D+A Strategies

# WEEKLY MARKET OUTLOOK

June 29, 2026 | D+A STRATEGIES | Research Team

01

# EXECUTIVE SUMMARY

Markets ended the week in worse shape than they entered it, though the damage was concentrated. The largest technology names sold off hard as investors unwound crowded AI positions, and chip stocks whipsawed on conflicting signals. The other defining story was energy: the United States and Iran reached a tentative agreement aimed at reopening the Strait of Hormuz, crude fell back to pre-conflict levels, and precious metals followed oil lower, with silver down more than 10%. Bonds caught a bid as yields retreated, even as PCE came in hot at a three-year high. The Fed is no longer cutting; markets now price a hike by the fall. Europe closed broadly flat but fractured beneath the surface, with the UK leading as Starmer's long-telegraphed resignation resolved into an orderly handover to Burnham. Japan declined on the tech unwind as yen weakness pressed toward levels that have historically drawn intervention. The week closed on a complicated note: the geopolitical premium in oil is gone, but the inflation it created remains, and the Fed has no room to respond to growth softness without reigniting the problem it has not yet solved.

02

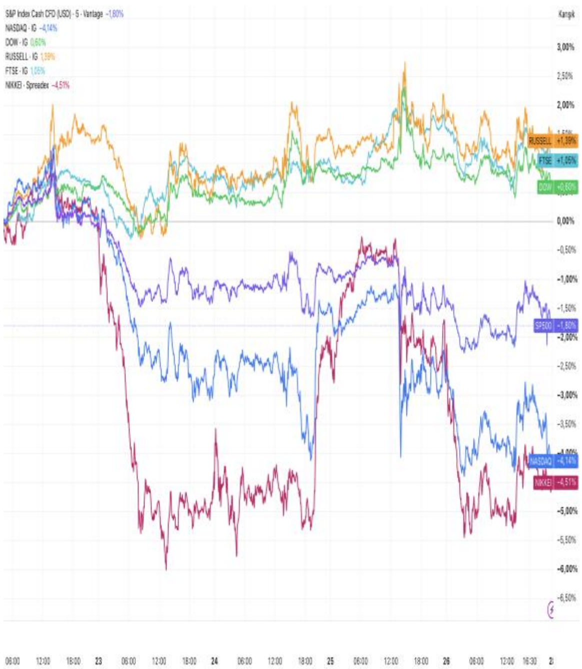
# WEEK IN REVIEW

In the U.S., stocks sold off through the first half as investors unwound leveraged positions in semiconductors and AI-related names, with the Nasdaq falling more than 4% and the S&P 500 nearly 2% on the week. The Dow and the Russell 2000 both finished higher, with defensives leading and the rotation out of mega-cap growth the clearest signal of the week.

Europe closed broadly flat but split underneath. The FTSE 100 gained 1.4% while the FTSE MIB fell 3% and the DAX gave back more than 1%.

Asia declined on the tech unwind. The Nikkei fell more than 2%. Korea was the hardest hit, with the Kospi down nearly 6% as the selloff concentrated in semiconductor-heavy names. China fell alongside the region, with the SSE

Composite and Shenzhen both closing sharply lower on Friday.




*Equities split sharply along familiar lines, with the Nikkei and Nasdaq bearing the brunt of the selloff, while the S&P 500 tracked lower. The Russell, the FTSE, and the Dow held up best, separating from the losers early and spending most of the week in positive territory, confirming that the damage was concentrated in large-cap technology rather than broad across the market.*

Rates, currencies, and commodities reflected the collision between the two dominant forces of the week. The U.S. and Iran finalized a deal to reopen the Strait of Hormuz, crude fell back toward $70, its lowest level since the conflict began in February, and precious metals followed oil lower, with gold down more than 3% and silver more than 10%. Bonds caught a bid despite the hot PCE print, with the 10-year falling to 4.4% as falling oil shifted the near-term inflation outlook enough to bring yields down. The dollar strengthened on the week, and Bitcoin extended its slide.


*Brent collapsed sharply from the open before recovering slightly as the Hormuz deal removed the conflict premium in a single move. Bitcoin tracked oil lower through the week. Gold drifted lower throughout as the safe-haven bid faded alongside the geopolitical risk. The dollar firmed against the euro and held broadly stable against the yen, both ending the week modestly higher as the risk-off move supported the greenback without triggering a sharp dislocation in either pair.*

The week closed with the geopolitical premium in oil gone but the inflation it created still present, a Fed that has taken cuts off the table and may yet hike, and a market quietly rotating away from the trade that led all year. The damage was concentrated rather than broad, which is the constructive read. The difficult one is that the conditions that drove the AI trade, cheap money and falling energy, are both now working in reverse.

03

# MACRO OUTLOOK

| Macro Outlook | | | | | June 2026 – Calendar Week 27 |
|---|---|---|---|---|---|
| | Monday | Tuesday | Wednesday | Thursday | Friday |
| Eurozone/UK | - | - | Eurozone CPI Flash Estimate (June) | Eurozone Unemployment Rate (May) | - |
| US/Canada | - | U.S. Consumer Confidence (June) | ADP Employment; ISM Manufacturing (June) | U.S. Nonfarm Payrolls & Unemployment Rate (June) | U.S. markets closed for Independence Day |
| Asia | - | Japan Tankan Survey (Q2) | - | - | - |

## What we're watching & why

Thursday's June jobs report is the event of the week, moved forward from Friday ahead of Independence Day. The Fed has taken cuts off the table and markets now price a hike by October, so the question payrolls has to answer is whether the labor market is still running hot enough to sustain that call. A strong number firms the hike case and puts further pressure on rate-sensitive valuations. A soft print complicates the picture without resolving it.

Wednesday's eurozone CPI flash estimate arrives in a market that has just watched oil give back its entire conflict premium. If the print softens alongside crude, it reduces pressure on the ECB to move again and gives the region room to focus on the growth deterioration the PMI data has been signaling.

The Japan Tankan on Tuesday fills in the demand picture ahead of the BoJ's next decision. The yen continues to press toward levels that have historically drawn intervention, and the survey will show whether corporate confidence is holding under the dual pressure of a weak currency and slowing global technology demand.

D+A Strategies

04

# SECTOR COMMENTARY

| | | |
|---|---|---|
| **Financials** | +0.4% | Modestly higher. Banks held up as the labor market remained firm and the hike case strengthened. |
| **Industrials** | -1.5% | The weakest sector. Fell as defense names came under pressure, with the group unable to find support from either the cyclical or defensive rotation that lifted the rest of the market. |
| **Health Care** | +3.2% | The strongest sector on the week. Defensive positioning held and broadened as the tech selloff pushed investors toward earnings stability. |
| **Information Technology** | -1.1% | The epicenter of the week's selloff. Chip stocks whipsawed on conflicting signals from Micron's record earnings and the OpenAI IPO delay report. |
| **Energy** | -0.4% | Fell as crude gave back its entire conflict premium after the Hormuz deal removed the supply disruption fear. |
| **Materials** | -0.3% | Finished lower. Gold and silver sold off as the geopolitical risk premium unwound alongside crude, dragging commodity-linked names. |
| **Communication Services** | -0.6% | Lagged as the large platform names sold off alongside broader technology. |

05

# MARKET SOLUTIONS

| | Short-to-Medium Term Tactical Solutions: Base Case | Key Risks |
|---|---|---|
| **Investment Backdrop — Macro** | ▪ The oil premium is gone but the inflation it created is not. The Fed has closed the door on cuts and markets now price a hike by October. | ▪ A strong jobs print firms the hike case faster than risk assets can reprice. The Fed has already expressed which way it is leaning. |
| **Fixed Income** | ▪ Keep duration light. The 10-year has pulled back to 4.4% on falling oil, but with a hike live, the yield relief is tactical rather than structural. | ▪ A hot payrolls print pushes the front end sharply higher, removing the bond bid that falling oil temporarily created. ▪ |
| **Equities** | ▪ Lean with the rotation into defensives, small caps, and value. The expensive AI complex carries the most decision risk heading into payrolls. | ▪ Rising real yields resume pressure on growth valuations once the oil-driven bond rally fades, reversing defensive outperformance quickly. |
| **Alternatives** | ▪ Gold is a weaker hedge here. The safe-haven bid faded alongside the geopolitical premium, and with real yields elevated and the dollar firm, the setup is not constructive. | ▪ A breakdown in the Hormuz agreement snaps the oil premium back quickly. Gold recovers if payrolls disappoint and the hike case softens, but the move would be sharp and short. |
| **FX** | ▪ Hold some dollar exposure. Higher U.S. rates support the greenback and the Fed is the most hawkish major central bank in the room. | ▪ A dovish payrolls read takes the hike off the table and weakens the dollar sharply. |

# CONTRIBUTORS

Dide Cavus, Head of Research

# DISCLAIMER

*This document reflects the views of D+A Strategies investment leadership going into CW 27 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, TheStreet, Investopedia, MarketWatch, and Wall Street Journal market wraps; the Associated Press, via Yahoo Finance; Trading Economics and Yahoo Finance close-to-close proxies; MarketWatch, Fidelity, S&P Dow Jones Indices, and the attached sector-performance snapshot; the Federal Reserve's June FOMC statement and Summary of Economic Projections; the U.S. Bureau of Labor Statistics Employment Situation release (May 2026) and scheduled release calendar; the U.S. Bureau of Economic Analysis PCE and GDP releases; S&P Global Flash PMI releases (U.S. and Eurozone); the European Central Bank's May consumer expectations survey; the Confederation of British Industry Distributive Trades Survey (June); the Bank of Japan's June policy release; Kiplinger and exchange holiday calendars; Bloomberg-style cross-asset market commentary; TradingView; T. Rowe Price's Global Markets Weekly Update (June 26, 2026); TritonPoint Wealth and Financial Synergies weekly market recaps (June 26, 2026); NYSE and SIFMA holiday schedule

*Unless otherwise stated, charts and tables use data from the sources listed above. All trademarks belong to their respective owners.*