Tehran, said: "We are working on this matter", Tasnim reported citing an exclusive interview.**

OTHERS

- **A senior Chinese official met with the FBI Director in Beijing, Xinhua reported.**

- **Explosion** was heard in Saudi Arabia after a drone hit the logistics warehouses of the US army, reported Fars.
- **US Secretary of State Marco Rubio** said he is concerned by Beijing's rhetoric toward Japan.
- **Romanian President said an F-16 fighter jet shot down a drone that violated Romanian airspace; details light.**

NORTH AMERICAN DATA

- **US** Building Permits Final (Jun) 1.374M vs. Exp. 1.367M (Prev. 1.41M).
- **US** Building Permits MoM Final (Jun) M/M -2.6% vs. Exp. -3% (Prev. -0.9%).
- **US** S&P Global Manufacturing PMI Flash (Jul) 53.8 vs. Exp. 54.5 (Prev. 53.9)
- **US** S&P Global Services PMI Flash (Jul) 53.6 vs. Exp. 51 (Prev. 51.2)
- **US** S&P Global Composite PMI Flash (Jul) 53.6 vs. Exp. 52.3 (Prev. 51.9)
- **Canadian PPI MoM (Jun) M/M -1.4% vs. Exp. -0.4% (Prev. 1.2%).**
- **Canadian** Wholesale Sales MoM Prel (Jun) M/M 2.7% (Prev. 0%).
- **Canadian** Manufacturing Sales MoM Prel (Jun) M/M -0.1%.
- **Canadian** New Housing Price Index MoM (Jun) M/M -0.1% vs. Exp. -0.2% (Prev. -0.3%).
- **Canadian** PPI YoY (Jun) Y/Y 12.4% (Prev. 13.6%).

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