MARKET INSIGHTS

WEEKLY REVIEW

FOR THE WEEK ENDED ON 29 May 2026

WEEKLY MARKET INSIGHT

1 June 2026

AGC
Arabian Gulf Capital

OVERVIEW

Markets extended their rally last week, with the S&P 500 posting a weekly gain as optimism around a U.S.–Iran peace deal and continued AI-driven momentum outweighed lingering geopolitical and inflation concerns. Oil eased to around $92/bbl, while resilient earnings continued to support sentiment.

MARKETS

US stocks gained last week, with the S&P 500 rising 1.8% WoW and the Nasdaq 100 up 3.3%, as the market extended its rally last week. Sentiment was supported by optimism around a lasting U.S.–Iran peace agreement, strong AI-driven momentum, and resilient corporate earnings, with investors continuing to look through near-term geopolitical and inflation risks.

In Asia: equities were mixed, with the KOSPI surging 8.0% WoW and the Nikkei 225 gaining 4.7%, while the Shanghai Composite fell 1.1% and the Hang Seng declined 1.7%. Korean markets continued to benefit from strong AI-driven semiconductor momentum, though soaring valuations in Samsung Electronics and SK Hynix triggered fund rebalancing and record foreign outflows, highlighting growing volatility despite robust underlying demand.

In Europe: equities were mixed, with the Euro Stoxx 50 rising 0.5% WoW while the FTSE 100 slipped 0.3%. Lower oil prices supported consumer-facing sectors, though weakness in energy stocks capped gains, as investors shifted focus from geopolitical headlines toward company-specific catalysts, sector rotation, and Europe's broader sovereignty and defense themes.

In Bahrain: The All-Share Index +2.5% WoW, supported by ALBH +13.52%, KHALEEJI +5.63%, KFH +2.41%, While SEEF -2.19, BNH -1.61%, BMMI -0.93% lagged.

Fixed Income: Yields down: US 2Y flat at 4.01% -0bps, 10Y down to 4.44% -13bps, with 10Y breakeven on 2.40% -1bps. UK 10Y down to 4.81% -9bps, German 10Y -10 bps at 2.94%, while EM 5Y spreads at 150.208 -7bps.

News: The U.S. Commerce Department tightened export controls on advanced AI chips by closing a loophole that allowed Chinese firms to access Nvidia processors through overseas subsidiaries. The move highlights Washington's continued efforts to restrict China's access to cutting-edge semiconductor technology, though enforcement challenges remain across complex global supply chains.

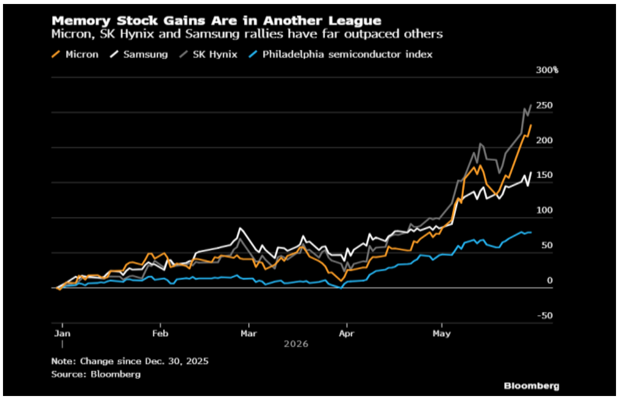
MARKET INDICES

G10			WoW		YtD
SPX	7,580.06	▲	+ 1.8%	▲	+ 10.7%
Nasdaq 100	30,333.18	▲	+ 3.3%	▲	+ 20.1%
Euro Stoxx 50	6,050.54	▲	+ 0.5%	▲	+ 4.5%
Nikkei 225	66,329.50	▲	+ 4.7%	▲	+ 31.8%
FTSE 100	10,409.28	▼	- 0.3%	▲	+ 4.8%
GCC					
KSA	11,077.91	▲	+ 0.5%	▲	+ 5.6%
ADX	9,701.92	▲	+ 0.5%	▼	- 2.9%
DFM	5,757.48	▲	+ 1.1%	▼	- 4.8%
BHR	1,979.05	▲	+ 2.5%	▼	- 4.2%
MSX 30	7,775.42	▲	+ 1.1%	▲	+ 32.5%
ASIA					
KOSPI	8,476.15	▲	+ 8.0%	▲	+ 101.1%
Shanghai	4,068.57	▼	- 1.1%	▲	+ 2.5%
Hang Seng	25,182.39	▼	- 1.7%	▼	- 1.7%
LATAM					
BOVESPA	173,787.50	▼	- 1.4%	▲	+ 7.9%
MERVAL	3,166,407.00	▲	+ 10.0%	▲	+ 3.8%

Rates

Ticker			WoW		YtD
GT2	4.01%	▼	- 0 bps	▲	+ 53 bps
GT10	4.44%	▼	- 13 bps	▲	+ 27 bps
USGGBE10	2.40%	▼	- 1 bps	▲	+ 15 bps
GUKG10	4.81%	▼	- 9 bps	▲	+ 33 bps
GDBR10	2.94%	▼	- 10 bps	▲	+ 8 bps
EM (5Y SPRD)	150.208	▼	- 7 bps	▲	+ 26 bps

Chart: *Memory stocks have significantly outperformed the broader semiconductor sector*, with SK Hynix (+260%), Samsung (+165%), and Micron (+200%+) surging on booming demand for AI-related high-bandwidth memory chips. The rally highlights how AI infrastructure spending is increasingly concentrated in memory technologies, making them some of the largest beneficiaries of the current semiconductor cycle.



WEEKLY MARKET INSIGHT

1 June 2026

AGC Arabian Gulf Capital

Commodities were mixed, with lower oil prices on easing geopolitical concerns weighing on energy and agriculture, while industrial metals remained firm and precious metals were broadly stable despite strength in natural gas.

Industrial Metals: Copper rose 0.6%, aluminum gained 0.7%, and nickel added 0.7%, while zinc slipped 0.4% and lithium fell 1.8%, as supply constraints and tightening inventories continued to support prices. Aluminum remained supported by Hormuz-related disruptions, while copper benefited from strong U.S. demand and tariff-driven trade flows. **Energy:** Crude fell 9.6%, Brent declined 11.1%, while natural gas surged 13.2%, as a preliminary U.S.–Iran agreement to extend the ceasefire by 60 days improved confidence in the reopening of the Strait of Hormuz and reduced immediate supply concerns. Shipping activity has started to recover, though energy flows remain fragile until a formal agreement is reached and key provisions are implemented. **Precious Metals:** Gold rose 0.7%, palladium gained 0.6%, while silver slipped 0.3% and platinum fell 0.4%, as hopes for a U.S.–Iran agreement and easing rate-hike fears supported a rebound in bullion. Gold climbed back above $4,500/oz, benefiting from improving macro sentiment and expectations that stabilizing energy markets could reduce inflation pressures. **Agriculture:** Wheat fell 5.5%, corn declined 3.6%, and soybeans slipped 0.8%, as lower oil prices and improving geopolitical sentiment raised expectations for cheaper fertilizer and transportation costs. Meanwhile, improving Canada–China trade relations supported expectations for smoother agricultural flows and better market access, reducing concerns over supply-chain disruptions and food inflation.

FX market was mixed: The DXY -0.3% WoW on 98.94. EUR/USD up +0.5% to 1.17, USD/CNY down -0.4%, and USD/JPY up +0.1% to 159.27.

Cryptocurrencies: Bitcoin fell 3.7% WoW to $73,872 and Ether declined 3.0% to $2,007, as ETF outflows, profit-taking, and weakening retail participation outweighed optimism surrounding the CLARITY Act and a more supportive U.S. policy stance toward digital assets.

Crypto News: Federal Reserve Governor Christopher Waller argued that stablecoins could strengthen the dollar's global influence, highlighting a growing policy divide with Europe, where officials continue to support a digital euro. Meanwhile, opposition to the Clarity Act intensified as banks and crypto firms clashed over stablecoin yields, underscoring the battle for influence over digital asset regulation. The debate reflects competition between traditional finance and crypto platforms.

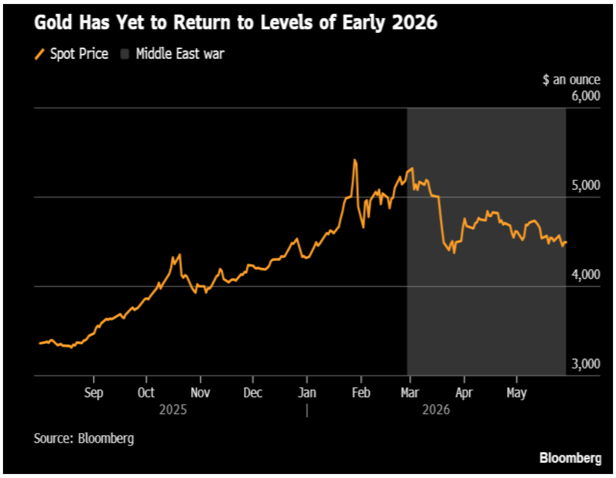
Commodities

Precious Metals			WoW		YtD
Gold	4,540.26	▲	+ 0.7%	▲	+ 5.1%
Silver	75.30	▼	- 0.3%	▲	+ 5.1%
Platinum	1,920.19	▼	- 0.4%	▼	- 6.8%
Palladium	1,360.64	▲	+ 0.6%	▼	- 16.0%
Industrial Metals					
Copper	638.00	▲	+ 0.6%	▲	+ 12.3%
Aluminum	3,718.64	▲	+ 0.7%	▲	+ 24.8%
Nickel	18,914.15	▲	+ 0.7%	▲	+ 14.3%
Zinc	3,529.35	▼	- 0.4%	▲	+ 14.1%
Lithium	21,750.00	▼	- 1.8%	▲	+ 93.9%
Energy					
Crude Oil	87.36	▼	- 9.6%	▲	+ 52.1%
Brent	92.05	▼	- 11.1%	▲	+ 51.3%
Natural Gas	3.29	▲	+ 13.2%	▼	- 10.7%
Agriculture					
Wheat	610.50	▼	- 5.5%	▲	+ 10.7%
Corn	446.45	▼	- 3.6%	▼	- 2.6%
Soybeans	1,186.45	▼	- 0.8%	▲	+ 18.9%

FX & Crypto

FX & Crypto			WoW		YtD
DXY	98.94	▼	- 0.3%	▲	+ 0.6%
EUR/USD	1.17	▲	+ 0.5%	▼	- 0.7%
USD/CNY	6.77	▼	- 0.4%	▼	- 3.2%
USD/JPY	159.27	▲	+ 0.1%	▲	+ 1.6%
BTC	73,871.57	▼	- 3.7%	▼	- 15.7%
ETH	2,007.13	▼	- 3.0%	▼	- 32.6%

Chart: ***Gold has recovered above $4,500/oz on hopes of a U.S.–Iran ceasefire extension and easing rate-hike concerns***, but remains well below its early-2026 peak. The gap highlights how higher-for-longer interest rate expectations and inflation concerns have continued to outweigh geopolitical support for bullion.



ECONOMIC CALENDAR

1 June 2026

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Key Events Ahead. The week ahead will be dominated by economic activity, inflation, and labor market data. In the U.S., investors will focus on ISM Manufacturing and Services PMIs, JOLTS job openings, ADP employment, and Friday's Nonfarm Payrolls, unemployment rate, and wage growth figures, which will be key for assessing economic momentum and the Fed's policy outlook. Globally, Eurozone CPI and GDP data, China's manufacturing and services PMIs, Japan's capital spending figures, and UK manufacturing, services, and housing data will provide further insight into growth conditions and inflation trends. Overall, markets are likely to remain highly sensitive to incoming data as investors reassess growth expectations and the timing of future rate cuts.

	Day	Time	Region	Event	Forecast (cons.)	Previous	Market relevance
01-Jun-26	Monday	02:50	JP	Capital Spending (YoY) (Q1)	4.1%	6.5%	Medium
01-Jun-26	Monday	04:45	CN	RatingDog Manufacturing PMI (MoM) (May)	51.4	52.2	Medium
01-Jun-26	Monday	09:00	DE	German Retail Sales (MoM) (Apr)	-0.4%	-0.3%	Medium
01-Jun-26	Monday	09:00	UK	Nationwide HPI (MoM) (May)	-0.1%	0.4%	Medium
01-Jun-26	Monday	10:55	DE	HCOB Germany Manufacturing PMI (May)	49.9	51.4	Medium
01-Jun-26	Monday	11:00	EU	HCOB Eurozone Manufacturing PMI (May)	51.4	52.2	Medium
01-Jun-26	Monday	11:30	UK	S&P Global Manufacturing PMI (May)	53.7	53.7	Medium
01-Jun-26	Monday	12:00	EU	Unemployment Rate (Apr)	6.20%	6.2%	Medium
01-Jun-26	Monday	16:45	US	S&P Global Manufacturing PMI (May)	55.3	54.5	High
01-Jun-26	Monday	17:00	US	ISM Manufacturing PMI (May)	53.3	52.7	High
01-Jun-26	Monday	17:00	US	ISM Manufacturing Prices (May)	85.3	84.6	High
01-Jun-26	Monday	18:30	US	Atlanta Fed GDPNow (Q2)	3.8%	3.8%	Medium
02-Jun-26	Tuesday	12:00	EU	CPI (YoY) (May)	3.3%	3.3%	High
02-Jun-26	Tuesday	17:00	US	JOLTS Job Openings (Apr)	6.870M	6.866M	High
03-Jun-26	Wednesday	03:30	JP	S&P Global Services PMI (May)	50.0	51.0	Medium
03-Jun-26	Wednesday	04:45	CN	RatingDog Services PMI (May)	52.3	52.6	Medium
03-Jun-26	Wednesday	10:55	DE	HCOB Germany Services PMI (May)	47.8	46.9	Medium
03-Jun-26	Wednesday	11:00	EU	HCOB Eurozone Services PMI (May)	46.4	47.6	Medium
03-Jun-26	Wednesday	11:00	EU	HCOB Eurozone Composite PMI (May)	47.5	48.8	Medium
03-Jun-26	Wednesday	11:30	UK	S&P Global Composite PMI (May)	48.5	48.5	Medium
03-Jun-26	Wednesday	11:30	UK	S&P Global Services PMI (May)	47.9	47.9	Medium
03-Jun-26	Wednesday	15:15	US	ADP Nonfarm Employment Change (May)	116K	109K	High
03-Jun-26	Wednesday	16:45	US	S&P Global Services PMI (May)	50.9	51.0	High
03-Jun-26	Wednesday	16:45	US	S&P Global Composite PMI (May)	51.7	51.7	Medium
03-Jun-26	Wednesday	17:00	US	ISM Non-Manufacturing Prices (May)	-	70.7	High
03-Jun-26	Wednesday	17:00	US	ISM Non-Manufacturing PMI (May)	53.8	53.6	High
03-Jun-26	Wednesday	17:00	US	Factory Orders (MoM) (Apr)	4.6%	1.5%	Medium
04-Jun-26	Thursday	11:30	UK	S&P Global Construction PMI (May)	40.1	39.7	Medium
04-Jun-26	Thursday	15:30	US	Initial Jobless Claims	211K	215K	High
04-Jun-26	Thursday	15:30	US	Nonfarm Productivity (QoQ) (Q1)	0.8%	0.8%	Medium
04-Jun-26	Thursday	15:30	US	Unit Labor Costs (QoQ) (Q1)	2.3%	2.3%	Medium
05-Jun-26	Friday	02:30	JP	Household Spending (YoY) (Apr)	-1.4%	-1.3%	Medium
05-Jun-26	Friday	09:00	UK	Halifax House Price Index (YoY) (May)	-	0.4%	Medium
05-Jun-26	Friday	12:00	EU	GDP (QoQ) (Q1)	0.1%	0.1%	High
05-Jun-26	Friday	12:00	EU	GDP (YoY) (Q1)	0.8%	1.2%	High
05-Jun-26	Friday	15:30	US	Average Hourly Earnings (MoM) (May)	0.3%	0.2%	High
05-Jun-26	Friday	15:30	US	Nonfarm Payrolls (May)	95K	115K	High
05-Jun-26	Friday	15:30	US	Unemployment Rate (May)	4.3%	4.3%	High
05-Jun-26	Friday	15:30	US	Average Hourly Earnings (YoY) (May)	3.5%	3.6%	High
05-Jun-26	Friday	22:00	US	Consumer Credit (Apr)	18.10B	24.86B	Medium

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