

ASAS CAPITAL
أساس كابيتال



JUNE 6, 2026

WEEKLY UPDATE

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W E E K L Y U P D A T E

✨ MUSINGS

“All of humanity’s problems stem from man’s inability to sit quietly in a room alone.”

BLAISE PASCAL

📈 LAST WEEK IN THE MARKETS

Name	Closing Level	Weekly Change	YTD Change
S&P 500	7,384 ▼	-2.59% ▼	7.86% ▲
Nasdaq Composite	25,709.43 ▼	-4.68% ▼	10.62% ▲
10Y UST Yield	4.532 ▲	2.14% ▲	8.86% ▲
Crude oil	90.24 ▼	2.84% ▼	57.21% ▲
Gold	4,327.88 ▼	-4.68% ▼	0.23% ▲
DXY	100.07 ▲	1.14% ▲	1.82% ▲
USD/INR	94.935 ▼	-0.06% ▼	5.68% ▲
Bitcoin	61,042 ▼	-16.81% ▼	-30.23% ▼
Euro STOXX 50	6,012.66 ▼	-0.24% ▼	3.44% ▲
India (Nifty)	23,366.70 ▼	-0.77% ▼	-10.57% ▼
Japan (Nikkei)	66,588.12 ▲	0.39% ▲	32.28% ▲
China (CSI 300)	4,816.99 ▼	-1.54% ▼	0.66% ▲
Saudi (TASI)	10,990.45 ▼	-0.79% ▼	4.76% ▲
Abu Dhabi (ADX)	9,614.11 ▼	-0.91% ▼	-3.79% ▼
Dubai (DFM)	5,767.75 ▲	0.18% ▲	-4.62% ▼

📰 NEWS FROM THE MARKETS

Global Economy Still Driven by Iran and Inflation

- The week was bookended by two stories that pulled in opposite directions, with Friday’s jobs report firmly in the driving seat. US-Iran ceasefire negotiations continued through the week, with President Trump claiming talks were “in their final stages,” only for Iranian state media to announce a suspension of communications with Washington by Friday. **The Strait of Hormuz remains the central geopolitical prize**, and until it is genuinely reopened, oil prices and inflation expectations will stay elevated. The ADP report showed 122,000 new jobs in May, while JOLTS showed job openings rising to 7.6 million in April, their highest level in almost two years.

The Jobs Report Led to High Interest Rate Expectations

- Friday's payrolls number was the week's defining moment. The US economy added 172,000 nonfarm jobs in May — more than double the Wall Street consensus of 80,000 — with the unemployment rate holding steady at 4.3% for a third consecutive month. Wages rose 0.3% on the month and 3.4% year-on-year, in line with forecasts. Under any other circumstances, this would have been a healthy, reassuring report. In the current environment, with core PCE inflation running at 3.3% and oil prices elevated by the conflict, it was anything but. **The odds of a Fed rate hike by year-end jumped to 70% according to CME FedWatch, and hopes for any rate cut in 2026 were effectively extinguished.** Leisure and hospitality added 70,000 jobs, nearly five times its monthly average over the past year, likely flattered by FIFA World Cup pre-tournament hiring (kickoff: 11 June on US soil). Financial services shed 22,000, bringing total losses in that sector to 107,000 since its peak in May 2025.

US Fixed Income Took It On the Jaw

- Bonds were the most direct casualty of the payrolls shock. **The 10-year Treasury yield rose sharply to 4.54%, its highest since late May, while the 2-year yield climbed to 4.16%, its highest since February 2025. The 30-year bond crossed back above 5%.** Yields had been drifting lower through mid-week on ceasefire optimism; Friday reversed all of that and then some. The iShares 20+ Year Treasury Bond ETF (TLT) came under particular pressure, as it always does when rate-hike expectations reprice sharply. Credit spreads widened modestly but held relatively well; the bigger move was in rates, not risk appetite.

As Did US Equities, Especially The Technology Sector

- The week began promisingly: on Monday the S&P 500 crossed 7,600 for the first time ever, closing at 7,609.78, with Nvidia surging 6%+ after unveiling a new AI chip for personal computers. That optimism persisted into Tuesday and Wednesday. Then Broadcom's results landed after Wednesday's close. Despite record quarterly revenue and AI chip sales up 143% year-on-year, Broadcom's Q3 AI chip revenue guidance of \$16 billion fell well short of analyst expectations of \$17.2 billion. The stock fell roughly 12% on Thursday, pulling the entire semiconductor complex down with it, and Friday's jobs-driven yield spike finished the job. **For the week as a whole, the S&P 500 fell over 2% and the Nasdaq around 4.7%, snapping a remarkable ten-week winning streak.** Marvell Technology and Micron fell around 16% and 13% respectively, while Intel and AMD each dropped approximately 11%. Consumer staples — Coca-Cola, Sherwin-Williams, McDonald's — quietly outperformed as investors rotated defensively.

International Equities Took Their Cue from the US

- Asia's AI supply-chain markets had dominated May, with emerging markets gaining 9.7% for the month, led by South Korea and Taiwan. That momentum carried into the first half of the week, with Japan's Nikkei 225 topping 68,000 for the first time on Wednesday, driven by AI-linked technology stocks. The Broadcom disappointment then hit. The Nikkei closed Friday at 66,588, down 882 points or 1.31% on the day, with technology heavyweights bearing the brunt. **SoftBank dropped 11.3% on Thursday.** On the positive side, Japan's real wages grew for a fourth consecutive month — important because it keeps the Bank of Japan on track for a possible rate hike later this month. European markets were subdued, with energy and financials dragging while defensive sectors held up.

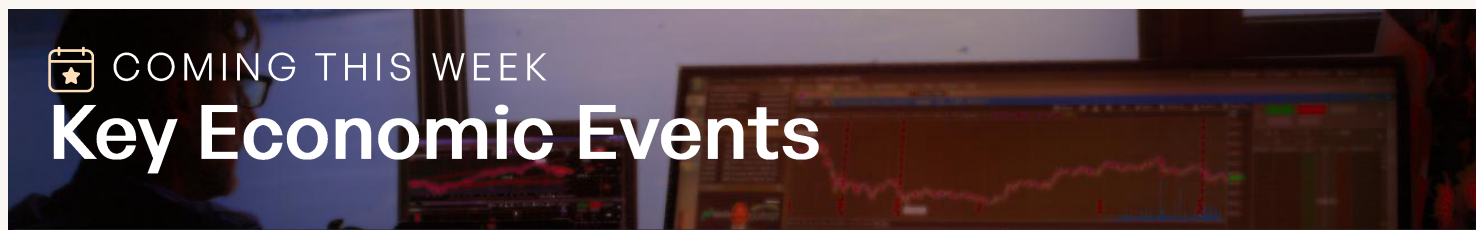
Gold Struggling to Hold Support

- Gold had a miserable week, caught in a pincer between a stronger dollar and surging rate-hike expectations. Prices fell to \$4,366 per ounce by Friday's close — the lowest level of 2026 — ending the week down nearly 4%. London bullion lost over \$100 per ounce on Friday alone as the jobs report landed. **The peculiar dynamic of this cycle continues to confound gold bulls: the US-Iran conflict, which should theoretically drive safe-haven buying, is simultaneously stoking inflation and keeping real interest rates higher — gold's twin headwinds.** The metal is still up roughly 32% year-on-year, but is now more than 20% below its January all-time high of \$5,595. The \$4,350–\$4,500 range has become the battleground to watch.

Oil Moved Higher As US-Iran Talks Slowed

- Oil moved higher on the week despite the choppy geopolitical backdrop. Brent crude posted a weekly gain of around 3.9%, with prices in the \$95–\$97 range through most of the week before settling near \$93 and WTI closing at \$90.54 on Friday as Iran suspended talks and demand concerns resurfaced. **The market's read remains simple: until the Strait of Hormuz is physically reopened and shipping flows confirm normalisation, the supply-side risk premium stays in the price.**

- The next major signpost is the US CPI report on 11 June, which will be read extremely carefully given the resurgent rate-hike narrative. Real earnings data lands on 10 June. The FIFA World Cup kicks off in the US on 11 June. The Bank of Japan meets on 17 June, where rising real wages and sticky inflation make a rate hike a live possibility. The ECB's annual forum in Sintra, Portugal runs 29 June to 1 July. The next US nonfarm payrolls report is scheduled for 2 July. And any breakthrough or breakdown in US-Iran negotiations remains the wildcard that overrides everything else.

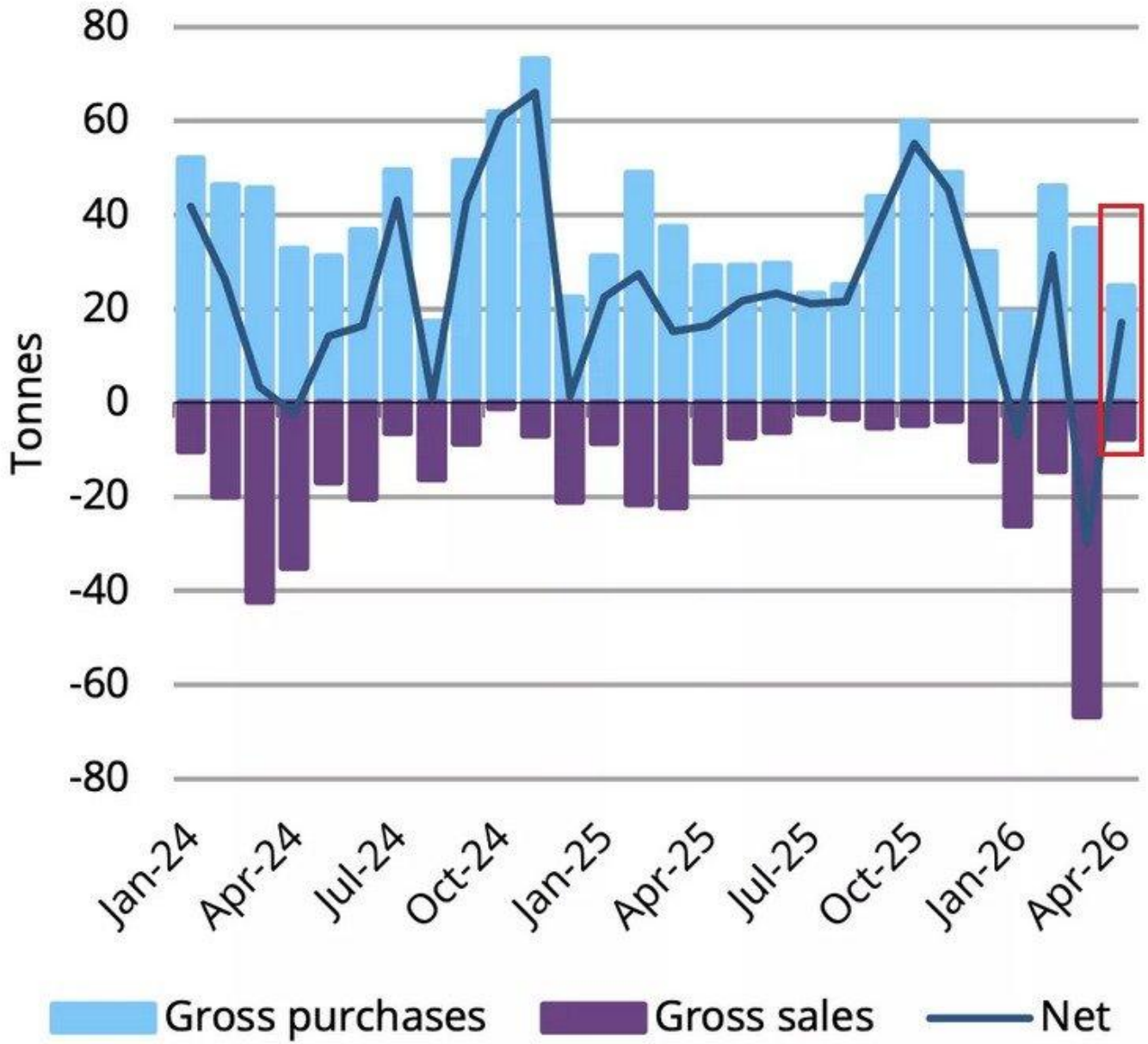


June 8th	<ul style="list-style-type: none"> • Japan GDP Data (Q1) • US Consumer Inflation Expectations (May)
June 9th	<ul style="list-style-type: none"> • China Balance of Trade (May) • US Balance of Trade (Apr) • US Existing Home Sales (May)
June 10th	<ul style="list-style-type: none"> • US CPI Data (May) • Japan PPI Data (May) • China Inflation Data (May) • China PPI Data (May) • Oracle earnings
June 11th	<ul style="list-style-type: none"> • ECB Interest Rate Decision • US PPI Data (May) • US Jobless Claims Data • Adobe Systems earnings
June 12th	<ul style="list-style-type: none"> • UK Balance of Trade (Apr) • India Inflation Data (May) • SpaceX Listing

CHART OF THE WEEK

Chart 1: Central banks resume gold purchases in April

Monthly reported central bank activity, tonnes*



*Data to 29 May 2026, where available.

Source: IMF, respective central banks, World Gold Council

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@asascapital



CALL

+971 43464700



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inquiry@asascapital.com



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