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Oil Relief, Dollar Strength, AI Test

Equities steadied after yesterday's tech-led selloff, while the dollar continued to strengthen and sovereign yields eased as oil prices continued to fall. US equity futures rose as investors looked to Micron earnings for the next key test for AI-related sentiment, while Korea's KOSPI rebounded after yesterday's sharp drop and European equities were little changed. The AI financing theme also remained in focus after SK Hynix announced plans for a landmark US listing of nearly \$30 billion, adding to a wave of AI-related capital raising and testing investor appetite after recent semiconductor volatility. Oil prices extended their decline, with Brent falling below \$75 per barrel as Bloomberg reported that more tankers were crossing the Strait of Hormuz and the US and Iran signaled progress in peace talks, easing near-term inflation concerns and supporting a modest rally in sovereign bonds. The dollar's continued strength pressured the euro to its weakest level in more than a year. In Japan, the yen remained near its weakest level since 1986, keeping intervention risks in focus.

Key Global Financial Indicators

Last updated: 6/24/26 7:58 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
S&P 500		7365	-1.4	-2	-1	21	8
Eurostoxx 50		6211	-0.3	-1	3	17	7
Nikkei 225		69175	-0.9	-1	6	78	37
MSCI EM		67	-5.7	-4	2	40	23
Yields and Spreads			bps				
US 10y Yield		4.47	-3.0	-2	-9	17	30
Germany 10y Yield		2.89	-2.8	-4	-15	35	4
EMBIG Sovereign Spread		232	4	5	-9	-94	-22
FX / Commodities / Volatility			%				
EM FX vs. USD, (+) = appreciation		46.7	-0.1	-2	-1	2	0
Dollar index, (+) = \$ appreciation		101.7	0.3	2	2	4	3
Brent Crude Oil (\$/barrel)		74.9	-2.8	-6	-28	12	23
VIX Index (% change in pp)		19.0	-0.5	3	2	1	4

Colors denote **tightening/easing** financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

¹ The Sovereign Spread Monitor provides information on spreads for sovereign issues in the international bond markets. These spreads reflect the credit risk associated with the bond issuer and a liquidity premium.

Key Global Inflation and Energy Indicators

Last updated: 6/24/26 7:59 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Oil and Gas			%				%
Brent Crude Oil (\$/barrel)		75	-2.8	-6	-28	12	23
WTI Crude Oil (\$/barrel)		71	-2.7	-6	-26	11	24
Natural Gas (Netherlands TTF)		41	-2	-2	-15	14	54
Breakeven Inflation		%	bps				
USD: 2Y		2.3	-1.9	-14	-51	-37	6
USD: 5Y		2.4	-2.3	-8	-28	-12	2
USD: 5Y5Y		2.3	-1	-6	-11	-13	-11
EUR: 2Y		2.2	-7.3	-19	-63	46	50
EUR: 5Y		2.0	-5	-12	-30	20	24
EUR: 5Y5Y		2.1	0	-2	-5	-3	2

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

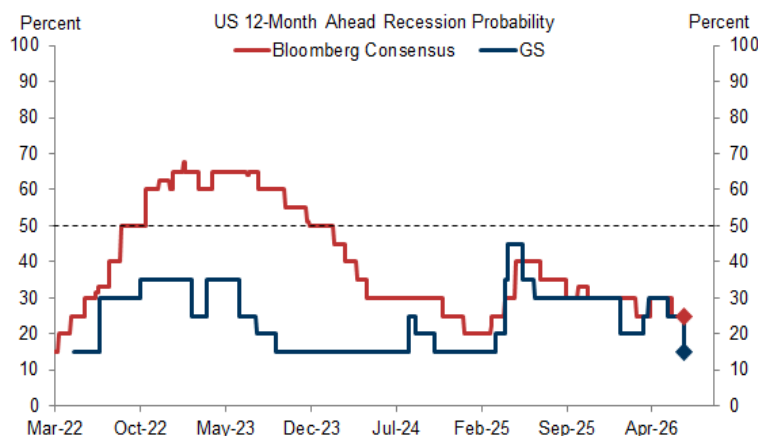
Mature Markets

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United States

Falling geopolitical concerns drive upgrades to US growth estimates. Goldman Sachs analysts revised their macroeconomic forecasts as geopolitical risks eased, with commodity strategists now expecting Brent crude to end 2026 at \$80 per barrel. The lower oil-price path led Goldman to reduce its estimated US recession risk to 15% from 25% and raise its GDP growth forecast for the second half of 2026 to 2%. The revisions come ahead of Thursday’s first-quarter US GDP release, where Bloomberg consensus expects growth of 1.6% q/q annualized.

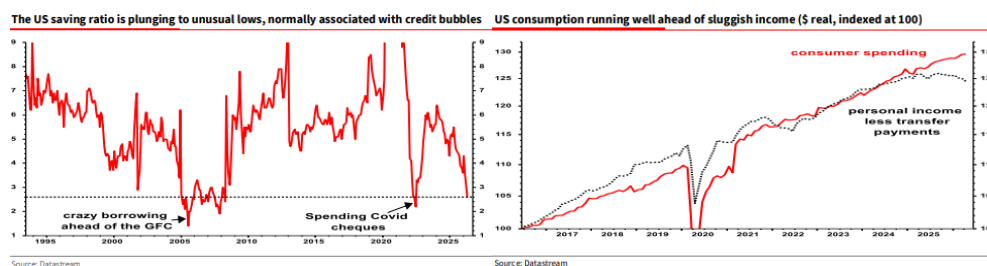
Exhibit 1: US Recession Risk Back to the Long-Term Norm of 15%



Source: Bloomberg, Goldman Sachs Global Investment Research

Falling saving rates are raising fresh questions about the sustainability of US consumer strength.

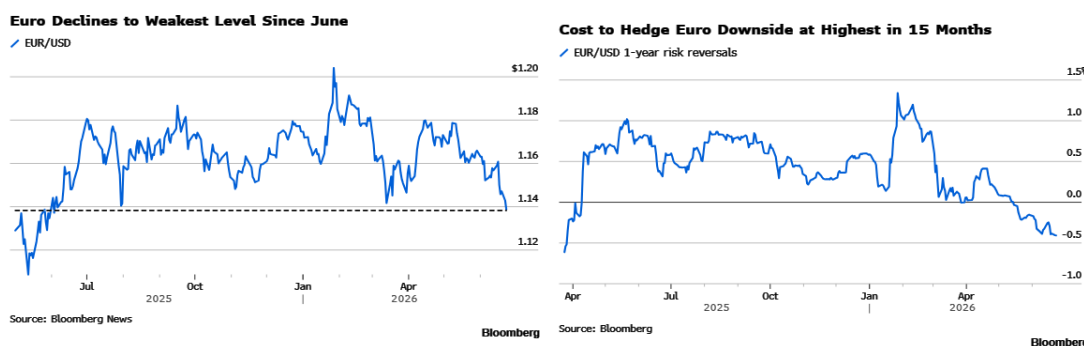
The US saving ratio has fallen to below 3%, a level not seen since the global financial crisis or the Covid shock, while US consumer spending continues to run well ahead of personal income. Analysts at Societe Generale worry that this could point to renewed household re-leveraging, with higher net borrowing potentially siphoning off liquidity from financial markets and threatening elevated valuations. This in turn could have a cascade effect as falling equity prices could lead to households feeling less wealthy, pushing them to increase the saving ratio, and therefore reducing consumption with a negative knock-on effect on GDP growth.



Europe

European stocks were little changed this morning, with gains in defensive sectors indicating prevailing caution among investors. The Stoxx 600 edged lower by 0.1%, as gains in real estate (+2.1%) and consumer staples (+1.2%) offset declines in energy (-0.8%) and mining (-1.3%). Rheinmetall shares fell 15% on concerns that Germany could withdraw a major warship contract. **European government bonds held onto recent gains**, with the curve slightly bull-flattening as the 2-year Bund yield was little changed at 2.56% and the 10-year yield fell 2 bps to 2.90%. Bunds marginally outperformed other EGBs after Germany’s June IFO business climate index rose to 85.6, slightly above expectations and up from 85.0 in May.

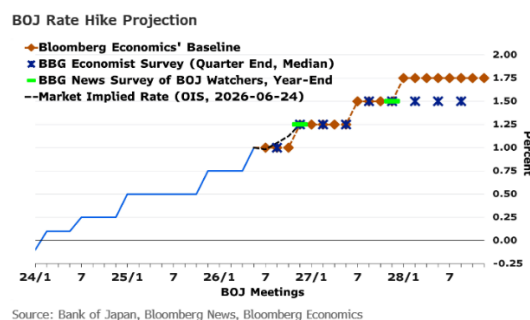
The euro fell to its weakest level in more than a year, with analysts pointing to weaker activity data, falling oil prices, and widening ECB-Fed policy divergence. The euro weakened 0.3% against a broadly stronger dollar this morning to around \$1.1342, extending its decline to the weakest level since June last year. The FT attributes the move to investor expectations that lower oil prices and signs of weaker euro area growth reduce pressure on the ECB to continue raising rates. The FT also noted that the euro has fallen about 2.6% so far this month, as investors have backed away from earlier bullish euro positions. The move followed ECB President Lagarde’s comments that recent data did not require a more forceful policy response, while recent hawkish Fed commentary has supported the dollar. Options markets also point to rising demand for euro downside protection, with one-year EUR/USD risk reversals reaching their most negative level since March 2025. Morgan Stanley warned that a decisive break below \$1.14 could open the door to a move toward \$1.10, while JPMorgan recently lowered its year-end 2026 EUR/USD forecast to \$1.13.



Japan

The yen remained near a four-decade low as intervention risks stayed in focus. The yen resumed weakening during the afternoon session, ending Asian trading 0.1% lower at 161.77 per dollar, close to the 162 level that some market participants see as a possible intervention threshold. Traders have become more cautious about taking large yen-short positions as a result. At the same time, the BOJ’s June meeting summary pointed to growing support for another hike in coming months given underlying CPI has been approaching 2%, financial conditions have been accommodative, and that it may be appropriate to raise the policy rate closer to a neutral level. The BOJ has estimated the neutral level at between 1.1% and 2.5%,

while one member said the neutral rate “appears to be at around 2%”. Today, in a speech delivered on his behalf by Deputy Governor Himino, Governor Ueda said the BOJ expects Japan’s inflation to rise above 2%, while signaling that further rate hikes remain likely. Overnight indexed swaps are now pricing 60% probability of a rate hike by October (up from 50% last Wednesday), and slightly more than one rate hike by December. Today, benchmark JGB yield curve steepened ahead of the 20-year auction this Thursday (10-year -0.5bps to 2.66%; 30-year +2bps to 3.85%). Equities declined (Nikkei 225: -0.9%) as investors remained cautious ahead of the earnings report of US memory chip giant Micron.



Emerging Markets

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EMEA equities and currencies were mixed in early morning trade. Czech equities underperformed in CEE, falling 0.8%, while regional currencies traded in narrow ranges against the euro. South African equities declined 0.5% as gold prices fell, and the rand weakened 0.4% to 16.61 per dollar. Turkish equities also fell 0.8%, although the lira was little changed at 46.49 per dollar, while Gulf markets traded higher, led by Oman (+0.5%). Separately, Bloomberg reported that MSCI may review Türkiye’s index classification if shareholder transparency does not improve.

Asian equities were mixed, while regional currencies weakened for a sixth consecutive session. EM Asia equities edged up 0.1%, as gains in Korea’s KOSPI (+3.3%) were offset by declines in Indonesia’s Jakarta Composite (-3.6%) and the Philippines’ PSE Index (-2.2%). EM Asia currencies fell 0.3%, with the Korean won (-0.9%), Thai baht (-0.8%), and Indonesian rupiah (-0.5%) depreciating the most.

Latin American equities and currencies weakened broadly on Tuesday. Regional equities fell across most major markets, led by Colombia (-1.9%) and Chile (-1.2%), while Brazil outperformed with a 0.5% gain. On the currency front, the Mexican peso (-1.1%), Chilean peso (-0.9%), and Brazilian real (-0.8%) underperformed, while the Colombian peso was the sole gainer. In policy news, Paraguay’s central bank held rates at 5.5%, as expected, with inflation at 2.4% y/y and within the 1.5–5.5% target range. Separately, Mexico’s Pemex and Brazil’s Petrobras signed an MoU to cooperate on oil exploration and production.

China

Chinese yuan weakened intraday despite early stability, after PBOC continued to guide the daily fixing weaker for a fourth consecutive session. Both onshore CNY (-0.2%) and offshore CNH (-0.2%) depreciated today, with weakness accelerating in afternoon trading. PBOC set the fix at 6.8195/\$, now 107 pips above the June 15 low, thereby signaling tolerance for depreciation amid broad dollar strength. The weaker fixings may also reveal Beijing’s preference for overall exchange-rate stability versus calls by some European leaders for yuan appreciation. Liquidity conditions remained broadly accommodative, with sizeable net injections and soft repo rates (overnight: -4bp to 1.41%), while government bond yields have remained stable (10-year unchanged at 1.74%). According to Huang Yiping, an adviser to the PBOC, while rate cuts remain possible, the economy may require more targeted support for technological innovation and improving people’s livelihoods, for example by increasing spending on public welfare and focusing on

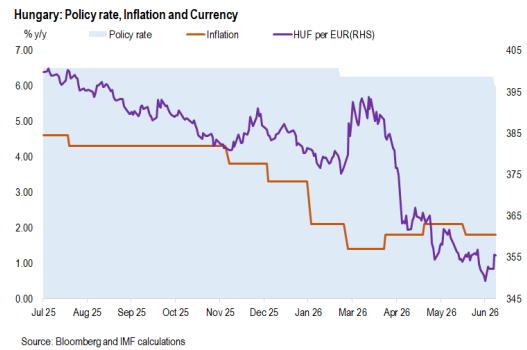
human capital. Huang also warned that a rebalancing of the domestic economy is a crucial next step, given the backdrop of a deepening two-speed dynamic—robust exports and AI-driven industrial activity offset by weak consumption, falling investment, and property-sector stress.



Hungary

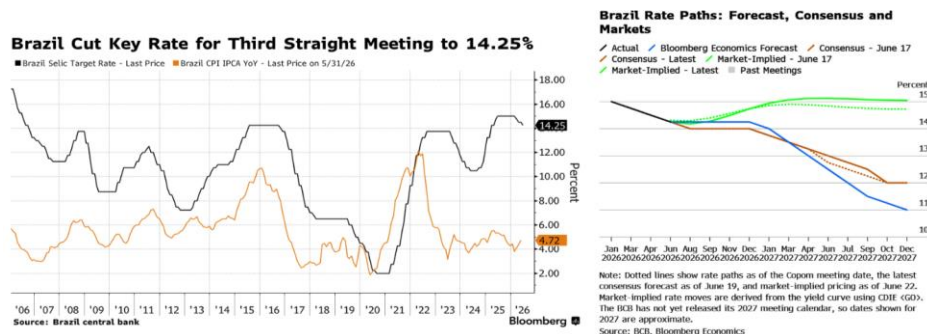
The National Bank of Hungary cut its policy rate in line with expectations, while signaling a dovish shift.

Yesterday, the National Bank of Hungary (NBH) cut its policy rate by 25 bps to 6.0%, citing an improved inflation outlook as well as positive recent geopolitical developments as factors in support of the rate cut. Updated inflation projections were downwardly revised with the NBH now expecting inflation to average 1.8% y/y this year (from 3.8% prior), 2.3% y/y in 2027 (from 3.7% prior) and converging to the 3.0% y/y target in 2028. JPMorgan analysts described the messaging from the NBH as taking a “sharp dovish turn” with the statement from the Monetary Council suggesting further rate cuts could be on the table over the summer. JPMorgan now expects a more front-loaded easing cycle with an additional 100 bps of cuts taking the policy rate to 5.0% by year-end. The forint was trading relatively unchanged at 355.37/€ this morning, but remains around 8% stronger against the euro YTD.



Brazil

Brazil’s June central bank minutes were seen as adding to uncertainty over the policy path. The minutes reinforced upside risks to the inflation outlook and offered no explicit signal on the BCB’s next move, despite last week’s unanimous 25 bps Selic cut to 14.25%. Policymakers noted that rate paths consistent with returning inflation to target by end-2027 are not reflected in market pricing or consensus forecasts, as doing so would require abrupt, large-magnitude Selic moves. The minutes signaled a preference for a path closer to market and analyst expectations, incorporating pauses and resumptions in the easing cycle to avoid financial-market and macroeconomic volatility. Bloomberg Economics argues that the minutes strengthened the hawkish message without clarifying the next policy step, and that the BCB may need to pause easing until price risks subside. Front-end DI contracts were little changed, while the Brazilian real depreciated 0.8% to 5.18 per dollar.



Argentina

Argentina's GDP beat expectations, but broader EM pressure weighed on local assets. The economy grew 2.3% y/y in 1Q, above consensus expectations of 1.7%, while the 4Q25 reading was revised up to 1.2% q/q from 0.7%. Growth was driven by consumer spending, while investment, exports, and government outlays contracted. Wages rose 3.7% m/m in April, outpacing monthly inflation, but the positive macro data were overshadowed by broader EM pressure. The Merval fell 0.9% for a third consecutive session, leaving the index 3.1% below its June 11 record, while the peso weakened by 0.6% against the dollar as the MSCI EM FX Index declined. Dollar bond yields also rose, with yields on the 2029 and 2033 notes up around 15 bps. Authorities separately authorized up to \$5 bn in multilateral dollar-backed borrowing ahead of nearly \$4.5 bn in bond payments due next month.

Argentina GDP and Activity Levels

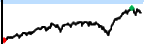


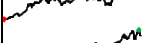

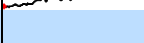






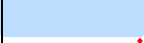



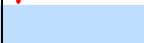





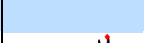


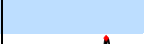



Source: Indec

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Global Financial Indicators

Last updated: 6/24/26 8:00 AM	Level		Change				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Equities			%				%
United States		7,365	-1.4	-2.5	-1.4	20.9	8
Europe		6,211	-0.3	-1.4	3.2	17.3	7
Japan		69,175	-0.9	-1.0	6.2	77.6	37
China		4,943	0.5	1.2	0.4	24.8	7
Asia Ex Japan		117	-6.0	-3.8	2.3	41.9	25
Emerging Markets		67	-5.7	-3.7	2.0	40.2	23
Interest Rates			basis points				
US 10y Yield		4.5	-3	-2	-9	17	30
Germany 10y Yield		2.9	-3	-4	-15	35	4
Japan 10y Yield		2.7	0	7	-9	125	61
UK 10y Yield		4.7	-3	-3	-17	25	25
Credit Spreads			basis points				
US Investment Grade		107	0	-1	0	-25	-1
US High Yield		312	7	-1	-2	-45	-24
Exchange Rates			%				
USD/Majors		101.7	0.2	2.1	2.4	3.9	3
EUR/USD		1.13	-0.4	-1.4	-2.6	-2.3	-3
USD/JPY		161.7	0.1	0.6	1.7	11.5	3
EM/USD		46.7	-0.1	-2.0	-1.4	1.5	0
Commodities			%				
Brent Crude Oil (\$/barrel)		74.7	-3.0	-6.1	-25.4	14.8	24
Industrials Metals (index)		170.6	-1.7	-6.1	-7.9	17.3	4
Agriculture (index)		54.6	0.3	-0.4	-6.2	-1.5	2
Gold (\$/ounce)		4048.5	-1.7	-4.9	-11.4	21.8	-6
Bitcoin (\$/coin)		62814.1	0.7	-0.6	-18.0	-40.8	-28
Implied Volatility			%				
VIX Index (% change in pp)		19.0	-0.5	2.5	2.3	1.5	4.0
Global FX Volatility		6.9	0.0	0.7	0.1	-1.7	-0.1
EA Sovereign Spreads			10-Year spread vs. Germany (bps)				
Greece		69	0	3	1	-5	10
Italy		73	0	3	-1	-19	3
France		76	0	2	14	5	5
Spain		47	0	5	4	-19	4

Colors denote **tightening/easing** financial conditions for observations greater than ± 1.5 standard deviations. Data source: Bloomberg.

Emerging Market Financial Indicators

6/24/2026 8:01 AM	Exchange Rates						Local Currency Bond Yields (GBI EM)							
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
	vs. USD		(+)= EM appreciation					% p.a.						
China		6.81	-0.2	-0.7	-0.4	5.3	2.6		1.8	1	0	-1	12	-12
Korea*		1547	-0.8	-1.9	-1.9	-12.1	-6.9		4.2	-1	7	11	146	94
Indonesia		17943	-0.5	-1.1	-1.1	-8.9	-7.0		7.2	7	25	43	48	119
India		95	0.1	-0.1	0.6	-9.2	-5.1		7.7	-7	6	-34	90	61
Philippines		62	-0.3	-1.9	-0.1	-7.1	-4.4		6.0	0	-1	-12	106	130
Thailand		33	-0.9	-2.5	-2.9	-2.3	-5.7		2.2	-1	0	-23	40	46
Malaysia		4.14	0.1	-1.6	-4.4	2.7	-1.8		3.6	-2	1	-1	3	9
Argentina		1471	-0.6	-2.4	-4.8	-20.4	-1.3		0.0	0	0	0	-3075	-3237
Brazil		5.20	-0.4	-1.7	-3.5	6.0	5.3		14.6	-13	22	55	60	104
Chile		915	-0.9	-3.2	-2.2	3.6	-1.6		5.4	1	4	-9	-9	10
Colombia		3417	0.5	0.1	6.5	19.8	10.5		12.1	1	3	-194	11	-75
Mexico		17.61	-0.3	-1.7	-1.9	7.8	2.3		8.9	6	9	-32	-39	-3
Peru		3.4	-0.4	-0.6	0.4	5.6	-1.2		6.1	0	-2	-68	-44	31
Uruguay		40	-0.6	0.2	-0.2	0.6	-2.9		7.5	4	-1	1	-156	-7
Hungary		314	-0.5	-2.8	-2.5	10.1	4.2		5.1	-6	5	-44	-161	-139
Poland		3.78	-0.4	-2.3	-3.9	-3.1	-5.1		4.9	-1	-1	-45	-31	31
Romania		4.6	-0.2	-1.5	-2.5	-5.8	-6.1		6.7	1	2	-7	-64	1
Russia		74.9	-0.3	-2.8	-4.7	4.5	5.1							
South Africa		16.6	-0.4	-1.3	-1.9	6.9	-0.3		8.7	3	-2	-34	-169	6
Türkiye		46.50	0.0	-0.2	-1.7	-14.8	-7.6		34.3	17	36	-217	77	467
US (DXY; 5y UST)		102	0.2	2.1	2.4	3.9	3.4		4.24	-2	-2	-1	38	52

	Equity Markets						Bond Spreads on USD Debt (EMBIG)							
	Level		Change (in %)				YTD	Level		Change (in basis points)				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M		Last 12m	Latest	7 Days	30 Days	12 M		
			basis points											
China		4,943	0.5	1.2	0.4	24.8	6.8		83	-1	0	-27	8	
Korea*		8,471	3.3	-4.4	7.9	172.5	101.0		23	1	0	-4	1	
Indonesia		5,884	-3.6	-5.4	-5.2	-13.9	-32.0		106	1	9	6	20	
India		76,991	-3.6	-0.2	0.7	-7.0	-9.7		95	7	17	-12	5	
Philippines		5,991	-2.2	-2.0	-0.3	-5.3	-1.0		87	0	-2	1	12	
Thailand		1,548	0.5	-2.4	-0.1	39.8	22.9							
Malaysia		1,682	0.1	-1.6	-1.5	10.7	0.1		52	1	9	-24	-7	
Argentina		3,248,428	-0.9	-0.2	14.1	57.3	6.4		440	-3	-79	-288	-129	
Brazil		171,259	0.5	0.9	-2.8	24.9	6.3		186	2	1	-36	-17	
Chile		10,770	-1.2	-0.4	1.9	32.2	2.7		88	0	-1	-26	-3	
Colombia		2,347	-1.9	-1.3	12.7	40.4	13.5		198	5	-53	-148	-79	
Mexico		66,848	-0.4	-2.4	-2.2	17.8	3.9		203	8	-5	-81	-14	
Peru		3,269	-3.6	-4.2	2.4	72.7	26.5		91	5	-3	-39	-18	
Hungary		139,137	-0.1	0.2	7.3	42.0	25.3		103	-2	-12	-65	-36	
Poland		135,404	-1.5	-3.5	0.2	33.6	15.5		87	-4	-6	-22	-4	
Romania		31,004	0.0	1.5	1.3	66.6	26.9		176	1	-9	-61	0	
South Africa		110,577	-0.9	-4.7	-2.3	15.3	-4.5		208	10	-15	-99	-10	
Türkiye		14,340	-1.4	-0.6	3.9	51.8	27.3		253	-1	-23	-65	19	
EM total		67	-0.3	-3.7	2.0	40.2	22.8		258	6	4	-121	-13	

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

*Not an EM Under IMF Classification.

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