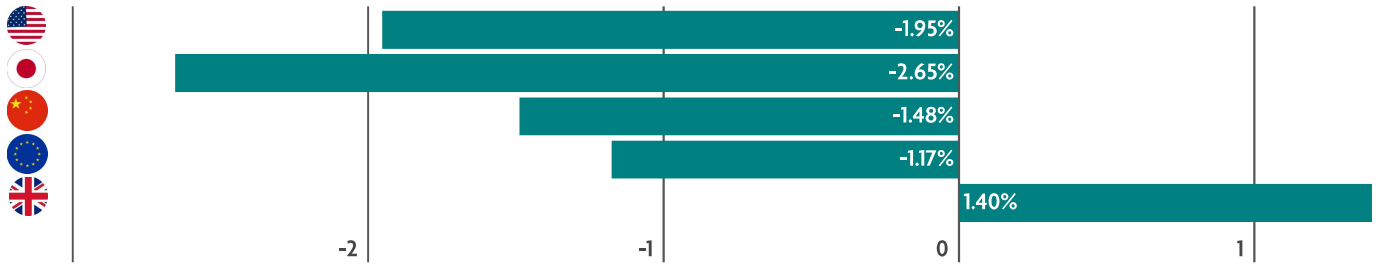
Weekly Market Update

29 June 2026

Last week's performance – major stock markets

Market Monitor (%): How did major stock markets perform last week*?



Key stories from last week

US: TECH SELL-OFF BRINGS EQUITIES UNDER PRESSURE

Major U.S. stock indices ended the week mixed, as weakness in large cap technology and AI-related stocks weighed on the Nasdaq Composite and S&P 500, while the Dow Jones Industrial Average and the small-cap Russell 2000 posted gains. Large cap value stocks outperformed growth stocks, and the equal-weighted S&P 500 also surpassed its market capitalisation-weighted counterpart. Inflation data showed price pressures remained elevated but stable, with Personal Consumption Expenditure figures broadly in line with expectations, while personal income and spending rose strongly, highlighting ongoing consumer resilience. Business activity improved modestly in June, supported by both services and manufacturing, although employment softened and supply chain disruptions persisted amid tariffs and geopolitical tensions. First-quarter GDP growth was revised higher to an annualised 2.1% from its prior 1.6% estimate. U.S. real GDP (inflation-adjusted) grew 0.5% in the fourth quarter of 2025.

JAPAN: EQUITIES UNDER PRESSURE AS TECH SELL-OFF AND PROFIT TAKING WEIGH ON MARKETS

Japan's stock markets fell over the week, with the Nikkei 225 down 2.65% and the broader TOPIX index down 2.02%, as early gains in AI-related stocks reversed amid a global technology sell-off and profit taking. The yen weakened towards the JPY 161 level against the U.S. dollar, prompting expectations of possible intervention. Lower oil prices supported Japan by easing inflation pressures and boosting demand for government bonds, with the 10-year JGB yield edging down to 2.60%. Meanwhile, Tokyo's core inflation rose to 1.6% year-on-year in June, reinforcing expectations of further interest rate rises by the Bank of Japan. In addition, Prime Minister Sanae Takaichi announced a major long-term fiscal plan worth around JPY 370 trillion to boost growth, including investment in AI and semiconductors.

CHINA: POLICY SUPPORT AND GROWTH FOCUS TAKES A BACKSEAT TO TECH SELL-OFF

China's equities ended the week lower, with the CSI 300 and Shanghai Composite falling 1.48% and 1.55%, while Hong Kong's Hang Seng dropped 5.24% amid broader weakness in technology stocks and profit-taking in AI-related shares; the sharper decline in Hong Kong partly reflected its heavier exposure to internet platforms and financials. The People's Bank of China (PBOC) announced the introduction of a new liquidity tool, including overnight reverse repos, to improve short-term liquidity management, while keeping key loan prime rates unchanged at 3.00% and 3.50% for the 13th consecutive month. Meanwhile, Premier Li Qiang reiterated China's commitment to innovation-led growth and technological advancement at the Summer Davos forum, reinforcing policymakers' focus on high-quality growth despite ongoing trade tensions.

EUROPE: EQUITIES FLAT AS TECH SELL-OFF OFFSETS EASING INFLATION EXPECTATIONS

The pan-European STOXX Europe 50 Index ended the week negative, down 1.17% in local currency terms, as an early rally faded following a late-week sell-off in global technology stocks driven by valuation concerns around AI-related shares. Among major markets, Germany's DAX fell 1.26%, France's CAC 40 declined 0.43%, and Italy's FTSE MIB dropped 3.00%. Meanwhile, eurozone inflation expectations eased, with the ECB's survey showing one-year expectations falling to 3.5% in May, alongside improved growth expectations. Business activity data was mixed, as the flash eurozone composite PMI rose to 49.5, its highest since March, while Germany's composite PMI slipped to 48, reflecting ongoing economic weakness and uncertainty.

UK: EQUITIES RISE DESPITE POLITICAL UNCERTAINTY AND WEAK ECONOMIC DATA

The UK was a relative outperformer over the week, with the FTSE 100 rising 1.40% despite broader European markets remaining subdued and a late sell-off in global technology stocks. Investors rotated into value stocks and more defensive sectors, which supported UK equities relative to its regional peers. However, domestic developments highlighted growing economic and political challenges. Prime Minister Keir Starmer announced his resignation after months of pressure, triggering a Labour leadership contest. Meanwhile, economic data pointed to weakening activity, with the Confederation of British Industry (CBI) reporting a sharp fall in retail sales in June as volumes dropped to a weighted balance of -54 amid low consumer confidence and rising prices, while manufacturing conditions also deteriorated, with order books falling to their weakest level since 2020.

The Omnis Investment Club

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*Source: Bloomberg. All performance measured in local currency.

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