WEEKLY MARKET OUTLOOK

August 3, 2026 | D+A STRATEGIES | Research Team

01

EXECUTIVE SUMMARY

Markets closed the week higher, though the path there was uneven. Technology led the swings as a heavy run of large-cap earnings produced a split picture, leaving the sector's overall direction unsettled even as the broader tape advanced. The Fed held rates at 3.50 to 3.75 percent in a 9-3 vote under its new chair, and all three dissents called for a hike rather than a cut. The statement carried no forward guidance, and long-end Treasury yields pushed to their highest levels in years. Energy moved the other way. The US paused its strike campaign against Iran over the weekend, and crude gapped lower on Monday. A late-week return of tanker attacks in Hormuz recovered part of that move but left Brent down sharply on the week, still up close to a quarter on the month. Europe touched record levels on the back of steady earnings before giving back some of those gains late in the week, finishing higher on balance. Asia was mixed, with Korean chip names staging a historic single-day rebound on Friday after a sharp mid-week selloff, set against official Chinese PMIs that fell into contraction. The dollar was the weakest major currency, pressured by the Fed's stance and by suspected Japanese intervention in the yen. Gold held flat.

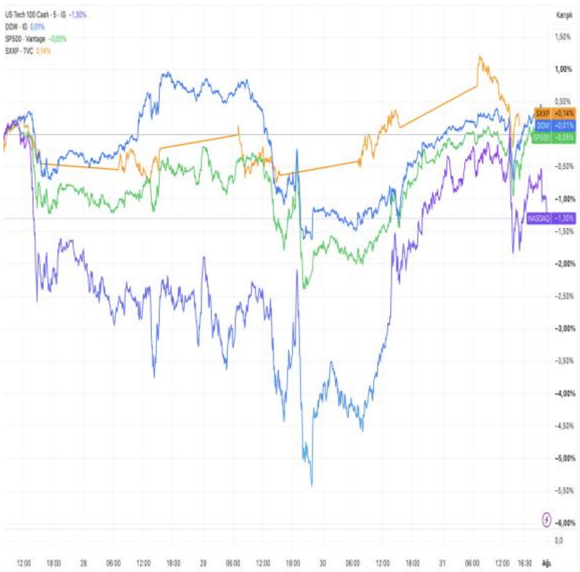
02

WEEK IN REVIEW

In the U.S., the Nasdaq led, up 1.6%, with the S&P 500 and Dow each near 1%. Amazon and Microsoft rallied on cloud and AI capex, while Apple fell on a soft outlook. The index gain masked a mid-week drawdown before a chip-led rebound Thursday and Friday.

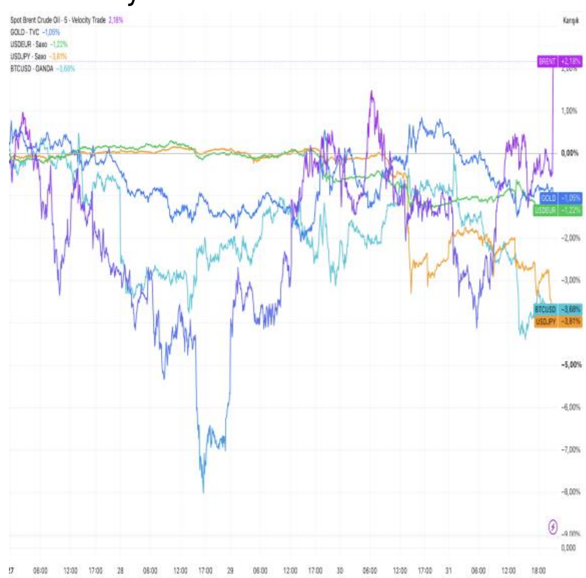
Europe closed modestly higher. The STOXX 600 touched a fresh record before fading into Friday's close, supported by solid bank and industrial earnings and offset by weakness in media. The DAX, CAC, and FTSE all firmed on the week.

Asia was mixed. Hong Kong led, while mainland China edged higher despite official PMIs falling into contraction. Japan and Korea finished lower for the week, although Korean chip shares staged a historic rebound on Friday.



Equities showed a sharp divergence. The STOXX 600 led for most of the week, avoiding the mid-week AI selloff, before being overtaken late. The S&P 500 and Dow tracked each other closely and finished level. The Nasdaq swung most violently, plunging to the week's steepest low before a chip-led recovery carried it to the strongest finish of the four.

Rates, currencies, and commodities carried the week's main story. Crude reversed. The US suspension of strikes on Iran sent Brent down 8.7% on Monday to $88.36, its largest one-day drop since April, and the late-week return of Hormuz tanker attacks recovered only part of it. Treasury yields rose regardless, the 30-year at its highest since 2007 and the 10-year above 4.7%, as hawkish dissents and energy pass-through kept the inflation question open. The dollar fell more than 1% and finished the weakest major, hit by suspected Japanese intervention that took USD/JPY fell from near 164 to 158 on suspected intervention. Gold ended flat and posted its first monthly gain since February.



Brent gapped lower Monday on the pause in US-Iran strikes and spent the week recovering part of the loss, still closing well below the prior Friday. Gold held near flat. The yen broke away sharply into the close on suspected intervention, the week's strongest gain against the dollar. Bitcoin was the most volatile, plunging midweek before clawing back much of it Friday.

The week closed with the same tension that has carried through the season: equities still looking past elevated energy volatility, a bond market recalibrating to a central bank offering little guidance, and tech leadership narrowing even as the index-level story stays positive.

03

MACRO OUTLOOK

Macro Outlook					August 2026 – Calendar Week 32
	Monday	Tuesday	Wednesday	Thursday	Friday
Eurozone/UK	Eurozone/UK Manufacturing PMI (July, Final)	-	Eurozone/UK Services PMI (July, Final)	Eurozone Retail Sales (June)	Germany Industrial Production (June)
US/Canada	ISM Manufacturing PMI (July); Construction Spending (June)	Trade Balance (June)	ADP Employment Report (July); ISM Services PMI (July)	Initial Jobless Claims	US Employment Situation (July)
Asia	China Manufacturing PMI (July)	-	China Services PMI (July)	-	-

What we're watching & why

Friday's jobs report is the event of the week. Consensus is 91,000 after June's 57,000, with unemployment seen at 4.3%. The Fed just held with three dissents calling for a hike, and markets price roughly two-thirds odds of a 25 basis point increase in September. A firm print would reinforce the case for a September hike. A soft print would reduce those odds.

Wednesday's ADP and ISM Services land together, giving the first cross-check on whether the labor softening is showing up in private and services data ahead of Friday. Monday's ISM Manufacturing print carries its own weight, with crude off its highs but sharply higher on the month and energy pass-through still a live inflation question.

The bigger swing factor is whether markets hold up without the earnings crutch that carried the past two weeks. With most mega-cap tech results now in, the tape loses its main catalyst just as it heads into a jobs report with real two-way risk, leaving rates and energy to set the tone largely on their own.

04

SECTOR COMMENTARY

Financials	+1.9%	Firmed on the week, drawing modest support from the move higher in yields following the Fed's hold.
Industrials	-1.3%	Slipped modestly, giving back ground with no clear cyclical bid to offset the pullback.
Health Care	0.0%	Essentially flat, a steady, low-volatility performer through a week dominated by moves elsewhere.
Information Technology	-0.7%	Lagged modestly, weighed down by a choppy run of earnings despite strength in select large-caps.
Energy	0.0%	Flat, consistent with crude finishing the week lower. Refiners were the standout, several closing at all-time highs on strong cracks.
Materials	-0.2%	Little changed, failing to catch a bid from either the energy rally or the broader risk tone.
Communication Services	+5.8%	The strongest sector by a wide margin, recovering sharply as strength in select names outweighed weakness in others.

05

MARKET SOLUTIONS

		Short-to-Medium Term Tactical Solutions	
		Base Case	**Key Risks**
Investment Backdrop	**Macro**	▪ The Fed held with three dissents for a hike and no forward guidance. Friday's print is the next test of a September call markets price as a hike.	▪ A firm print confirms the hike and pressures duration and multiples together. A soft print removes it but signals labor cooling faster than earnings assume.
	Fixed Income	▪ Keep duration light. Yields sit near multi-year highs after the Fed's hold, with little in the setup to argue for a sustained rally.	▪ A weak jobs report could pull yields down sharply, catching short-duration positioning offside. ▪
	Equities	▪ Stay selective, not broad. Communication services led the recovery while industrials and technology lagged, with most mega-cap earnings now in hand.	▪ Without an earnings catalyst, the tape leans more heavily on Friday's data, raising the risk of a sharper reaction either way.
	Alternatives	▪ Oil remains the cleaner risk expression, but the premium is two-sided. Monday's gap showed how fast de-escalation unwinds it.	▪ Hormuz transit is the swing factor. A durable reopening removes what is left of the premium. A renewed closure retakes the highs.
	FX	▪ Reduce dollar length. The dollar finished the weakest major, pressured by the Fed's refusal to guide and by suspected yen intervention.	▪ A firm jobs print restores rate support quickly. Intervention effects may fade without further official action.

CONTRIBUTORS

Dide Cavus, Head of Research

DISCLAIMER

This document reflects the views of D+A Strategies investment leadership going into CW 32 2026. Past performance does not predict future returns. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. We assume no obligation to update any forward-looking statement.

REFERENCES AND SOURCES

CNBC, Reuters, and the Irish Times market wraps; Yahoo Finance historical index quotes; Trading Economics Treasury yields, Brent crude, and equity index data; Advisor Perspectives and ETF Trends Treasury Yields Snapshot; StreetStats Treasury yield curve and FX data; Forbes Advisor and CNBC crude oil coverage; US News/Reuters and the Irish Times STOXX 600 coverage; TradingKey and Armenpress Asian markets coverage; Investrade and Kiplinger weekly economic calendars; LiteFinance Forex Economic Calendar; TradingView S&P sector performance data