

Q3 2026

Quarterly Report

**Global markets
review & forecast**
Equities · Commodities
FX · Digital Assets

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Key Events of Q2 2026

Key Performance Indicator 2024 Report

US–Iran Peace Agreement Eases Geopolitical Risk & Sends Oil Prices Lower

One of the defining events of the second quarter was the signing of the US–Iran peace agreement in mid-June, bringing an end to months of heightened geopolitical tensions that had disrupted global energy markets. The agreement included the gradual reopening of the Strait of Hormuz, reducing concerns over global oil supply disruptions after one of the most volatile periods for crude prices in years. Markets interpreted the deal as a major de-escalation of geopolitical risk, triggering a broad “risk-on” rally across global equities.

The most immediate reaction was seen in the energy market. Brent crude oil fell nearly 5% on the day the agreement was announced, while WTI crude posted a similar decline as traders rapidly priced out the geopolitical risk premium that had accumulated during the conflict. By the end of the quarter, **Brent had retreated to the low-\$70s per barrel, representing one of its sharpest quarterly declines in recent years after briefly trading above \$90 earlier in June.** Lower oil prices also eased inflation concerns, improving sentiment toward sectors sensitive to energy costs such as airlines, transportation, consumer discretionary stocks, and technology. Meanwhile, gold surrendered part of its safe-haven premium as investors rotated back into equities.



Federal Reserve Turns More Hawkish Despite Holding Rates Steady

At its June 17 policy meeting, the Federal Reserve left the federal funds rate unchanged at **3.50%–3.75%**, marking the **first meeting under new Chair Kevin Warsh**. Although the decision itself was widely expected, the accompanying statement and updated projections surprised markets with a noticeably more hawkish tone. Policymakers acknowledged that inflation risks remained elevated, largely due to earlier energy-price shocks, and signaled that additional rate hikes could become necessary should inflation remain persistent.

Financial markets quickly adjusted to the change in expectations. US Treasury yields moved higher, particularly at the short end of the curve, while the US Dollar strengthened sharply as investors priced in a higher-for-longer interest-rate environment. Precious metals came under significant pressure, with both gold and silver falling as rising real yields increased the opportunity cost of holding non-yielding assets. The Fed's communication reinforced that inflation remained the central bank's primary concern, shifting market expectations away from potential rate cuts toward the possibility of renewed policy tightening during the second half of the year.



Global Equity Markets Climbed to Record Highs

Despite heightened geopolitical uncertainty during the first half of the quarter, global equity markets delivered an impressive recovery and finished Q2 at or near all-time highs.

In the United States, optimism surrounding easing Middle East tensions, resilient corporate earnings, and continued enthusiasm for artificial intelligence helped drive the major indices higher. The Dow Jones Industrial Average surpassed 52,000 points for the first time in history, while the S&P 500 climbed above 7,200, and the Nasdaq Composite advanced beyond 23,000, each establishing new record highs during the quarter.



The rally extended well beyond the United States. Japan's Nikkei 225 climbed above 72,000 points, setting another historic high as improving corporate governance, robust technology demand, and a relatively accommodative monetary environment continued to attract global investors. South Korea's KOSPI also reached a milestone by surpassing **9,000 points for the first time**, supported by strong gains in semiconductor giants and continued optimism surrounding AI-related investment. Together, these milestones highlighted broad-based investor confidence despite ongoing uncertainty surrounding inflation and monetary policy.



SpaceX IPO Becomes the Defining Equity Story of the Quarter

One of the most anticipated events in global financial markets was the long-awaited initial public offering of **SpaceX**, which became the largest IPO in history. Investor demand far exceeded expectations, driven by the company's leadership in commercial space launches, satellite communications through Starlink, and growing government contracts. Shares surged by approximately **50% within the first several trading sessions**, making it one of the strongest IPO debuts on record and fueling renewed enthusiasm across the technology sector.



However, the initial euphoria gradually faded as investors began taking profits and reassessing the company's valuation. Over the following weeks, the stock surrendered most of its early gains and eventually retreated close to its IPO price. The sharp reversal highlighted the tension between strong long-term growth expectations and elevated valuations, serving as a reminder that even landmark public offerings remain vulnerable to shifts in market sentiment and broader macroeconomic conditions.



Upcoming Events
in Q3 2026 ►

Upcoming Events in Q3 2026



02

July FOMC Meeting Could Set the Tone for the Second Half of the Year

The next major catalyst for financial markets will be the **Federal Reserve's July 28–29 meeting**, where policymakers are widely expected to keep interest rates unchanged after adopting a more hawkish tone in June. Investors will closely monitor Chair Kevin Warsh's remarks for any indication of whether the Fed still sees additional rate hikes as necessary or whether easing inflation and softer labor market data have reduced the urgency to tighten policy further. Since the June meeting, economic data has been mixed, leading markets to scale back expectations for an imminent rate increase while remaining cautious about inflation risks.



For financial markets, **the July meeting has the potential to become the most important macroeconomic event of the quarter**. A more hawkish message would likely strengthen the US Dollar, push Treasury yields higher, and weigh on precious metals such as gold and silver. Conversely, any indication that the Fed is becoming more comfortable with the inflation outlook could support equities, weaken the dollar, and allow gold and silver to recover after their recent correction. The meeting is therefore expected to shape investor sentiment across all major asset classes throughout Q3.

US–Iran Peace Deal Remains the Key Geopolitical Driver

Although the peace agreement signed in June significantly reduced geopolitical tensions, investors will continue to monitor its implementation throughout the third quarter. **Particular attention will focus on the reopening of the Strait of Hormuz, the gradual easing of sanctions, and compliance with the agreement by both countries.** Any deterioration in negotiations or renewed military tensions could quickly reintroduce a geopolitical risk premium into commodity markets.

Oil prices remain the asset most directly exposed to developments surrounding the agreement. If the ceasefire holds and oil exports continue to normalize, Brent crude could remain under pressure as global supply improves. Lower energy prices would help reduce inflationary pressures, potentially supporting corporate earnings and extending the rally in global equity markets. However, any disruption to the agreement could send oil prices sharply higher, revive inflation concerns, and increase market volatility, particularly for transportation, manufacturing, and consumer-related sectors.



AI IPO Pipeline Could Become the Next Major Market Catalyst

Following the highly successful SpaceX listing, investor attention is shifting toward the next generation of potential artificial intelligence IPOs. **OpenAI** remains the most anticipated candidate, with private market valuations estimated at approximately **\$852 billion**, making it one of the world's most valuable private technology companies. Meanwhile, **Anthropic** has reportedly reached a valuation of around **\$965 billion**, supported by continued investment from strategic partners and strong demand for enterprise AI solutions. Although neither company has officially announced an IPO timetable, market participants increasingly view both as leading candidates for public listings should market conditions remain favorable.

Any announcement regarding either IPO would likely generate significant investor interest and could further strengthen momentum in the technology sector. At the same time, these listings may also raise questions about valuation sustainability following the volatile post-IPO performance of SpaceX. Investors are therefore expected to closely assess whether the AI sector can continue to justify historically high valuations through sustained earnings growth and commercial adoption.



Precious Metals Outlook Supported by Central Bank Demand

Central banks are expected to remain one of the strongest structural sources of demand for gold throughout the second half of 2026. Despite the recent correction in prices, reserve diversification away from the US Dollar and ongoing geopolitical uncertainty continue to support official-sector purchases. **The World Gold Council expects central bank buying to remain well above historical averages,** providing an important long-term floor for gold prices even if higher interest rates temporarily limit upside potential.



Looking ahead, gold is expected to remain highly sensitive to monetary policy expectations. If inflation continues to moderate and the Federal Reserve signals that additional rate hikes are unlikely, gold could recover toward the **\$4,300–4,500** range during the second half of the year. Silver may outperform gold in such an environment due to its dual role as both a precious and industrial metal, benefiting from continued investment in artificial intelligence infrastructure, renewable energy, and semiconductor manufacturing. Conversely, a stronger US Dollar and renewed hawkishness from the Federal Reserve would likely limit gains in both precious metals despite continued central bank buying.

US Equity
Markets ►

03



Equity Markets: A Historic Recovery to Record Highs

The second quarter of 2026 marked one of the strongest recoveries in US equity market history. After entering April under pressure from elevated geopolitical tensions and surging oil prices, investor sentiment shifted dramatically following the announcement of the US-Iran ceasefire in early April. As fears of a prolonged conflict eased and energy prices gradually retreated, investors returned aggressively to risk assets. The combination of declining oil prices, resilient corporate earnings, continued enthusiasm surrounding artificial intelligence, and optimism that the global economy could avoid a recession fueled a broad-based rally across all major US equity indices. Throughout the quarter, each of the four major benchmarks not only recovered all losses from the first quarter but also surpassed their previous all-time highs to establish new records.



Dow Jones Industrial Average

The Dow Jones Industrial Average began the quarter near 46,300 points after experiencing a volatile first quarter driven by geopolitical uncertainty. As confidence returned to the market, industrial, financial, and technology stocks all participated in the rally, helping the index steadily climb throughout April and May. Momentum accelerated after the June US-Iran peace agreement and stronger-than-expected corporate earnings, allowing the Dow to surpass its previous record highs before ending the quarter above 52,000 points. The rally continued into early July, when the index reached another all-time high above 53,000 points, highlighting the broad strength of the US economy despite tighter monetary policy.

Technical Analysis and Forecast

On the daily chart, Dow Jones remains in a strong long-term uptrend despite experiencing a sharp correction during March. Following the formation of a major bottom around 44,850, buyers regained full control and have driven the index to fresh record highs above 53,200.

The broader market structure continues to display a sequence of higher highs and higher lows, confirming that bullish momentum remains intact.



The decline that the index experienced in March found strong buying interest around 44,850, where a clear reversal pattern developed. From early April onward, the market entered a sustained bullish trend characterized by strong impulsive rallies and shallow pullbacks. Throughout May and June, every correction was followed by higher highs, confirming strong institutional demand.

The recent rejection from approximately 53,300 has triggered a healthy retracement, but buyers have already recovered much of the decline, suggesting that bullish sentiment remains dominant. Overall, the price action continues to favor trend continuation.

A sustained move above 53,300 would confirm a breakout to fresh all-time highs and could accelerate gains toward 53,600, followed by the psychological 54,000 level.

On the downside, initial support lies around 52,300–52,500. As long as this zone holds, buyers are likely to remain in control. A deeper correction below 52,000 could trigger additional profit-taking toward 50,800, but such a move would still leave the broader bullish structure intact.

Overall Bias remains bullish. The long-term uptrend remains firmly established, and unless key support levels are broken, any short-term weakness is likely to be viewed as a buying opportunity rather than the start of a bearish reversal.

S&P 500

S&P 500

The S&P 500 also delivered an exceptional performance during Q2. Starting the quarter around 6,520 points, the benchmark steadily recovered as investors rotated back into growth stocks and AI-related companies. The index reclaimed the psychologically important 7,000-point level during April before extending its gains throughout the remainder of the quarter. By the end of June, the S&P 500 had risen nearly 15% during the quarter, its strongest quarterly performance since 2020, finishing above 7,500 points after setting multiple record highs along the way. The rally reflected strength across nearly every major sector, including technology, financials, industrials, communication services, and consumer discretionary.

Technical Analysis and Forecast

Throughout April and May, the S&P 500 effortlessly sliced through previous resistance levels, printing consecutive higher highs and higher lows with strong, large-bodied green candles.

The vertical expansion hit exhaustion in early June at a peak of approximately 7,600. Since that top, the market dynamic has shifted from a structural uptrend into a volatile, sideways trading range.



Zooming into the recent price action covering late June and July, the index experienced a sharp pullback down to 7,250, followed by a steady, grinding recovery.

Bullish Breakout Scenario: A daily candle close firmly above 7,600 would break the current sideways structure. This would signal a continuation of the macro uptrend, turning the 7,600 level into an inverted support zone for a run toward higher extensions.

Bearish Breakdown Scenario: If sellers defend the 7,550 – 7,600 zone, expect another rotation down toward 7,400. The line in the sand for macro bulls remains 7,250. A breach below this floor would confirm a Double Top or structural distribution pattern, exposing the market to a deeper correction toward 7,000.



Nasdaq 100

Technology stocks once again led the market higher, allowing the Nasdaq Composite to significantly outperform the broader market. Beginning the quarter near 21,700 points, the index benefited from continued investment in artificial intelligence, semiconductor companies, cloud computing, and software. Although the sector experienced periods of volatility due to concerns over elevated valuations and profit-taking, investor demand remained exceptionally strong. By quarter-end, the Nasdaq had advanced around 25%, recording its best quarterly performance since 2020 and climbing above 30,000 points. The rally was further supported by the successful SpaceX IPO and renewed optimism surrounding future AI-related public offerings.

Technical Analysis and Forecast

The Nasdaq 100 spent early 2026 oscillating in a choppy environment below 26,400. As risk-off sentiment intensified in March, the tech index suffered a steep pullback, finding a definitive macro bottom at a swing low near 23,000 at the tail end of March.

Mirroring the broader market but with greater velocity, the index staged a massive V-shaped recovery. Institutional accumulation propelled the index straight through the 26,000 and 28,000 handles. This parabolic expansion run extended all the way to a major macro peak near 30,600 in early June.



Upon tapping the 30,600 level, profit-taking triggered a violent multi-day sell-off down to 28,400. The subsequent price action has evolved into a broad, choppy trading range rather than a clean trend.

Bullish Breakout Scenario: To reclaim full bullish control, buyers must clear the immediate hurdle at 29,800 and post a daily close above the 30,200 supply cluster. Only then can the index attempt a clean retest and breakout of the 30,600 macro high.

Bearish Breakdown Scenario: Rejection from the current 29,615 area leaves the US100 vulnerable to a slide back down to the 29,000 structural support. If the major range floor at 28,400 fails on a daily closing basis, it would confirm a market structure shift from bullish/neutral to bearish, clearing a path for a deeper retracement down to 27,200 – 27,000.



The rally was not limited to large-cap stocks. The Russell 2000, which tracks smaller US companies, also staged a remarkable recovery after underperforming during the first quarter. Beginning Q2 near 2,500 points, the index benefited from improving domestic economic sentiment, easing financing concerns, and expectations that lower oil prices would support consumer spending and business activity. The Russell climbed steadily throughout the quarter, breaking through previous resistance levels before ending around 3,000 points. The strong performance suggested that investor confidence had broadened beyond mega-cap technology companies to include domestically focused small-cap businesses.

Q3 2026 Forecast

Looking ahead to Q3 2026, the outlook for US equities remains constructive, although volatility is expected to increase. The primary drivers will be the Federal Reserve's July meeting, second-quarter corporate earnings, inflation data, and continued developments surrounding the US-Iran peace agreement. If inflation continues to moderate and geopolitical tensions remain contained, the current bull market could extend further, with the Dow Jones potentially testing **54,000–55,000**, the S&P 500 moving toward **7,700–7,900**, the Nasdaq Composite targeting **27,000**, and the Russell 2000 advancing toward **3,100**. However, a more hawkish Federal Reserve or renewed geopolitical disruptions could trigger periods of consolidation after one of the strongest quarterly rallies in recent years.



Commodities ►

Commodities:

Geopolitical Tensions Drove Volatility Across Energy & Precious Metals

The commodities market experienced one of its most volatile quarters in recent years as geopolitical developments in the Middle East and changing expectations for US monetary policy pulled prices in opposite directions. While crude oil initially surged on fears of supply disruptions during the US-Iran conflict, precious metals struggled as easing geopolitical tensions and a more hawkish Federal Reserve strengthened the US Dollar and pushed real yields higher. By the end of the quarter, oil had surrendered much of its war-related gains, while both gold and silver finished well below their highs after recording weak quarterly performance.



04

Gold

Gold entered the second quarter trading around \$4,670 per ounce. Selling pressure intensified following the Federal Reserve's 17 June policy meeting, where officials kept interest rates unchanged but adopted a distinctly hawkish tone by signaling that further rate hikes could be necessary if inflation remained elevated. The stronger US Dollar and rising Treasury yields significantly increased the opportunity cost of holding non-yielding assets, driving gold down to \$3,940, its lowest level since November 2025 before recovering modestly to finish the quarter near \$4,150 per ounce.

Technical Analysis and Forecast



Gold remains in a well-defined medium-term downtrend following its rejection from the all-time high near \$5,598. Since peaking, the market has consistently formed lower highs and lower lows, confirming that sellers continue to dominate the broader trend.

The recent rebound from the \$3,943–\$4,000 support zone has provided temporary relief, but price remains below the declining 20-day moving average, indicating that the recovery has yet to evolve into a sustained bullish reversal.

The moving averages also remain bearishly aligned, with the 5-day MA below the 20-day MA, reflecting that downward momentum still has the upper hand.

The recovery should currently be viewed as a corrective bounce unless price can break above the 4,135–4,200 resistance zone. A sustained move above 4,135 would strengthen bullish momentum and expose the important 4,200 resistance level. A daily close above 4,200 would complete a short-term base and could trigger a broader recovery toward 4,300 and potentially 4,500.

On the downside, failure to hold above 4,000 would invalidate the recent recovery and likely lead to another test of 3,943. A decisive break below this support would confirm the continuation of the primary downtrend, opening the door for a move toward 3,886 and possibly 3,800.

Silver

Silver followed a similar pattern but experienced even greater volatility due to its dual role as both a precious and industrial metal. The metal started Q2 near \$75.22 per ounce and rose to \$89 in mid-May, before falling even further till the end of the quarter. The hawkish outcome of the Federal Reserve's June meeting accelerated the decline, pushing silver to \$55 per ounce, its weakest level since late 2025, before stabilizing near \$59 at the end of the quarter. Despite the correction, structural demand from the renewable energy, electronics, and semiconductor industries continued to provide longer-term support.

Technical Analysis and Forecast

Over March, April, and May, Silver attempted multiple lower-high dead-cat bounces. It formed secondary tops near \$95.00, \$82.00, and \$88.00. Each successive peak was weaker than the last, confirming substantial institutional distribution and strong overhead liquidations.

In June, the selling pressure intensified. The metal steadily cascaded through its former macro defensive floors at \$72.00 and \$64.00, ultimately reaching an oversold capitulation bottom at \$56.00 in early July.



Bullish Scenario: For a structural relief rally to take shape, Silver needs to break out of its current compression box by clearing \$62.00 on a daily close. This would trigger a short-covering squeeze toward the major breakdown anchor point at \$64.00. Reclaiming \$64.00 is essential to shifting the macro daily bias back to neutral.

Bearish Scenario: If the commodity fails to find momentum here, a drift below \$58.00 signals a return to the range lows. A definitive daily close below \$56.00 would invalidate the current base-building attempt, printing a fresh macro lower low and opening the floodgates for a deeper slide down toward psychological support at \$50.00.

Oil

Crude oil was the standout performer during the first half of the quarter, directly affected by developments in the Middle East. WTI crude began Q2 around \$97 per barrel, while Brent crude traded close to \$102 per barrel.

The outlook changed rapidly compared to Q1 following the announcement of the US-Iran peace agreement in June. As markets became increasingly confident that shipping routes would remain open and Iranian oil exports would gradually normalize, the geopolitical premium embedded in crude prices quickly disappeared. Brent and WTI posted some of their largest daily declines of the year immediately after the agreement, with prices continuing to ease over the following weeks. By the end of the quarter, Brent crude had fallen back to around \$72 per barrel, while WTI ended near \$69 per barrel, almost completely erasing the gains generated during the conflict. Lower oil prices also helped reduce inflation expectations, supporting the strong rally in global equity markets while simultaneously removing an important source of support for precious metals.

Technical Analysis and Forecast

Following a corrective move down to \$87.50 in April, a secondary wave of buying retested the highs in early May, peaking slightly lower near \$113.50. This lower high locked in a macro “Double Top” pattern.

Since the May peak, the market has structuralized a clear downtrend characterized by consecutive lower highs and lower lows. The price steadily broke beneath major psychological support zones at \$100.00, \$90.00, and \$80.00.



Bullish Scenario: To reverse the immediate downward inertia, buyers must reclaim \$79.00 on a daily close. If successful, this opens the door for a corrective rally toward the major overhead supply cluster between \$82.50 and \$85.00

Bearish Scenario: If the current rejection holds below \$78.50, Brent is highly likely to rotate back down toward \$74.00. A failure to hold that interim shelf leaves the commodity vulnerable to a full retest of the \$71.00 macro floor, beneath which exposes the market to a drop toward the major psychological anchor at \$67.50.

Look Ahead into Q3



Looking ahead to Q3 2026, commodity markets are expected to remain highly sensitive to both geopolitical developments and monetary policy. Oil prices will largely depend on whether the US-Iran peace agreement continues to hold and whether OPEC+ adjusts production to offset the increase in global supply. Gold and silver, meanwhile, are expected to remain closely tied to expectations for Federal Reserve policy. Any signs that inflation is moderating and that additional rate hikes may no longer be necessary could allow both precious metals to recover. Conversely, if inflation remains persistent and the Fed signals further tightening, the US Dollar could strengthen further, keeping pressure on gold and silver despite continued long-term demand from central banks and industrial users.

The Foreign
Exchange Market ►

05

The Foreign Exchange Market:

US Dollar Regains Strength as Higher Oil Prices
& a Hawkish Fed Dominate Currency Markets



The foreign exchange market during the second quarter of 2026 was largely driven by developments in the Middle East conflict, and Fed monetary policy. The dollar index entered April near 99.80. However, the sharp rise in oil prices following the escalation of the US-Iran conflict reignited inflation concerns across global markets. Higher energy prices translated into higher inflation expectations, leading investors to reassess the outlook for US monetary policy. This trend accelerated following the 17 June Federal Reserve meeting, where policymakers left interest rates unchanged but signaled that additional rate hikes remained a possibility if inflation persisted. Rising Treasury yields and widening interest-rate differentials fueled renewed demand for the US Dollar, allowing the DXY to rally above 100 before finishing the quarter near its highest level since late 2025. The stronger dollar became one of the defining themes of Q2, placing broad pressure on major currencies, commodities, and emerging market assets.

EURUSD

The EUR/USD spent most of the quarter under pressure as the widening interest-rate differential increasingly favored the US Dollar. Although the European economy continued to recover gradually, the European Central Bank maintained a more cautious policy stance than the Federal Reserve. As US yields moved higher after the June FOMC meeting, capital flowed back into dollar-denominated assets, pushing EUR/USD from around 1.1550 at the beginning of the quarter toward the 1.1420.

Technical Analysis and Forecast

EURUSD accelerated downwards throughout June, cleanly falling below psychological support anchors at 1.1600 and 1.1500, which triggered a capitulation bottom near 1.1300 in late June.

Immediate Resistance: 1.1450 – 1.1460. The ceiling of the current consolidation box. Buyers must clear this zone to confirm a minor trend reversal.



Major Overhead Supply: 1.1500 – 1.1530. This is a major previous support-turned-resistance area. Any initial relief rally up to this cluster is highly likely to face aggressive supply from macro trend-following shorts.

Major Support Floor: 1.13000. The line in the sand for Euro bulls. A daily close below this multi-month low would signal a continuation of the macro bear trend toward 1.12000.

GBPUSD

The GBP/USD followed a similar path. Sterling initially found support from resilient UK economic data and expectations that the Bank of England would maintain relatively restrictive monetary policy. However, the Federal Reserve's increasingly hawkish outlook ultimately outweighed domestic UK factors. The widening policy divergence between the Fed and the Bank of England strengthened the dollar during the second half of the quarter, causing GBP/USD to retreat from approximately 1.37 to around 1.33.

The USD/JPY remained one of the most closely watched currency pairs throughout the quarter. The widening gap between US and Japanese interest rates continued to support dollar strength against the yen, with the pair climbing above 165, its highest level in decades.

However, the rapid depreciation of the Japanese currency prompted repeated intervention by the Bank of Japan and Japan's Ministry of Finance, which entered the foreign exchange market to buy yen and slow the pace of the decline. These interventions temporarily pushed USD/JPY lower, but the broader trend remained upward as US Treasury yields continued to significantly exceed Japanese government bond yields. The episode highlighted that monetary policy divergence remained the dominant driver of the pair despite official intervention.

Technical Analysis and Forecast

The GBP/USD daily chart illustrates an macro environment that flipped from a parabolic peak into a prolonged distribution phase, followed by a recent aggressive capitulation and subsequent counter-trend recovery:

The pair Cable achieved an explosive peak at 1.3850 in late January. This top failed to hold, turning into a steady decline through February and March that stabilized temporarily above 1.3150.



Source: TradingView

Throughout April and May, the pair established a wide, choppy distribution range bounded between 1.3300 and 1.3650.

The June Capitulation & July Reversal: In mid-June, sellers broke below the lower boundary of that range, initiating a steep liquidation leg down to an oversold macro low near 1.3140 in late June.

Immediate Resistance: 1.34500. This acts as the next major local resistance cluster. Clearing this level opens the path for a retest of 1.35000 and 1.35500.

Immediate Support: 1.33600. The previous local resistance flip zone that must now hold on intraday dips.

Major Support: 1.32800. A vital structural level; a daily close back below this point would neutralize the current short squeeze and signal another test of the lower boundaries.

USDCHF

The USD/CHF advanced steadily throughout the quarter as investors favored the higher-yielding US Dollar over the traditionally defensive Swiss franc. While geopolitical tensions initially supported demand for safe-haven currencies, the subsequent easing of Middle East tensions reduced demand for the franc, allowing USD/CHF to move higher as US interest rates remained well above Swiss rates.

Technical Analysis and Forecast

USD/CHF daily chart shows a structural transition from a massive sell-off into a well-defined, multi-month ascending channel or uptrend. The pair started early 2026 under immense pressure, dumping violently to a macro capitulation floor at 0.76200 in late January. Buyers aggressively defended this level, forming a sharp V-bottom reversal. Throughout March, April, and May, the pair printed a series of rising structural floors (0.77000, 0.77700, and 0.78200), proving that institutional accumulation was systematically stepping in higher each time.



A powerful momentum wave sparked in June, propelling USD/CHF through the psychological 0.80000 barrier and print a macro peak near 0.81250 at the end of June.

After tapping 0.81250, profit-taking led to a sharp corrective pullback down to 0.80200 in early July. This dip was quickly bought, creating a prominent lower wick. The pair is trading at 0.80784 with a green daily candlestick in progress. Price action over the last few sessions shows overlapping candle bodies just below the 0.81000 handle, highlighting a local tug-of-war. Bulls are clearly trying to establish a higher low to extend the macro uptrend.

Immediate Resistance: 0.81000 – 0.81250. A daily close above the recent multi-month peak at 0.81250 invalidates the local correction and flags a continuation toward 0.82000.

Immediate Support: 0.80500. This local horizontal structural shelf has cushioned recent micro-pullbacks.

Major Support: 0.80200. The absolute floor of the current consolidation block. Losing this level would signal a deeper corrective cycle back down to the 0.79500 area.



AUDUSD and NZDUSD

The commodity-linked currencies experienced mixed performance. The AUD/USD initially benefited from rising commodity prices and resilient Chinese demand, but these gains faded after the Federal Reserve adopted a more hawkish stance and the US Dollar strengthened. Similarly, the NZD/USD remained under pressure as relatively weaker economic growth in New Zealand and expectations of lower domestic interest rates widened the policy gap with the United States.

USDCAD

The USD/CAD was among the most volatile major currency pairs during the quarter due to Canada's close relationship with oil prices. During the peak of the US-Iran conflict, surging crude oil prices supported the Canadian dollar, temporarily pushing USD/CAD lower. However, once oil prices retreated following the June peace agreement and the Federal Reserve reinforced expectations for higher US interest rates, the US Dollar regained momentum, allowing USD/CAD to recover and finish the quarter higher.



A Look Forward

Overall, **interest-rate differentials remained the dominant driver of the foreign exchange market throughout Q2 2026**. While geopolitical events initially influenced commodity-linked currencies and safe-haven flows, monetary policy increasingly took center stage after the June Federal Reserve meeting. Looking ahead to **Q3 2026**, investors will continue to monitor Federal Reserve policy, inflation data, and central bank decisions across the major economies. If the Fed maintains its hawkish bias while other central banks remain more cautious, the US Dollar could extend its gains further. However, any signs of moderating US inflation or a shift toward a less restrictive Fed could narrow interest-rate differentials and allow major currencies such as the euro, pound, and Australian dollar to recover against the dollar.

Looking ahead, the foreign exchange market is expected to remain primarily driven by monetary policy divergence, with the Federal Reserve continuing to play the dominant role. Following the hawkish June meeting, investors will closely watch the July FOMC meeting, US inflation data, employment reports, and retail sales for clues about whether the Fed is preparing another interest rate hike. If inflation remains elevated and policymakers continue signaling a higher-for-longer interest rate environment, the US Dollar Index could extend its rally toward the 101–103 region, supported by rising Treasury yields and continued capital inflows into US assets. Conversely, softer inflation data or signs of weakening economic activity could revive expectations for future rate cuts, triggering a broad-based correction in the dollar.



Among the major currency pairs, EUR/USD is expected to remain under pressure as long as the Federal Reserve maintains a more restrictive policy stance than the European Central Bank, with the pair potentially testing the 1.10 level if yield differentials continue to widen. GBP/USD will likely trade according to expectations surrounding the Bank of England's policy path, although sterling may struggle to outperform unless UK inflation remains persistently high. USD/JPY is expected to remain one of the most volatile currency pairs in the market. While the large interest rate differential continues to favor further upside, investors should also anticipate additional intervention from the Bank of Japan if yen weakness accelerates beyond levels considered excessive by Japanese authorities.

Commodity-linked currencies are also expected to remain highly sensitive to developments in global growth and energy markets. The Canadian dollar will continue to closely track oil prices, meaning further declines in crude could support higher USD/CAD, while any renewed increase in oil prices may strengthen the loonie. Meanwhile, the Australian and New Zealand dollars will largely depend on Chinese economic growth, commodity demand, and domestic central bank policy decisions. Overall, the outlook for Q3 suggests continued volatility across the foreign exchange market, with interest rate differentials, inflation trends, geopolitical developments, and central bank communication likely to remain the primary catalysts driving currency movements.

Cryptocurrencies ►

Cryptocurrencies:

Profit-Taking and Institutional Selling Trigger a Broad Market Correction

The cryptocurrency market experienced a challenging second quarter of 2026, with **Bitcoin, Ethereum, and most major altcoins** posting significant declines after reaching record highs earlier in the year. While the quarter began with continued optimism surrounding institutional adoption and digital asset regulation, investor sentiment gradually deteriorated as rising US Treasury yields, a stronger US Dollar, and shifting expectations for higher interest rates reduced demand for risk assets. Unlike global equity markets, which benefited from easing geopolitical tensions and improving investor confidence, cryptocurrencies struggled to maintain their upward momentum, with widespread profit-taking accelerating throughout May and June.





Bitcoin

Bitcoin entered Q2 trading near \$68,000. One of the most significant events of the quarter came when Strategy (formerly MicroStrategy), the company long regarded as Bitcoin's largest corporate supporter, announced its first-ever sale of a portion of its Bitcoin holdings. The move surprised investors because the company had spent years promoting a long-term "never sell" strategy. Although the sale represented only a small percentage of its overall holdings, it raised concerns that even the largest institutional Bitcoin holders could begin realizing profits after the remarkable rally of recent years. The announcement contributed to a noticeable deterioration in market sentiment, triggering increased selling pressure and pushing Bitcoin lower. By the end of the quarter, Bitcoin had fallen below \$60,000.

Technical Analysis and Forecast

In early June, systemic liquidations caused a sharp collapse in Bitcoin price, falling below previous supports to establish a deep swing low at \$58,500.00. After a brief relief bounce to \$67,000.00, Bitcoin returned to the lows in late June, printing a secondary bottom near \$58,000.00.



Bullish Breakout Scenario: Bitcoin is actively knocking on the door of the \$64,000.00 key pivot. A decisive daily close above this level shifts immediate targets up to the critical supply cluster between \$66,000.00 and \$67,000.00. Reclaiming \$67,000.00 would confirm a macro trend reversal, paving the way back to the \$70k+ regimes.

Bearish Rejection Scenario: Rejection from the immediate \$64,000.00 level would trigger a healthy technical retest of the local breakout shelf at \$62,000.00. As long as the market stays above the \$60,000.00 psychological level on a closing basis, the near-term bias remains firmly in favor of the bulls.



Ethereum

Ethereum experienced a volatile and predominantly bearish second quarter of 2026, reflecting a combination of weaker investor sentiment, macroeconomic uncertainty, and a broad correction across the cryptocurrency market. The second-largest cryptocurrency opened the quarter at \$2,100 and initially extended its recovery, reaching a quarterly high of \$2,600. However, the rally proved short-lived as investors shifted toward safer assets amid persistent inflation concerns, higher interest rate expectations, and rising geopolitical tensions.

Selling pressure intensified throughout the remainder of the quarter, driving Ethereum to a low of \$1,500 before closing at \$1,560, representing a decline of more than 25% from its opening price. The weakness was further exacerbated by reduced risk appetite across financial markets and a broader decline in altcoins, as investors favored Bitcoin and defensive assets during periods of heightened uncertainty. Despite the disappointing quarterly performance, Ethereum continued to benefit from strong network activity and ongoing development within its ecosystem, suggesting that while short-term sentiment remained weak, its long-term fundamentals continued to attract investor attention.

Technical Analysis and Forecast

The daily chart for ETHUSD outlines a clear transition from a volatile expansion into a steep capitulation event, followed by a structurally sound recovery phase:

Throughout March & April, Ethereum established a volatile, structural uptrend that culminated in a macro ceiling around \$2,440 in mid-April. Sellers aggressively defended the \$2,400 region, resulting in a rounded distribution top.



After breaking below the critical psychological floor at \$2,000 in late May, the pair suffered an aggressive liquidation drop. In early June, a near-vertical capitulation wave sent ETH down to a major cycle bottom near \$1,520.

The price action over early July showcases a steady expansion phase marked by strong, large-bodied green candles driving up from the \$1,560.00 higher low.

Bullish Breakout Scenario: Buyers are currently locking targets onto the \$1,800 psychological barrier. A clean daily candle close above this level opens the path for a retest of the major local trend high at \$1,840 – \$1,880. Clearing that structural block is essential to shifting the macro trend back to full bullish expansion.

Bearish Rejection Scenario: If sellers defend the \$1,800 handle, expect a minor rotational cooling down toward the local support shelf at \$1,720. The primary structural floor for the medium-term recovery sits at \$1,560, losing this anchor would invalidate the current bullish structure.

Altcoins

The weakness extended across the broader altcoin market. High-beta cryptocurrencies—including **Solana, XRP, Avalanche, Chainlink, Cardano, and other AI- and DeFi-related tokens**—experienced even larger percentage declines than Bitcoin and Ethereum as investors moved away from speculative assets. Many altcoins corrected between **25% and 40%** from their quarterly highs, while trading volumes and decentralized finance activity also moderated.



A Look Ahead into Q3



Despite the weak performance during Q2, the longer-term outlook for digital assets remains constructive. Institutional participation continues to grow, regulatory clarity has improved in several major jurisdictions, and interest in tokenization and blockchain infrastructure remains strong. Looking ahead to Q3 2026, cryptocurrency markets will likely be driven by Federal Reserve policy, movements in the US Dollar, and institutional capital flows. A less hawkish Federal Reserve, easing bond yields, or renewed inflows into spot cryptocurrency investment products could support a recovery led by Bitcoin and Ethereum.

However, if interest-rate expectations continue to move higher, digital assets may remain under pressure as investors favor lower-risk investments over speculative growth assets.

Summary & Forecast
for Q3 2026 ►

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Summary & Forecast for Q3 2026

The second quarter of 2026 was defined by a remarkable shift in market sentiment, as financial markets transitioned from geopolitical uncertainty to renewed optimism. The quarter began with elevated volatility following the escalation of the US-Iran conflict, which drove oil prices sharply higher and fueled concern over global inflation and economic growth. However, the announcement of the ceasefire in early April, followed by the formal peace agreement in June, significantly reduced geopolitical risks and became the catalyst for a broad recovery across global financial markets. Equity markets in the United States and Asia climbed to new record highs, oil prices retreated as supply concerns eased, while investors rotated away from traditional safe-haven assets such as gold and silver.

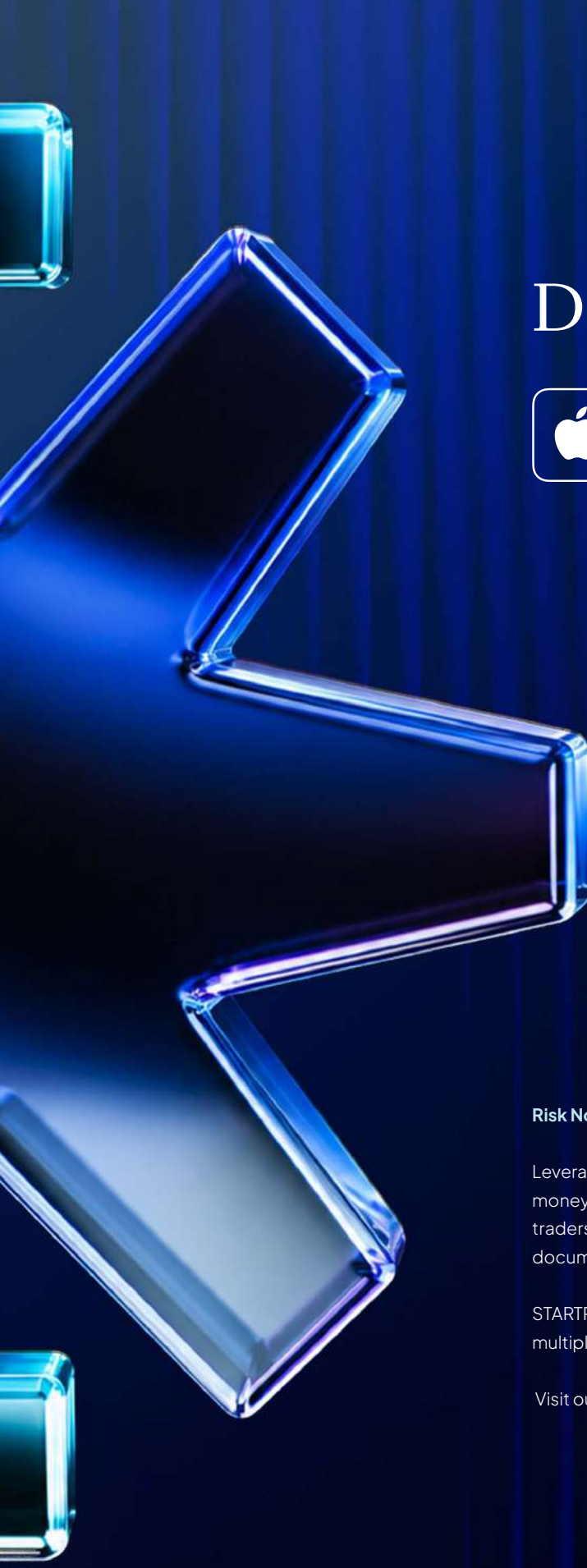


At the same time, monetary policy remained one of the most influential drivers of market performance. The Federal Reserve's June meeting reinforced the message that inflation remains its primary concern, with policymakers keeping interest rates unchanged while signaling that further tightening remains a possibility. This hawkish shift strengthened the US Dollar, pushed Treasury yields higher, and placed significant pressure on precious metals and cryptocurrencies. Meanwhile, interest-rate differentials became the dominant force in the foreign exchange market, supporting the dollar against most major currencies and contributing to increased volatility across global asset classes.

Looking ahead to the third quarter, investors are expected to focus on several key themes. The July Federal Reserve meeting will likely determine whether the current "higher-for-longer" interest-rate narrative remains intact or begins to soften. Inflation data, labor market reports, and corporate earnings will provide important insight into the health of the global economy and the direction of monetary policy. Markets will also continue to monitor the implementation of the US-Iran peace agreement, as any deterioration in geopolitical conditions could quickly reverse recent trends in oil prices and risk sentiment.

In equity markets, attention is expected to remain on artificial intelligence, corporate earnings, and the next wave of high-profile technology IPOs, including the potential public listings of OpenAI and Anthropic. Commodity markets will continue balancing geopolitical developments against central bank policy, while cryptocurrencies will look for renewed institutional demand following a challenging quarter. In foreign exchange markets, interest-rate differentials and central bank communication are likely to remain the primary drivers of currency performance.

Although risks remain elevated, the overall outlook for Q3 2026 remains cautiously constructive. Strong corporate fundamentals, continued investment in artificial intelligence, resilient consumer spending, and easing geopolitical tensions provide support for risk assets. Nevertheless, investors should remain prepared for periods of heightened volatility as markets continue to navigate persistent inflation, evolving central bank policies, and an increasingly complex geopolitical landscape. As has been the case throughout 2026, flexibility, disciplined risk management, and close monitoring of macroeconomic developments will remain essential for successfully navigating the financial markets in the months ahead.



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