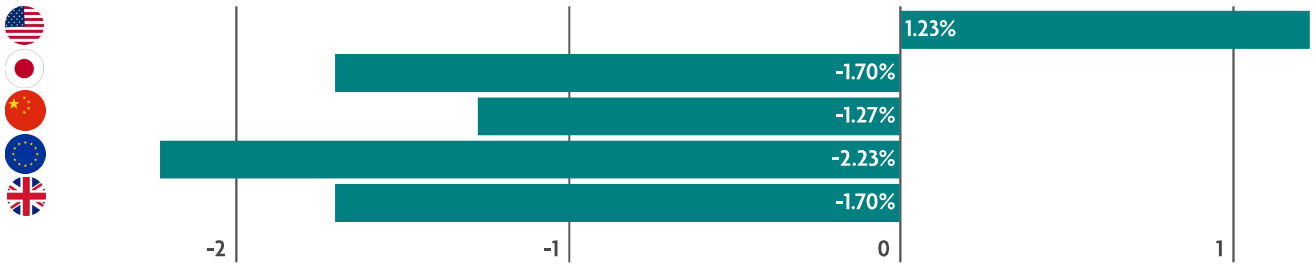
Weekly Market Update

13 July 2026

Last week's performance – major stock markets

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



Key stories from last week

US: SEMICONDUCTOR & AI RELATED STOCKS LEADING MARKETS HIGHER

U.S. markets delivered a mixed performance last week, with strength in semiconductor and AI-related stocks driving gains in the Nasdaq (+1.74%) and S&P 500 (+1.23%), while the Dow Jones Industrial Average (-0.50%) and Russell 2000 (-0.61%) ended lower. Investor sentiment was influenced by rising oil prices, renewed geopolitical tensions in the Middle East and Federal Reserve minutes that reinforced a cautious approach to interest rate cuts. Economic data remained broadly resilient, with services activity continuing to expand and labour market conditions remaining stable, although weakness in the housing sector persisted. Meanwhile, higher Treasury yields weighed on fixed income markets as inflation concerns resurfaced, leaving investors focused on upcoming earnings releases and key economic data for further direction.

JAPAN: JAPANESE EQUITIES SLIP DESPITE RESILIENT RISK APPETITE

Japanese equities weakened over the week, with the Nikkei 225 falling 1.70% and the TOPIX declining 0.70%, as renewed tensions in the Middle East and higher oil prices weighed on sentiment, particularly given Japan's dependence on energy imports. Profit-taking in technology stocks following recent strong gains also contributed to the pullback, although reports of continued U.S.-Iran diplomatic discussions helped support risk appetite later in the week. Economic data highlighted ongoing inflationary pressures, with producer prices rising faster than expected, while wage growth moderated and household spending remained subdued. Meanwhile, the 10-year Japanese government bond yield was little changed overall, and the yen strengthened modestly against the U.S. dollar towards the end of the week.

CHINA: MIXED MARKET PERFORMANCE AMID SOFT DEMAND AND TECH FOCUS

Chinese equities delivered mixed returns over the week, with mainland markets declining while Hong Kong stocks advanced. The CSI 300 and Shanghai Composite fell as profit-taking in semiconductor shares offset earlier gains driven by optimism around China's AI and technology self-sufficiency initiatives, whereas the Hang Seng Index benefited from strength in large internet, healthcare and materials stocks. Economic data highlighted uneven growth dynamics, with consumer inflation remaining subdued and pointing to soft domestic demand, while producer prices rose at their fastest pace in nearly two years, reflecting firmer upstream commodity and industrial pricing. Meanwhile, the People's Bank of China maintained a supportive policy stance, signalling continued measures to support liquidity, domestic demand and technological innovation, but stopped short of announcing broad-based stimulus.

EUROPE: EQUITIES WEAKEN AS TENSIONS RENEW IN THE MIDDLE EAST

European equities weakened over the week, with the STOXX Europe 50 falling 2.23% as renewed tensions in the Middle East and higher oil prices raised concerns about inflation and the potential for tighter monetary policy. Germany's DAX led declines among major markets, while France's CAC 40 also moved lower. Despite softer market sentiment, economic data provided some encouragement, with German inflation easing to 2.3%, German exports unexpectedly rising, and consumer spending in the Netherlands showing continued strength. Sweden also reported a third consecutive month of economic growth, suggesting that underlying economic activity across parts of Europe remains resilient despite ongoing geopolitical and inflationary uncertainties.

UK: GEOPOLITICAL TENSIONS OVERSHADOW UK MARKET PERFORMANCE

The UK's FTSE 100 declined 1.70% over the week as heightened geopolitical tensions in the Middle East and rising oil prices weighed on investor sentiment and raised concerns about the inflation outlook. Domestically, the housing market remained subdued, with buyer demand and agreed sales continuing to show weakness despite modest improvements in activity indicators. Political developments also attracted attention, with Andy Burnham securing strong backing to become the next leader of the Labour Party. Overall, investors remained cautious as geopolitical uncertainty and the potential implications for interest rates overshadowed the broader market backdrop.

The Omnis Investment Club

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

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