

ZITAPLUS

WEEKLY BULLETIN

13 — 17 JUL 2026
NO: 49

US HOME PRICES HIT RECORD HIGH

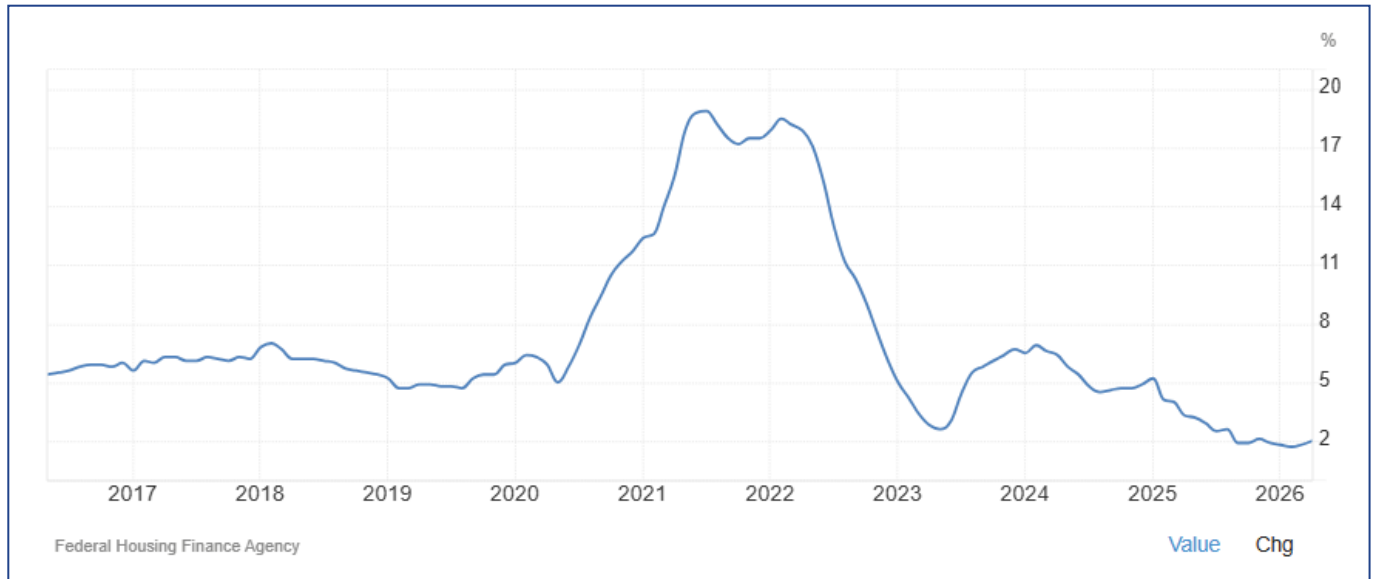


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TIME	CUR.	EVENT	FORECAST	PREVIOUS
TUESDAY, JUL 14				
16:30		CPI (MoM) (Jun)	-0.1%	0.5%
16:30		Core CPI (MoM) (Jun)	0.3%	0.2%
16:30		CPI (YoY) (Jun)	-	4.2%
WEDNESDAY, JUL 15				
06:00		GDP (YoY) (Q2)	-	5.0%
16:30		PPI (MoM) (Jun)	0.0%	1.1%
17:45		BoC Interest Rate Decision	2.25%	2.25%
THURSDAY, JUL 16				
10:00		GDP (MoM) (May)	0.1%	-0.1%
16:30		Retail Sales (MoM) (Jun)	0.3%	0.9%
16:30		Core Retail Sales (MoM) (Jun)	-0.1%	0.8%
16:30		Philadelphia Fed Manufacturing Index (Jul)	12.1	10.3
16:30		Initial Jobless Claims	215K	215K
FRIDAY, JUL 17				
16:30		CPI (YoY) (Jun)	2.8%	2.8%

US HOME PRICES HIT RECORD HIGH



United States home prices ascended to a fresh peak in June, reinforcing a challenging landscape for prospective buyers despite decelerating sales volumes. Data from the National Association of Realtors indicated that the median price for existing homes climbed to \$440,600, representing a 1.8% annual advance. This persistent price growth arrives as households grapple with restrictive mortgage rates, elevated living costs, and diminished buying power. While the current trajectory is less aggressive than the post-pandemic housing boom, the financial barrier to entry continues to widen.

SALES CONTRACT UNDER PRESSURE

The combination of premium pricing and elevated borrowing costs heavily restricted demand during the month:

- Existing home sales contracted by 2.4% in June.
- The final sales figures missed market consensus forecasts, which had anticipated a modest monthly increase.
- Heightened buyer caution reflects a growing resistance to record-setting property valuations.

AFFORDABILITY GAINS MOVE SLOWLY

Adjusted for inflation, recent real home price appreciation appears more subdued. Domestic wage growth has outpaced headline property appreciation, a dynamic that could gradually alleviate affordability constraints over a longer horizon. However, this structural correction remains a slow process and is unlikely to catalyze a near-term resurgence in transaction volumes.

ECONOMIC OUTLOOK

The real estate sector remains an essential barometer for the broader economy. Continued labor market strength and rising household incomes could provide an underlying floor for housing demand. Even so, without a meaningful drop in financing costs or a correction in valuations, sustainable sales momentum will likely remain muted as consumers navigate intense financial pressure.



\$ DXY

DOLLAR INDEX HOLDS FIRM ABOVE 101

The dollar gained support from intensifying geopolitical friction and climbing energy costs, which revived expectations that the Federal Reserve will maintain a restrictive stance against inflation risks.

Technically, the Dollar Index preserves its upward bias above the 101.00 threshold. A decisive breakout above 101.80 could spark renewed buying interest, turning market focus toward the next resistance targets.



🔥 BRENT OIL

BRENT STAYS FIRM NEAR \$80

Brent crude continues to trade near \$80 as renewed US-Iran tensions surrounding the Strait of Hormuz keep supply risks elevated. Rising oil prices could also reinforce inflation expectations, particularly as refined fuel markets remain tight.

From a technical perspective, a move above 82.35 would strengthen the bullish outlook and could attract additional buying interest. On the downside, \$70 remains the key supporting level. As long as Brent stays above this area, geopolitical concerns are likely to continue supporting prices.



XAUUSD

GOLD FACES PRESSURE BELOW 4020

Gold remains under pressure as renewed Gulf tensions lift inflation concerns and reinforce expectations of a more restrictive Federal Reserve. Higher Treasury yields and a stronger US dollar continue to weigh on precious metals.

Technically, gold is testing key hourly support. A break below \$4,020 could accelerate selling and expose the \$3,982 level.

Markets will also watch Fed Chair Kevin Warsh's congressional testimony for fresh signals on inflation, interest rates, and the dollar Outlook.



XAGUSD

SILVER TESTS KEY SUPPORT LEVELS

Silver begins the week on the back foot as geopolitical tensions, higher oil prices, a stronger US dollar, and weaker sentiment toward technology stocks weigh on the market.

The decline toward the \$58 area suggests selling pressure remains in place. If weakness continues, the \$54.50–\$55.00 support zone could come back into focus.

On the upside, the \$59.30–\$59.70 area remains the key resistance, as it coincides with the recent gap. Unless silver recovers this range, upside attempts may stay limited.



HORMUZ DISRUPTION RAISES MARKET RISKS



Image Credit: REUTERS/Stringer

The Strait of Hormuz has returned to the center of global market attention after reports that Iran closed the strategic waterway "until further notice." The development has renewed concerns over energy supplies, maritime security, and escalating tensions between the United States and Iran. Although some tankers have continued operating through routes near Oman, uncertainty has pushed the region's geopolitical risk premium higher.

CONFLICT EXPANDS BEYOND MILITARY TARGETS

The latest escalation followed attacks on commercial vessels near the Gulf of Oman. A Cyprus-flagged ship was reportedly struck and left disabled, while several Indian nationals were stranded after a separate incident off the Omani coast. The Pentagon accused Iran's Revolutionary Guards of carrying out the attacks, while Tehran described its actions as a response to US military operations and growing regional pressure.

In response, US forces launched another series of airstrikes targeting Iranian missile and drone facilities, ammunition depots, communication networks, and coastal surveillance sites, according to CENTCOM. The strikes marked another significant escalation after several rounds of military action in recent days.

Iran later claimed it had retaliated against US-linked logistics and defense facilities in Jordan, Kuwait, Oman, and Qatar. While many of those claims have not been independently verified, the conflict appears to be extending beyond military installations to include maritime routes and critical energy infrastructure.

ENERGY MARKETS ARE ON ALERT

The Strait of Hormuz remains one of the world's most important energy corridors, carrying a substantial share of global oil and liquefied natural gas exports. Any prolonged disruption could tighten energy supplies, lift oil and LNG prices, reignite inflation concerns, and complicate the outlook for central banks already facing uncertain policy conditions.

Markets are now closely watching whether the situation remains contained or develops into a broader regional conflict. Until shipping routes become more secure and diplomatic efforts gain traction, energy markets are likely to remain highly sensitive to geopolitical headlines, while safe-haven assets such as gold and the US dollar could continue to attract demand.



FED MINUTES HIGHLIGHT INFLATION RISK AGAIN



Image Credit: China News Service / Getty Images

The minutes from Federal Reserve Chairman Kevin Warsh's first meeting showed that the Fed maintains a cautious stance regarding inflation risks. Federal Open Market Committee officials emphasized that although specific price pressures have registered recent declines, substantial additional evidence is required to confirm that inflation is sustainably returning to its target.

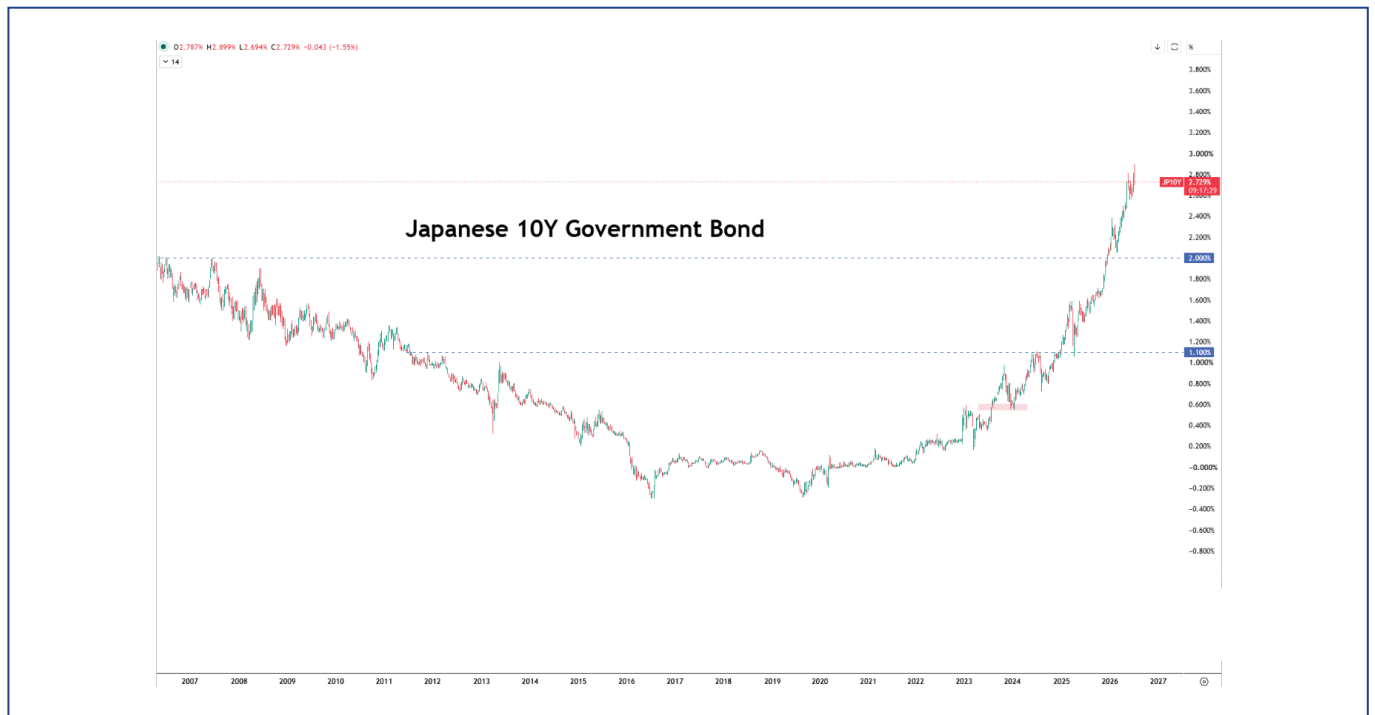
DATA-DEPENDENT PATH

The primary takeaway from the publication underscored the central bank's reluctance to rush adjustments to its current interest rate path. While some policymakers highlighted emerging signs of moderating economic growth, others cautioned that elevated energy costs, resilient wage expansion, and intensifying geopolitical frictions could easily trigger renewed upward price pressures. Under Warsh's leadership, the Fed reiterated its strategy of avoiding explicit forward guidance, choosing instead to evaluate policy adjustments on a meeting-by-meeting basis using incoming data. This framework elevates the market significance of all upcoming employment and inflation data releases.

MARKET IMPLICATIONS

From a broader market perspective, the minutes demonstrate that the central bank has not shifted toward an outright dovish policy posture. Although soft labor market metrics have tempered aggressive interest rate expectations, the Fed remains fundamentally prioritized on containing inflation. The macroeconomic outlook remains balanced on a fine edge. Signs of an economic slowdown could sap momentum from future tightening projections, but sticky inflation or a renewed surge in crude oil prices will sustain a hawkish policy framework. For global financial markets, the near-term trajectory will continue to be driven by upcoming labor statistics, consumer price indices, and energy sector volatility.

JAPAN'S BOND MARKET DRAWS FRESH ATTENTION



While much of the market remains focused on artificial intelligence and elevated US equity valuations, some analysts believe a larger macro risk may be developing in Japan. Market strategist Albert Edwards argues that Japan's bond market deserves closer attention as rising yields, persistent yen weakness, and changing monetary policy begin to challenge the country's long-standing financial framework.

A LONG-RUNNING POLICY FACES NEW PRESSURE

For decades, Japan maintained exceptionally low government bond yields through ultra-loose monetary policy and large-scale bond purchases by the Bank of Japan. This approach helped finance one of the highest public debt levels among developed economies while keeping borrowing costs low.

That environment is beginning to change. Inflation has picked up, global interest rates have risen, and the Bank of Japan has started moving away from its highly accommodative stance. As a result, Japanese government bond (JGB) yields have climbed, raising questions about how smoothly the transition can be managed.

The yen has added to those concerns. Although a weaker currency can benefit exporters, it also increases import costs and places additional pressure on households and businesses. If bond yields continue rising while the yen remains under pressure, investors may begin to question the sustainability of Japan's current policy mix.

POTENTIAL GLOBAL MARKET IMPACT

Japan has long been viewed as a difficult market to bet against, earning the reputation of a "widow-maker" trade. Many investors have correctly identified long-term vulnerabilities, yet the country's policy framework has repeatedly delayed the expected turning point.

Edwards argues that the issue is not whether a crisis is imminent, but whether Japan is entering a more fragile phase. A loss of confidence in the country's bond or currency markets could extend well beyond Japan, affecting global bond markets, the yen carry trade, international liquidity, and broader investor sentiment.

For market participants, Japan is becoming an increasingly important macro story rather than a quiet backdrop. As the Bank of Japan gradually normalizes policy, developments in JGB yields, the yen, and inflation could become key drivers for global financial markets. While AI continues to dominate headlines, growing attention is turning toward Japan's bond market as a potential source of future volatility.

Market Roundup

GEOPOLITICS REMAIN IN FOCUS

Geopolitical developments continue to dominate market sentiment. The Trump administration has formally notified Congress of its plan to remove Syria from the US list of state sponsors of terrorism, triggering a 45-day review period. If approved without objections, the move could lead to a gradual easing of sanctions and create opportunities for increased trade and investment.



Image Source: Saul Loeb/AFP/Getty Images

U.S.-IRAN TENSIONS ARISE

Meanwhile, tensions between the US and Iran remain elevated. Tehran said recent US strikes violated both the Islamabad Memorandum of Understanding and the UN Charter. Iran has referred the matter to the UN Security Council and warned that the attacks will not go unanswered, placing the current ceasefire framework under renewed strain.



OPENAI EXPANDS VOICE AI

In the technology sector, OpenAI introduced its new full-duplex voice models, GPT-Live-1 and GPT-Live-1 mini. The models can listen and respond simultaneously, enabling more natural conversations, smoother turn-taking, real-time translation, and enhanced reasoning through updated text models. ChatGPT's Advanced Voice Mode will be upgraded with GPT-Live-1 mini by default, while paid users will gain access to the more capable GPT-Live-1 model.



ECB WATCHES ENERGY-DRIVEN INFLATION

In Europe, ECB Governing Council member Joachim Nagel warned that renewed Middle East tensions and higher energy prices could fuel inflation. He said the ECB may still need to continue raising interest rates while keeping other policy options available. His comments suggest that energy-related inflation risks are once again becoming an important factor in the ECB's policy outlook.



Image Source: Krisztian Bocsi/Bloomberg

Market Roundup

LEGAL FRICTION IN AI TRAINING

Artificial intelligence governance, data privacy rights, and expanding infrastructure expenditures continue to dominate investor attention. The New York Times and the Daily News recently alleged that OpenAI removed or modified critical evidence related to their ongoing copyright litigation. This legal battle intensifies regulatory scrutiny on generative platforms, potentially establishing a monumental judicial precedent regarding intellectual property rights in model training.



Image Source: REUTERS/Dado Ruvic

ENVIRONMENTAL COSTS OF COMPUTING

Microsoft simultaneously highlighted the massive ecological footprint of the current technological expansion. The corporation reported a 25% year-over-year surge in its 2025 carbon emissions to nearly 20 million metric tons of CO₂ equivalent. This increase, driven by intensive data center construction and adjusted renewable credit accounting, underscores how aggressive digital scaling threatens corporate environmental targets.



Image Source: REUTERS/Lucy Nicholson

CENTRAL BANK ADVISORY RESHUFFLE

Regarding monetary policy, Federal Reserve Chairman Kevin Warsh appointed members to five advisory task forces focusing on communications, balance sheet management, economic data, employment, and inflation. Prominent figures including Mervyn King, Raghuram Rajan, and Marc Andreessen will participate. This initiative indicates an effort by the central bank to modernize its structural framework utilizing diverse outside expertise.



AI GOVERNANCE AND LEADERSHIP

Technological oversight remained highly relevant following the appointment of former Federal Reserve Chair Ben Bernanke to Anthropic's Long-Term Benefit Trust. His responsibilities will center on evaluating the macroeconomic, societal, and administrative impacts of machine learning, occurring amid rising public concern regarding automation, labor markets, and institutional accountability.



Image Source: Al Drago/Bloomberg

The Week Ahead

Markets will closely watch Middle East developments as renewed US-Iran tensions keep oil supply risks and inflation concerns in focus. Earnings season begins with major US banks, alongside Netflix and Johnson & Johnson, while Fed Chair Kevin Warsh is set to testify before Congress on potential Federal Reserve reforms. Key US releases include June CPI, retail sales, housing data, and the University of Michigan consumer sentiment survey. In Europe, attention turns to the UK's May GDP, while China will publish Q2 GDP, trade, industrial production, retail sales, unemployment, credit, and house price data.

AMERICAS

Warsh's testimony before the House and Senate will be the main event as investors assess the chances of a September rate hike following June's hawkish Fed meeting and softer labor data. Earnings season starts with JPMorgan, Bank of America, Citigroup, Goldman Sachs, Wells Fargo, BlackRock, Johnson & Johnson, Morgan Stanley, Thermo Fisher, Abbott, GE Aerospace, UnitedHealth, Intuitive Surgical, and Netflix. Markets will also watch June CPI, producer prices, retail sales, industrial production, housing data, business inventories, capital flows, regional manufacturing surveys, and the University of Michigan sentiment index. The Bank of Canada is expected to keep rates unchanged, while Canada's housing starts and Brazil's business confidence are also due.

EUROPE

The European calendar is relatively light, led by final Eurozone inflation and the UK's May GDP. UK releases also include industrial and manufacturing output and trade data, with growth expected to resume after April's contraction. Markets will monitor speeches by Andrew Bailey and Rachel Reeves, while Andy Burnham is expected to be confirmed as ruling party leader before becoming prime minister on July 20. Other releases include Eurozone industrial production, trade balance, Germany's wholesale prices, and Italy's trade data.

ASIA-PACIFIC

China will release Q2 GDP, along with industrial production, retail sales, trade, credit, unemployment, and house prices, offering a broad view of economic conditions. Japan publishes machinery orders, the Reuters Tankan survey, the tertiary industry index, and final industrial production. India releases inflation, unemployment, and trade figures, while Australia reports consumer and business confidence and inflation expectations. South Korea announces its policy decision and unemployment; Singapore releases preliminary Q2 GDP and trade data, Malaysia reports GDP and inflation, and TSMC reports earnings.





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