MARKET INSIGHTS

WEEKLY REVIEW

FOR THE WEEK ENDED ON 5 June 2026

WEEKLY MARKET INSIGHT

8 June 2026

AGC
Arabian Gulf Capital

OVERVIEW

Markets dropped last week as stronger-than-expected U.S. jobs data reinforced higher-for-longer rate expectations. Treasury yields rose, rate-hike bets increased, and the S&P 500 retreated as investors balanced resilient growth against persistent inflation risks.

MARKETS

US stocks declined last week, with the S&P 500 falling 2.6% WoW and the Nasdaq 100 dropping 4.5%, as strong U.S. jobs data fueled expectations of further Fed tightening. Rising yields and a sharp selloff in semiconductor stocks weighed on sentiment, prompting investors to rotate away from AI-driven names despite continued economic resilience.

In Asia: equities were weaker, with the Nikkei 225 rising 0.4% WoW, while the KOSPI fell 0.3%, the Shanghai Composite declined 1.0%, and the Hang Seng slipped 0.9%. Korean markets remained under pressure as continued foreign outflows and heavy activity in leveraged ETFs tied to Samsung Electronics and SK Hynix amplified volatility, highlighting the risk of mechanical selling despite strong long-term AI and semiconductor fundamentals.

In Europe: equities were mixed, with the Euro Stoxx 50 rising 0.2% WoW while the FTSE 100 fell 0.4%. Sentiment was pressured by renewed rate-hike expectations and geopolitical uncertainty, though resilient earnings and strength in energy, retail, and technology stocks helped keep European markets near record highs despite increasingly stretched valuations.

In Bahrain: The All-Share Index +0.2% WoW, supported by BKIC +1.69%, NBB +0.99%, SOLID +0.97%, While KFH -2.75%, ZAINBH -2.56%, TRAFCO -1.89% lagged.

Fixed Income: Yields up: US 2Y up to 4.04%, 10Y up to 4.47% +3bps, with 10Y breakeven on 2.37% -3bps. UK 10Y up to 4.90% +9bps, German 10Y +10 bps at 3.04%, while EM 5Y spreads at 152.030 +2bps.

News: Lululemon cut its annual outlook, now expecting \$11.0–\$11.15 billion in revenue, after weakening North American sales intensified pressure on incoming CEO Heidi O'Neill to revive growth. Shares fell as much as 13% and are down roughly 40% YtD, as rising competition, softer consumer demand, and inventory challenges weigh on performance, while China remains a key growth market with sales expected to grow in the mid- to high-teens.

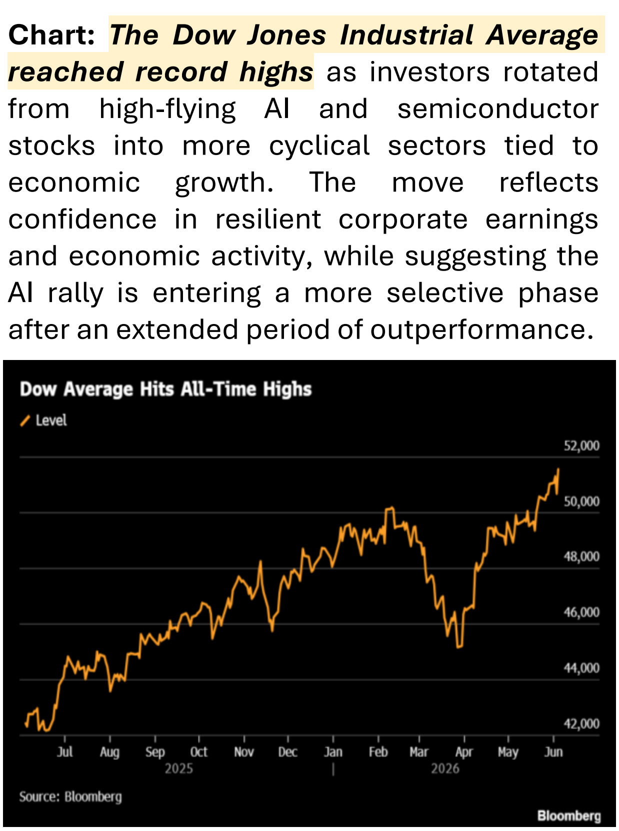
MARKET INDICES

G10			WoW		YtD
SPX	7,383.74	▼	- 2.6%	▲	+ 7.9%
Nasdaq 100	28,957.60	▼	- 4.5%	▲	+ 14.7%
Euro Stoxx 50	6,062.07	▲	+ 0.2%	▲	+ 4.7%
Nikkei 225	66,588.12	▲	+ 0.4%	▲	+ 32.3%
FTSE 100	10,368.05	▼	- 0.4%	▲	+ 4.4%
GCC					
KSA	10,990.45	▼	- 0.3%	▲	+ 4.8%
ADX	9,614.11	▼	- 0.9%	▼	- 3.8%
DFM	5,767.77	▲	+ 0.2%	▼	- 4.6%
BHR	1,982.15	▲	+ 0.2%	▼	- 4.1%
MSX 30	7,657.96	▼	- 1.3%	▲	+ 30.5%
ASIA					
KOSPI	8,160.59	▼	- 0.3%	▲	+ 93.6%
Shanghai	4,027.74	▼	- 1.0%	▲	+ 1.5%
Hang Seng	24,961.95	▼	- 0.9%	▼	- 2.6%
LATAM					
BOVESPA	169,019.12	▼	- 3.5%	▲	+ 4.9%
MERVAL	3,084,617.00	▼	- 2.6%	▲	+ 1.1%

Rates

Ticker			WoW		YtD
GT2	4.04%	▲	+ 0 bps	▲	+ 57 bps
GT10	4.47%	▲	+ 3 bps	▲	+ 30 bps
USGGBE10	2.37%	▼	- 3 bps	▲	+ 12 bps
GUKG10	4.90%	▲	+ 9 bps	▲	+ 42 bps
GDBR10	3.04%	▲	+ 10 bps	▲	+ 19 bps
EM (5Y SPRD)	152.030	▲	+ 2 bps	▲	+ 28 bps

Chart: ***The Dow Jones Industrial Average reached record highs*** as investors rotated from high-flying AI and semiconductor stocks into more cyclical sectors tied to economic growth. The move reflects confidence in resilient corporate earnings and economic activity, while suggesting the AI rally is entering a more selective phase after an extended period of outperformance.



WEEKLY MARKET INSIGHT

8 June 2026

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Commodities weakened broadly, with sharp declines across precious metals, industrial metals, and agriculture, while higher oil prices and resilient energy markets provided limited support.

Industrial Metals: Copper fell 1.6%, aluminum declined 2.4%, nickel dropped 2.8%, and zinc slipped 0.5%, while lithium fell 7.6%, as stronger U.S. rate-hike expectations and geopolitical uncertainty weighed on demand sentiment. Despite the weakness, copper remained supported by tight inventories and tariff-driven trade flows, while Zimbabwe's push to expand lithium processing highlights continued long-term investment in critical minerals. **Energy:** Crude rose 3.6% and Brent gained 1.1%, while natural gas fell 1.9%, as ongoing disruptions across the Arabian Gulf and lower OPEC production continued to tighten global supply. Although U.S.–Iran talks remain active, limited shipping through Hormuz and persistent geopolitical uncertainty continue to support energy prices despite increased U.S. exports. **Precious Metals:** Gold fell 4.7%, silver dropped 9.9%, platinum declined 7.3%, and palladium lost 9.9%, as stronger-than-expected U.S. labor data reinforced higher-for-longer interest rate expectations. Rising yields and a firmer dollar continued to pressure bullion, leaving precious metals struggling despite lingering geopolitical risks and elevated oil prices. **Agriculture:** Wheat fell 5.0%, corn declined 6.5%, and soybeans dropped 5.5%, as easing concerns around fertilizer availability and improving supply expectations weighed on agricultural prices. Meanwhile, France continued efforts to strengthen domestic food security and reduce reliance on imports, highlighting the growing strategic focus on agricultural self-sufficiency across Europe.

FX market dropped: As the DXY +1.1% WoW on 100.07. EUR/USD down -1.2% to 1.15, USD/CNY down -0.3%, and USD/JPY down -0.6% to 160.29.

Cryptocurrencies: ***Bitcoin fell 8.6% WoW to $61,657, while Ether dropped 19.9% to $1,596***, as ETF outflows, weaker investor demand, and capital rotation toward AI stocks and gold continued to pressure the crypto market.

Crypto News: UK lawmakers urged the Bank of England to soften proposed stablecoin rules, arguing that limits of £20,000 per individual wallet, £10 million for businesses, and a requirement to hold 40% of reserves at the BOE could hinder innovation and growth. The debate highlights the challenge regulators face in balancing financial stability with the development of the digital asset sector, as the UK seeks to strengthen its position in the global crypto market.

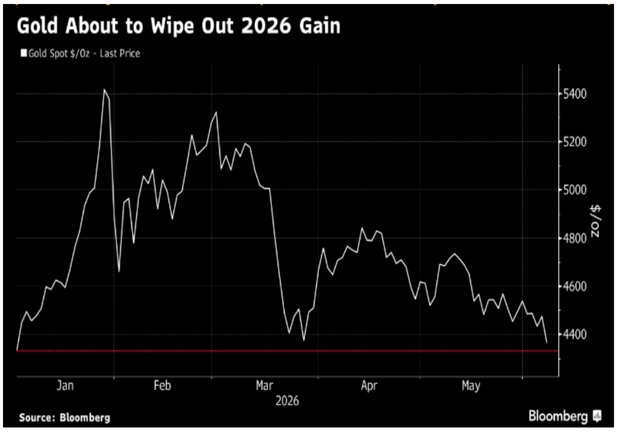
Commodities

Precious Metals			WoW		YtD
Gold	4,328.45	▼	- 4.7%	▲	+ 0.2%
Silver	67.83	▼	- 9.9%	▼	- 5.3%
Platinum	1,780.43	▼	- 7.3%	▼	- 13.6%
Palladium	1,226.00	▼	- 9.9%	▼	- 24.3%
Industrial Metals					
Copper	628.45	▼	- 1.6%	▲	+ 8.5%
Aluminum	3,627.56	▼	- 2.4%	▲	+ 21.8%
Nickel	18,381.07	▼	- 2.8%	▲	+ 11.1%
Zinc	3,511.20	▼	- 0.5%	▲	+ 13.5%
Lithium	20,415.91	▼	- 7.6%	▲	+ 82.0%
Energy					
Crude Oil	90.54	▲	+ 3.6%	▲	+ 58.7%
Brent	93.09	▲	+ 1.1%	▲	+ 54.7%
Natural Gas	3.23	▼	- 1.9%	▼	- 12.0%
Agriculture					
Wheat	580.00	▼	- 5.0%	▲	+ 9.2%
Corn	417.50	▼	- 6.5%	▼	- 8.1%
Soybeans	1,121.50	▼	- 5.5%	▲	+ 4.4%

FX & Crypto

FX & Crypto			WoW		YtD
DXY	100.07	▲	+ 1.1%	▲	+ 1.8%
EUR/USD	1.15	▼	- 1.2%	▼	- 1.9%
USD/CNY	6.79	▼	- 0.3%	▼	- 2.9%
USD/JPY	160.29	▼	- 0.6%	▲	+ 8.1%
BTC	61,656.82	▼	- 8.6%	▼	- 29.7%
ETH	1,596.37	▼	- 19.9%	▼	- 46.3%

Chart: ***Gold is approaching a wipeout of its 2026 gains as strong U.S. labor data reinforces higher-for-longer interest rate expectations*** and reduces the urgency for Fed easing. The decline highlights how resilient economic growth, persistent inflation risks, and elevated oil prices continue to outweigh geopolitical support for bullion.



ECONOMIC CALENDAR

8 June 2026

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Key Events Ahead. The week ahead will be dominated by inflation, central bank decisions, and growth indicators. In the U.S., attention will focus on CPI, PPI, jobless claims, inflation expectations, housing data, and Treasury auctions, which will be key for assessing inflation pressures and the Federal Reserve's policy path. Globally, investors will watch the ECB rate decision, China's CPI, PPI, and trade data, Japan's GDP and industrial production, and UK GDP and housing indicators for further insight into economic momentum and policy trends. Overall, markets are likely to remain highly sensitive to inflation data and central bank signals as investors reassess the outlook for interest rates and global growth.

	Day	Time	Region	Event	Forecast (cons.)	Previous	Market relevance
08-Jun-26	Monday	02:50	JP	GDP (QoQ) (Q1)	0.5%	0.5%	High
08-Jun-26	Monday	02:50	JP	GDP Price Index (YoY) (Q1)	3.4%	3.4%	High
08-Jun-26	Monday	02:50	JP	GDP Annualized (QoQ) (Q1)	2.1%	2.1%	Medium
08-Jun-26	Monday	09:00	DE	German Factory Orders (MoM) (Apr)	-2.2%	5.0%	Medium
08-Jun-26	Monday	18:00	US	NY Fed 1-Year Consumer Inflation Expectations (May)	-	3.6%	Medium
09-Jun-26	Tuesday	02:01	UK	BRC Retail Sales Monitor (YoY) (May)	0.6%	-3.4%	Medium
09-Jun-26	Tuesday	09:00	DE	German Trade Balance (Apr)	14.2B	14.3B	Medium
09-Jun-26	Tuesday	09:00	DE	German Industrial Production (MoM) (Apr)	0.1%	-0.7%	Medium
09-Jun-26	Tuesday	15:15	US	ADP Employment Change Weekly	-	35.75K	Medium
09-Jun-26	Tuesday	15:30	US	Trade Balance (Apr)	(-55.20B)	(-60.30B)	Medium
09-Jun-26	Tuesday	15:30	US	Exports (Apr)	-	320.90B	Medium
09-Jun-26	Tuesday	15:30	US	Imports (Apr)	-	381.20B	Medium
09-Jun-26	Tuesday	17:00	US	Existing Home Sales (May)	4.08M	4.02M	High
09-Jun-26	Tuesday	19:29	CN	Imports (YoY) (May)	25.0%	25.3%	Medium
09-Jun-26	Tuesday	19:29	CN	Exports (YoY) (May)	14.3%	14.1%	Medium
09-Jun-26	Tuesday	19:29	CN	Trade Balance (USD) (May)	88.70B	84.80B	Medium
09-Jun-26	Tuesday	20:00	US	3-Year Note Auction	-	3.965%	Medium
10-Jun-26	Wednesday	04:30	CN	CPI (YoY) (May)	1.3%	1.2%	Medium
10-Jun-26	Wednesday	04:30	CN	PPI (YoY) (May)	3.8%	2.8%	Medium
10-Jun-26	Wednesday	12:30	DE	German 10-Year Bund Auction	-	3.160%	Medium
10-Jun-26	Wednesday	15:30	US	CPI (MoM) (May)	0.3%	0.6%	High
10-Jun-26	Wednesday	15:30	US	CPI (YoY) (May)	4.2%	3.8%	High
10-Jun-26	Wednesday	15:30	US	Core CPI (MoM) (May)	0.5%	0.4%	High
10-Jun-26	Wednesday	15:30	US	Core CPI (YoY) (May)	2.9%	3.8%	High
10-Jun-26	Wednesday	20:00	US	10-Year Note Auction	-	4.468%	High
10-Jun-26	Wednesday	21:00	US	Federal Budget Balance (May)	-	215.0B	Medium
11-Jun-26	Thursday	02:01	UK	RICS House Price Balance (May)	-	-34%	Medium
11-Jun-26	Thursday	15:15	EU	Deposit Facility Rate (Jun)	2.25%	2.00%	Medium
11-Jun-26	Thursday	15:15	EU	ECB Interest Rate Decision (Jun)	2.40%	2.15%	High
11-Jun-26	Thursday	15:30	US	PPI (MoM) (May)	0.7%	1.4%	High
11-Jun-26	Thursday	15:30	US	Initial Jobless Claims	225K	225K	High
11-Jun-26	Thursday	15:30	US	Core PPI (MoM) (May)	0.5%	1.0%	Medium
12-Jun-26	Friday	07:30	JP	Industrial Production (MoM) (Apr)	0.8%	0.8%	Medium
12-Jun-26	Friday	09:00	DE	German CPI (MoM) (May)	-0.2%	-0.2%	High
12-Jun-26	Friday	09:00	UK	GDP (MoM) (Apr)	-0.1%	0.3%	High
12-Jun-26	Friday	17:00	US	Michigan 1-Year Inflation Expectations (Jun)	-	4.8%	Medium

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