

MARKET TREND

INDEX	18/05/2026	YTD	COMMO	18/05/2026	1Y	CURRENCIES	18/05/2026	YTD	BONDS	18/05/2026	1Y	▲
S&P500	7,408.50	8.22%	GOLD	4,540.99	41.89%	EUR-USD	1.164	-0.89%	US 10 Y	4.61%		16
NASDAQ	26,225.14	12.84%	SILVER	76.48	137.08%	GBP-USD	1.339	-0.55%	UK 10 Y	5.24%		54
DOW JONES	49,526.17	3.04%	WTI	102.64	69.79%	USD-CAD	1.374	0.38%	AUS 10 Y	5.09%		60
EURO STOXX	5,769.63	-1.39%	NAT. GAS	3.02	-25.65%	CHF-USD	1.272	0.73%	SW 10 Y	0.51%		14
HANG SENG	25,601.16	-0.12%	CORN	475.50	2.70%	USD-CNY	6.799	-2.81%	NOR 10 Y	4.46%		43
TA-125	4,258.20	16.51%	COFFEE	265.75	-19.86%	USD-ILS	2.902	-8.60%	ISR 10 Y	3.97%		-45

Overview:

Global stock markets ended the week with a mixed but generally positive tone, supported by strong corporate earnings—particularly in the U.S. technology sector—while geopolitical tensions in the Middle East increased volatility and pushed oil prices sharply higher. In the United States, the S&P 500 and Nasdaq Composite continued to outperform on AI-driven momentum and resilient earnings, while European markets remained more cautious due to inflation and energy concerns. Asian markets showed mixed performance as higher oil prices weighed on investor sentiment despite improving flows into Japanese and Korean equities. In Israel, the TA-125 remained resilient and near record levels, supported by strong domestic momentum and continued investor confidence.

WORLDWIDE TOP NEWS

- Escalation in the Middle East as tensions between the U.S. and Iran intensify around the Strait of Hormuz, threatening global oil supply and maritime trade
- Oil prices surged above \$110–\$120 per barrel, raising global inflation risks and increasing concerns over economic slowdown
- The U.S. launched a major naval operation to secure shipping routes while hundreds of vessels remain stranded in the region
- Global markets remained supported by strong corporate earnings, particularly in the technology sector despite geopolitical instability
- A growing shift toward renewable energy and electric vehicles accelerated as high oil prices reshape long-term energy demand
- Central banks signaled caution, with the Federal Reserve and Bank of Japan showing internal divisions on future policy direction
- Increased geopolitical tensions triggered attacks on energy infrastructure in the Gulf, heightening global security concerns
- Political tensions in the U.S. rose alongside foreign policy challenges and domestic uncertainties impacting policy direction
- Rising antisemitism in Europe sparked security concerns and calls for stronger government action
- A global climate initiative involving dozens of countries highlighted growing urgency to reduce dependence on fossil fuels

REAL ESTATE

- Rising mortgage rates globally are slowing housing demand and resetting expectations for home sales, particularly in the U.S. and Europe
- Geopolitical tensions and the Iran conflict are weighing on real estate sentiment and increasing uncertainty for investors across regions
- Asia-Pacific real estate markets are showing renewed strength, with investors returning and commercial property demand gradually recovering
- Investment appetite in Asia is improving, supported by better rental prospects, reduced supply, and easing financing conditions
- Data centers and logistics assets continue to attract strong investor interest in both the U.S. and Europe as top-performing real estate segments
- European real estate remains fragile overall, with high interest rates and weak transaction volumes delaying a full recovery in commercial property
- In Israel, the housing market remains relatively soft but is stabilizing, with expectations of gradual recovery and price normalization in 2026
- Jerusalem is outperforming within Israel's market, showing stronger price resilience and relative demand compared to other cities
- Global real estate investment is becoming more selective, with investors focusing on high-quality and income-generating assets
- Cross-border real estate trends are shifting, with increased interest from international buyers in select markets driven by pricing opportunities and diversification needs

BANKING & FINANCE

- HSBC reported disappointing results after a \$400M fraud-related loss tied to private credit exposure, highlighting growing risks in that segment
- Banks globally are increasing provisions and becoming more cautious due to geopolitical tensions, particularly linked to the Middle East conflict
- European banks such as BNP Paribas saw weaker investment banking revenues as clients adopt a "wait-and-see" approach amid uncertainty
- Barclays tightened lending standards after losses linked to fraud and risky credit exposures, reflecting broader sector caution
- U.S. banks outperformed peers, benefiting from strong trading revenues driven by market volatility and active equity markets
- Private credit markets are increasingly under scrutiny as losses and fraud cases raise concerns about systemic risk in a rapidly growing sector
- Global banking activity remains uneven, with strong trading performance offset by weaker dealmaking and reduced M&A activity outside the U.S.
- Morgan Stanley faces a regulatory investigation over its offshore investment banking program, raising compliance and governance concerns
- Rising oil prices and inflation pressures are increasing uncertainty for central banks, complicating future monetary policy decisions
- Central banks globally remain cautious, balancing inflation risks with slowing growth as geopolitical tensions tighten financial conditions

TECHNOLOGY

- Major U.S. tech companies continued to drive markets higher as strong earnings and AI-related growth reinforced investor confidence in the sector
- Investment in artificial intelligence accelerated globally, with companies increasing spending on infrastructure, chips, and data centers to support AI expansion
- Semiconductor stocks remained strong as demand for advanced chips linked to AI and cloud computing continued to rise
- Big Tech firms increased competition in generative AI, launching new tools and integrating AI features across consumer and enterprise platforms
- Cybersecurity concerns intensified globally, with governments and corporations increasing spending to counter rising digital threats
- Europe pushed forward new digital regulations targeting large technology companies, focusing on competition, data protection, and AI governance
- China continued to support its domestic tech sector with policy measures aimed at boosting innovation and reducing reliance on foreign technology
- Cloud computing growth remained robust, driven by enterprise digital transformation and AI-related workloads
- Tech M&A activity remained selective, with companies focusing on strategic acquisitions in AI, cybersecurity, and enterprise software
- Global demand for electric vehicles and related technologies remained strong, supporting growth in battery and clean-tech sectors

Key Economic Indicators:

- Inflation pressures increased globally, driven by rising energy prices, with several economies seeing headline inflation move back toward 3%–5% ranges
- Central banks remained hawkish, with interest rate hikes continuing in some countries as policymakers respond to persistent inflation risks
- Economic growth expectations were revised downward in multiple regions, with GDP forecasts around 1%–1.3% in advanced economies amid geopolitical uncertainty
- Labor markets showed mixed signals, with unemployment remaining relatively low in some regions but rising in others such as Europe
- Oil price shocks linked to Middle East tensions are increasingly impacting inflation, growth, and global economic stability
- Signs of stagflation risk are emerging, with slower growth combined with persistent inflation pressures across major economies
- Central banks globally are balancing inflation control with slowing economic activity, creating uncertainty over future monetary policy direction
- Germany reported modest GDP growth of around 0.3% in Q1 but faces rising unemployment and recession risks
- Asia-Pacific economies are facing higher inflation and weaker growth outlooks due to energy costs and external shocks
- Global macro outlook points to moderate growth (~3%) but with elevated downside risks tied to geopolitical tensions and energy markets

Outlook:

The outlook for the upcoming week is expected to remain volatile, driven by a fragile balance between strong corporate earnings—particularly in the U.S. technology sector—and rising geopolitical risks, especially in the Middle East, which are keeping oil prices elevated and sustaining inflation concerns; investors will closely monitor central bank signals, key U.S. economic data such as employment figures, and bond yield movements, while equity markets may stay supported but with narrow leadership, currencies like the dollar could strengthen as a safe haven, and overall sentiment is likely to remain cautious with markets highly sensitive to any geopolitical or macroeconomic developments.

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