WEEKLY MARKET OVERVIEW

Macro | Equities | Bonds | Crypto | Earnings | Futures

03 August 2026

The "Weekly overview" analysis has been prepared by ARARATBANK OJSC and can be used **only as general information**. The provided information is considered relevant within a reasonable period of time from the date of publication, depending on market behavior. The "Overview of the week" analytical report has been prepared based on currently available **public information**, which ARARATBANK OJSC considers credible. However, ARARATBANK OJSC **does not warrant** that this information is complete and reliable and, therefore, **it should not be considered as advice or recommendation for executing a financial transaction.**

The instruments outlined in "Weekly Overview" have been chosen based on the **general market approach** and big public interest towards the shares of the companies with high turnover volume and sound public acknowledgement during the reporting period. Consequently, the selected investment products may **not meet the needs and requirements of all investors**. Each investor should **individually examine and assess** its investment opportunities, the structure of the investment portfolio and the risks arising therefrom for all or separate assets. Before making an investment decision or executing a transaction, each investor should examine the information describing risks, commissions, and other potential costs. Investors should pay special attention to the **Risk/Return Ratio** to ensure that the investment matches their investment goals.

Any forecast of potential loss or gain is **a mere description** and should not be viewed as a restriction on maximum possible loss or gain. Investments **are not guaranteed or insured by ARARATBANK OJSC** or any other financial company or any local government body or insurance agency and thus **are exposed to investment risks** up to **a potential loss of the entire amount**. Investors making investments in foreign currency should be aware of the risk of exchange rate fluctuations that may lead to a loss of the amount invested.

ARARATBANK OJSC assumes that prior to making an investment decision, the customer **understands and is aware of any tax and legal obligations related to the transaction.** ARARATBANK OJSC **may not be held liable** for all direct and indirect potential **damages** caused by any partial or complete use of the information and conclusions contained in the "Weekly Overview" analysis.

Of the US stock indices, only the Dow Jones Industrial Average recorded a positive result in July.

US Treasury bond yields rose last month.

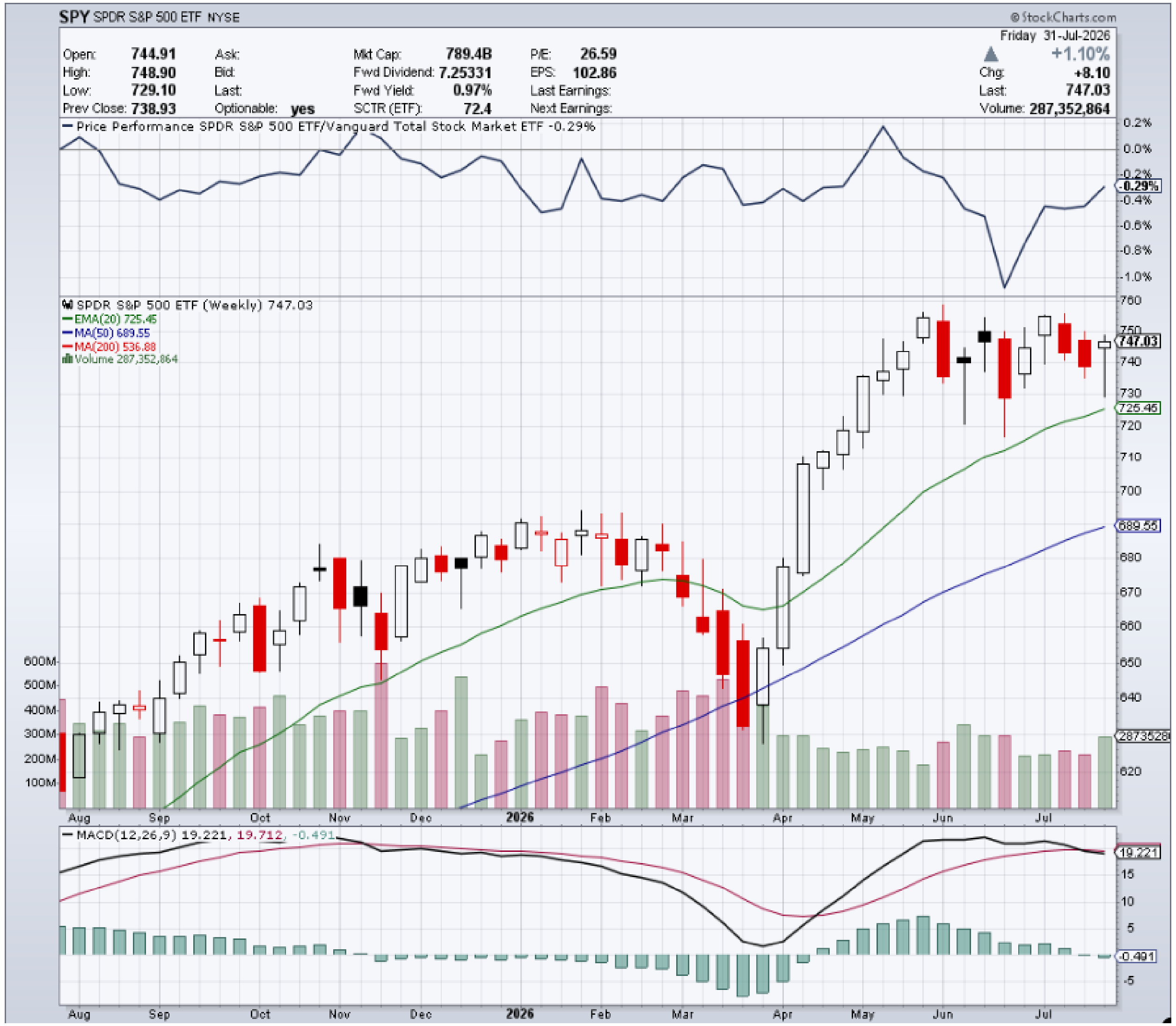
The price of Bitcoin rose over the past month.

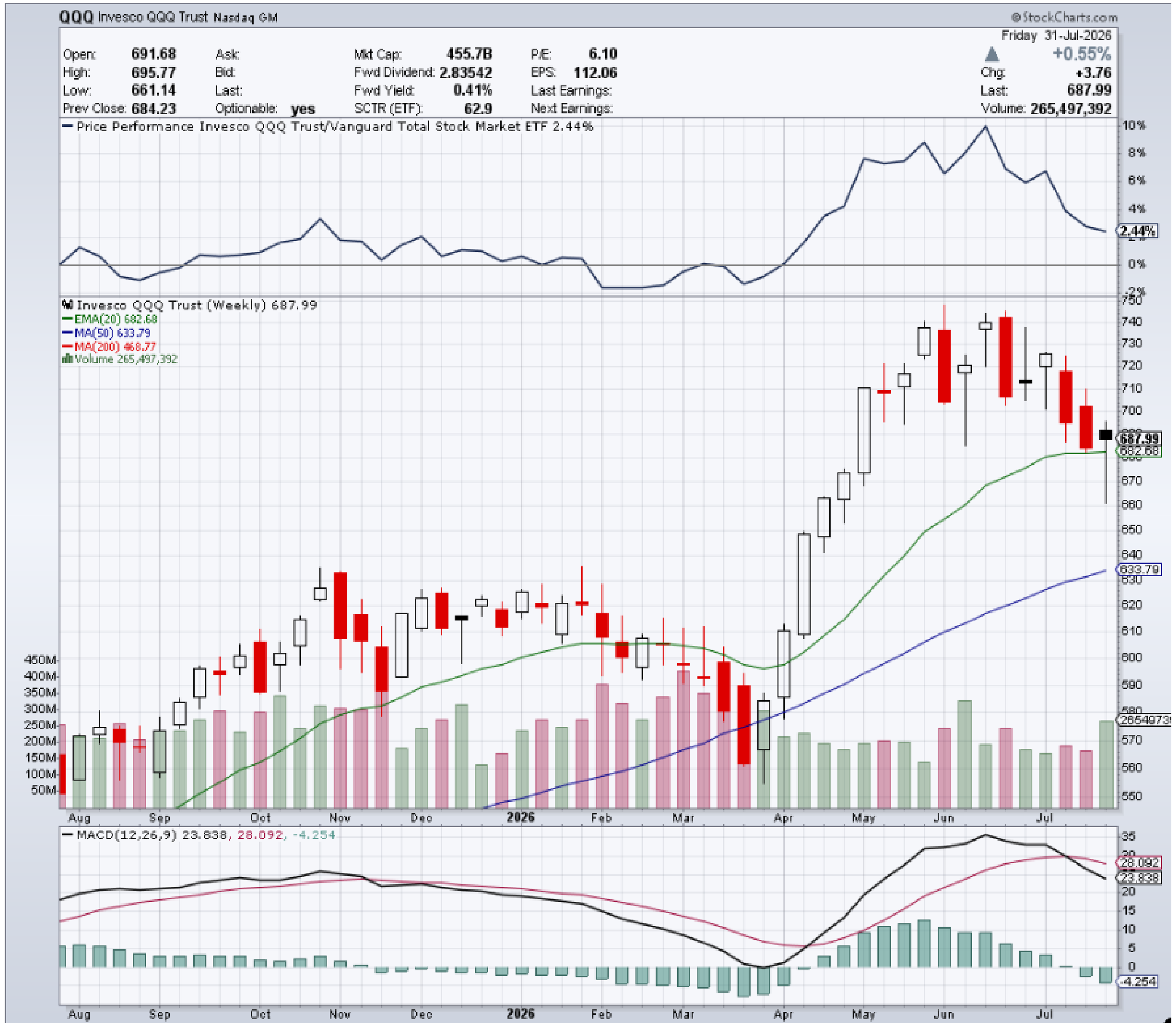
Among the sectors, energy recorded the best results.

Indices

S&P500's performance: +1.10%

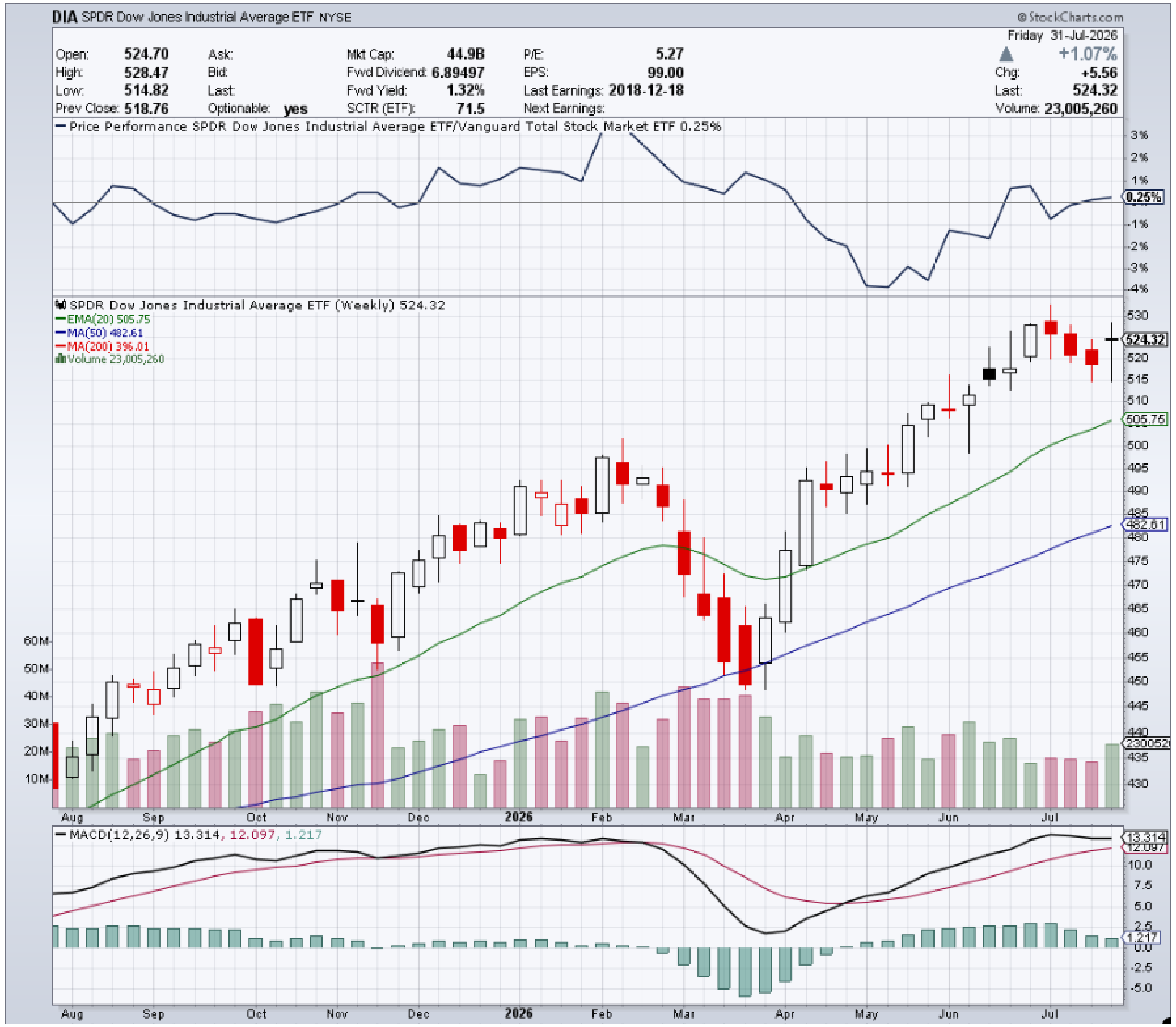
Nasdaq's performance: +0.55%



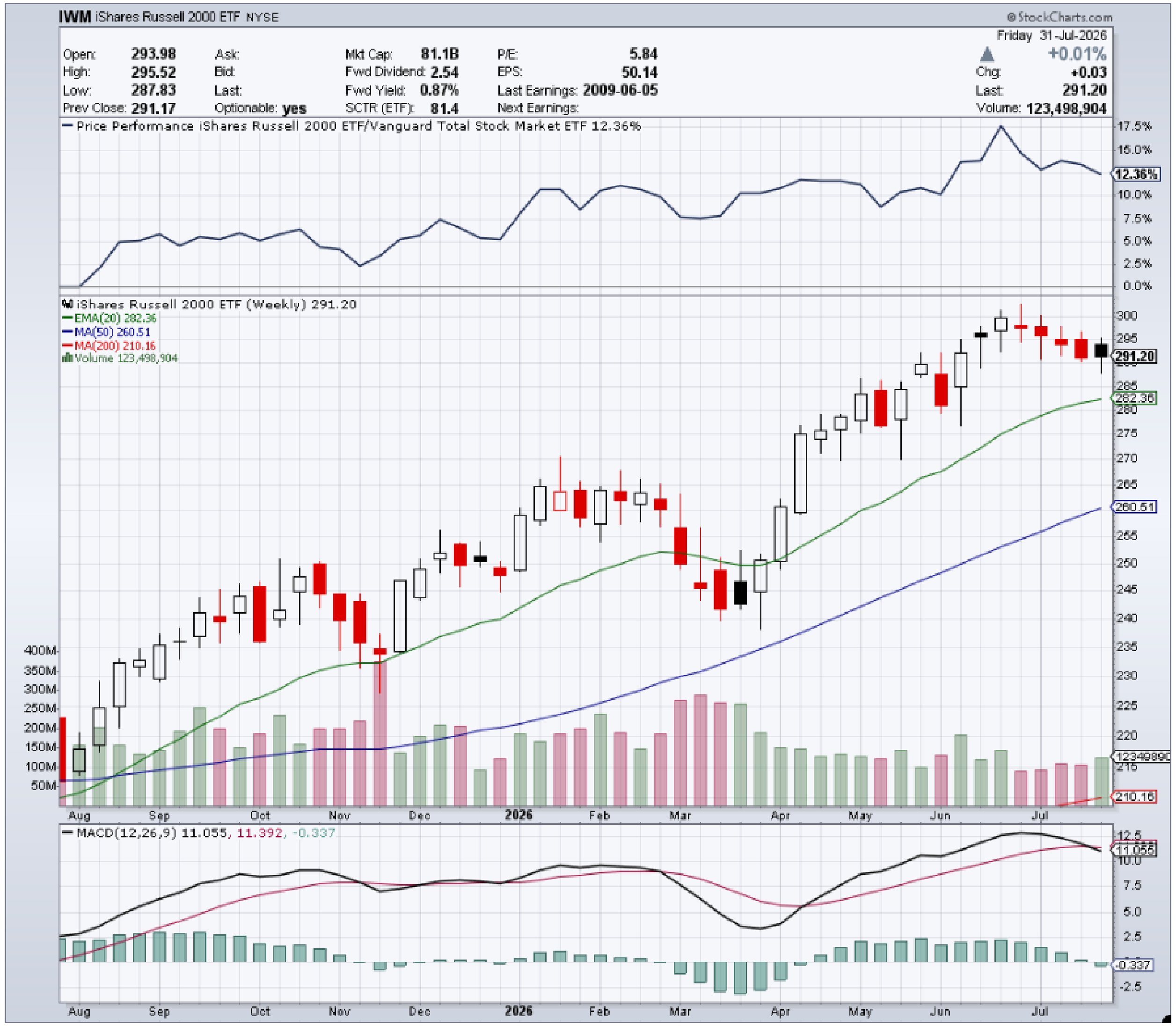


Indices

Dow Jones' performance: +1.07%



Russell 2000's performance: +0.01%



Indices

Despite the high volatility in the markets in July, the S&P 500 ended the month with a slight decline, and the Nasdaq recorded its weakest result since March 2025. The market was mainly influenced by concerns about the AI sector, uncertainty over the Federal Reserve's policy, geopolitical risks and financial reports for the second quarter of 2026. At the same time, the Dow Jones index was the only one to record a positive return.

The energy sector posted the biggest gains in a month, while the technology and materials sector posted the deepest decline.

Not all sectors of the economy felt the pressure last month: shares of software companies rose more than 19%.

Shares of semiconductor companies have fallen sharply, but have shown positive momentum since the beginning of the year.

Apple (AAPL) reported revenue of $109.4 billion for the second quarter of 2026, up approximately 10% year-over-year and exceeding market expectations. Earnings per share (EPS) was $2.02, driven by strong iPhone and Mac sales. At the same time, the company warned of rising memory chip prices and supply constraints, leading to a somewhat disappointing outlook for the next quarter.

Microsoft (MSFT) reported revenue of $90.0 billion in the second quarter of 2026, up approximately 18% year-over-year and exceeding market expectations. Earnings per share (EPS) was $4.74, and revenue from its Azure cloud platform grew 43%, driven by strong demand for AI services. The company stated that its AI business now has annual revenue of over $37 billion, and its commercial RPO backlog reached a record $678 billion.

Q2 Earnings

Amazon (AMZN) reported revenue of $200.6 billion in the second quarter of 2026, up approximately 14% year-over-year and exceeding market expectations. The primary driver of this growth was Amazon Web Services (AWS), whose revenue grew 37%, while its advertising business continued to grow at a double-digit rate. The company announced it would increase capital expenditures in 2026 to $220 billion to expand its artificial intelligence infrastructure and cloud services.

Meta Platforms (META) reported revenue of $60.8 billion in the second quarter of 2026, up approximately 28% year-on-year and slightly exceeding market expectations due to robust growth in its advertising business. However, earnings per share (EPS) of $6.18 declined approximately 13% year-on-year as the company significantly increased spending on artificial intelligence and data center development. Meta confirmed that it will continue to make significant investments.

Bond Market | Rahe Hike Expectations

Expectations for an interest rate hike in 2026 have declined, erasing roughly half the increase achieved since the first FOMC meeting under Warsh's leadership. This suggests that the market has been paying more attention to inflation risks and long-term economic prospects than to the likelihood of the Federal Reserve tightening monetary policy in the short term.

Following the Federal Open Market Committee (FOMC) meeting, US Treasury yields rose sharply, particularly in the longer-term (10-year and 30-year). This suggests that the market has revised its expectations for interest rates and inflation.

The US dollar has completely erased the gains made at Warsh's first Federal Open Market Committee (FOMC) meeting.

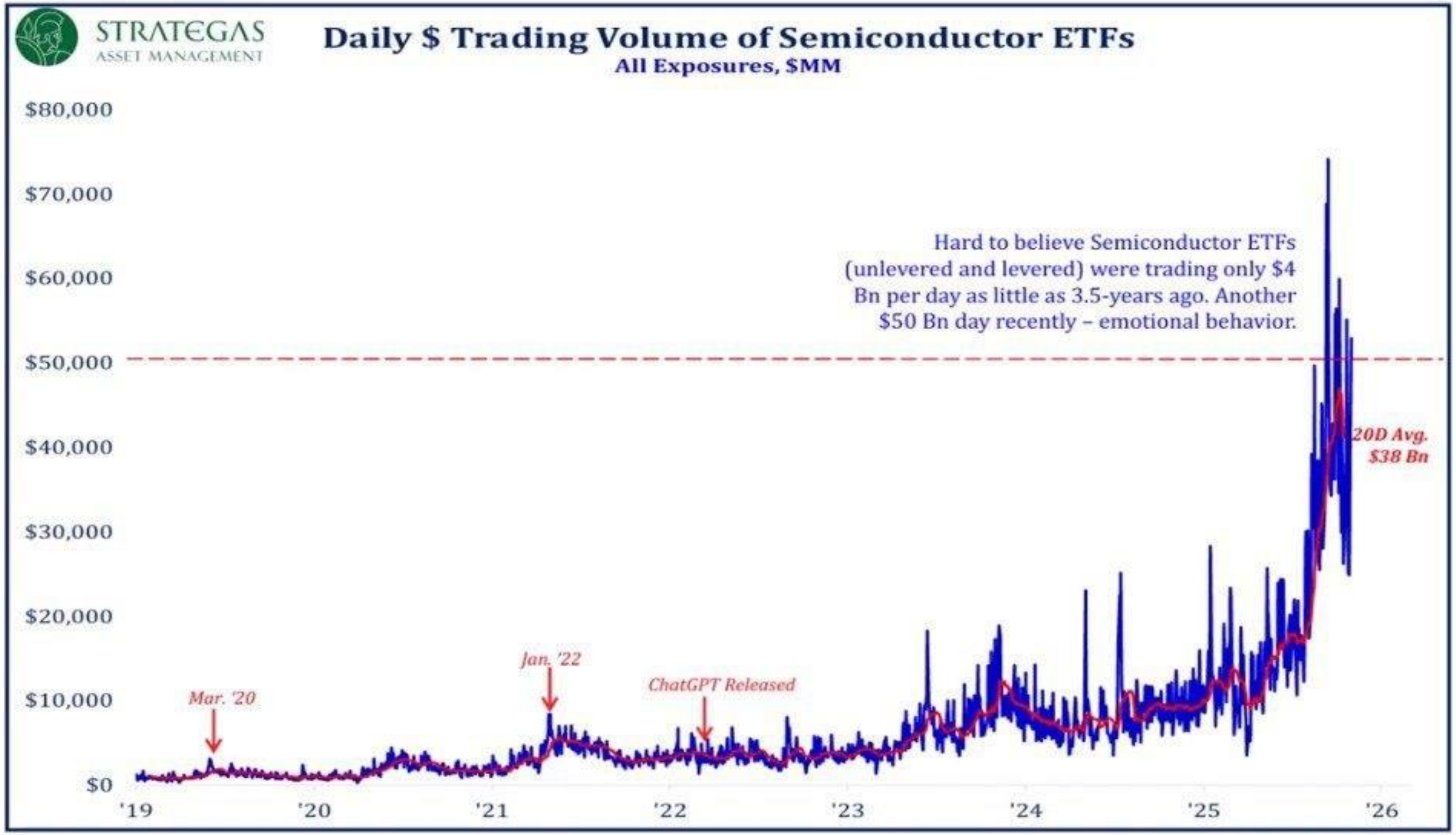
Despite the weakening US dollar, gold showed no significant changes in value in July.

Brent crude futures, the closest indicator of the physical oil market, rose significantly in July, once again exceeding $91 per barrel. At the same time, the market remained in deep backwardation, indicating that investors are assessing the risks of a short-term supply shortage and expecting strong oil demand in the coming months.

At the end of July, Bitcoin showed positive returns, exceeding the $66,000 mark.

Semiconductor ETFs are crushing every record. The trading volume of US semiconductor ETFs has now surged to $50 billion per day. This figure has more than quadrupled since January 2025. At one point in June, daily trading volume surged to a record $75 billion. As a result, the 20-day average of this metric is up to $38 billion per day, near the highest on record. To put this into perspective, in 2021 and 2022, daily trading volume never exceeded $10 billion. Semiconductor ETFs have become one of the market's strongest drivers.

OVER $50 BN OF SEMIS ETFs TRADED RECENTLY



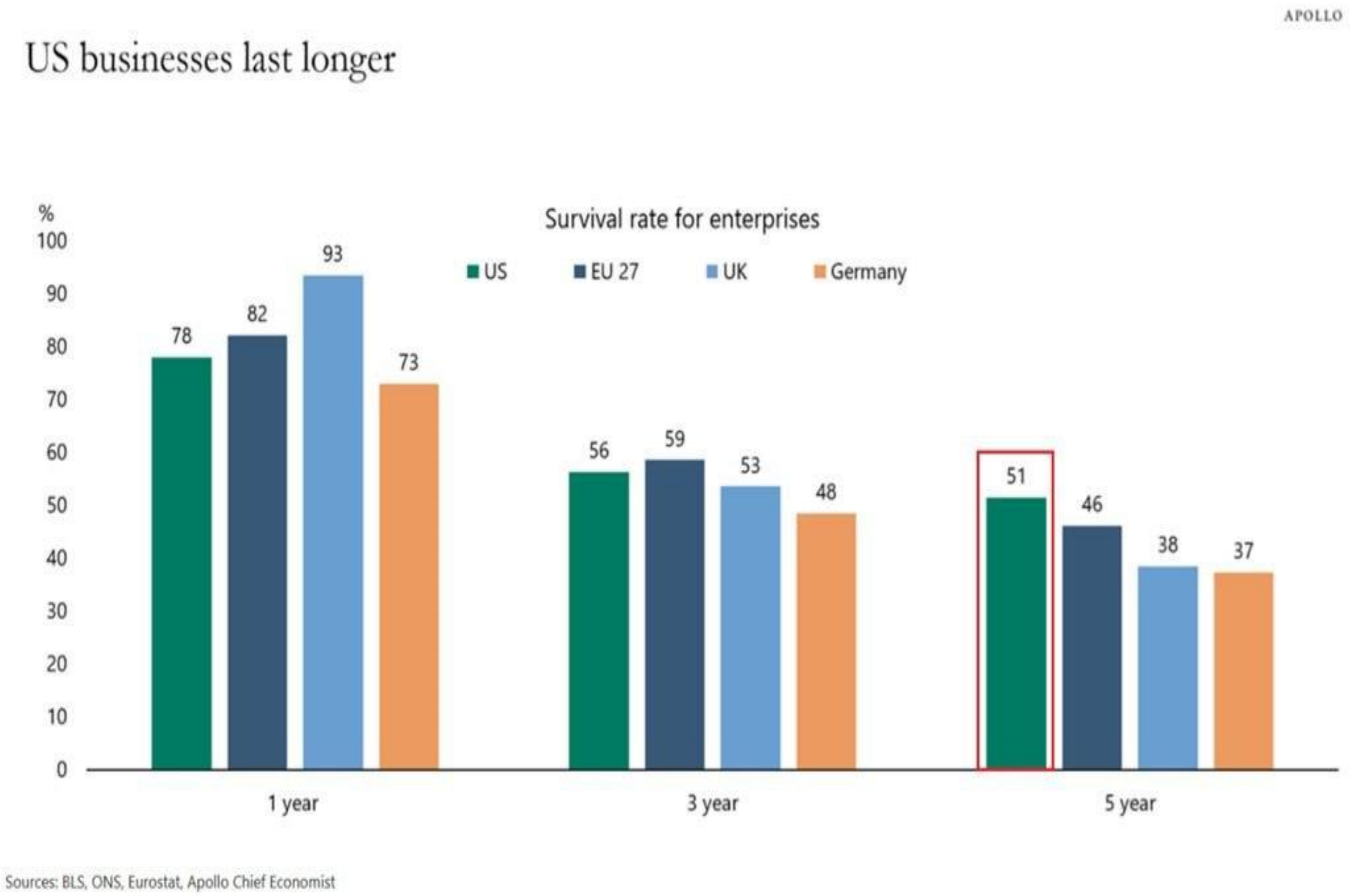
Source: Baird Strategas, Bloomberg, 7/27/26

The yield on 30-year US Treasury bonds reached 5.27%. The last time such a high yield on long-term US bonds was recorded was before the 2008 global financial crisis. Yields of 5% or more on US Treasury bonds have historically been considered a "psychologically scary" level not only for bonds but also for risky assets.

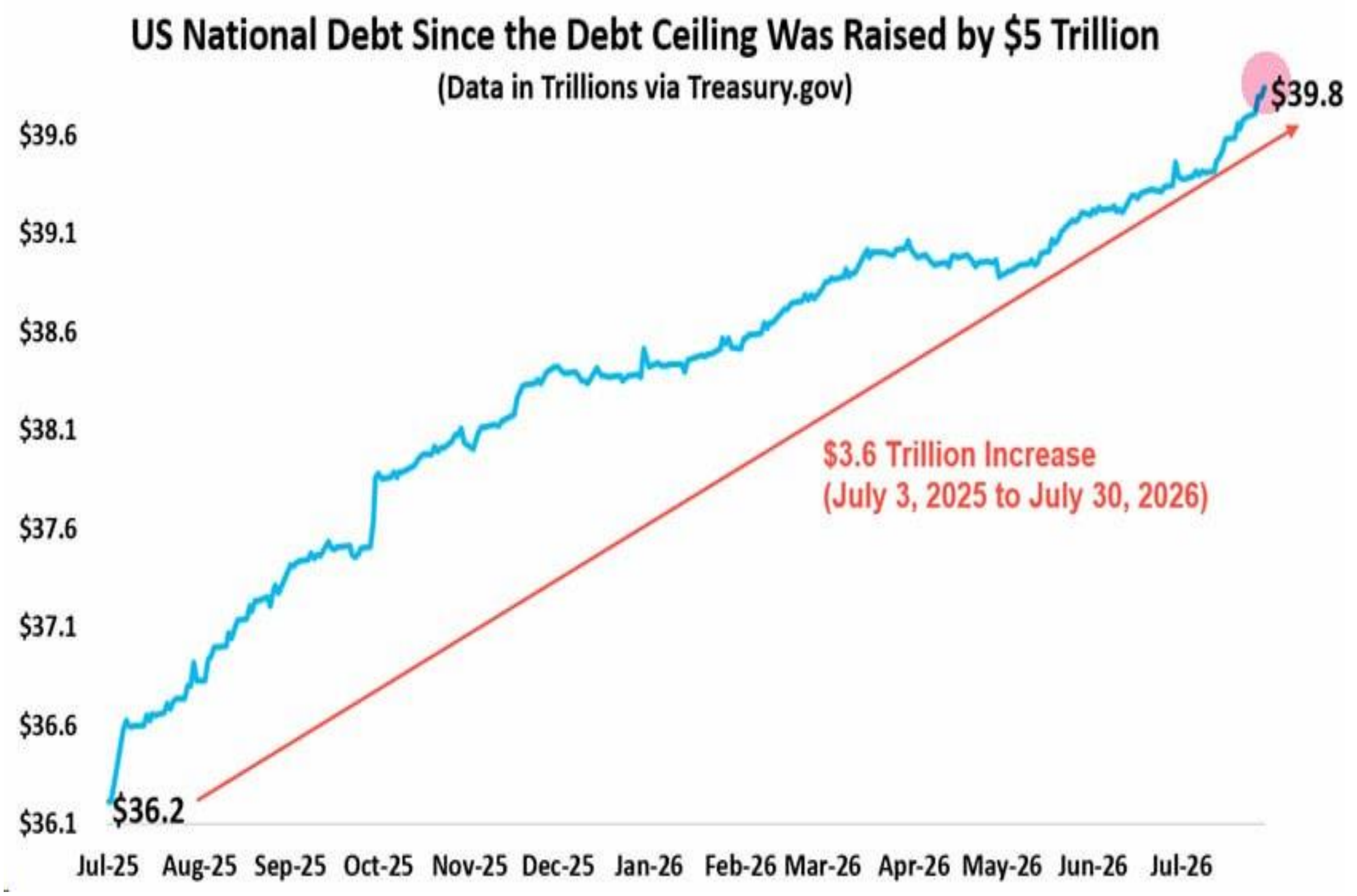
Did You Know?

Want your company to survive? Build it in the US.

The 5-year survival rate for US businesses stands at 51%, the highest among the 4 major economies tracked by Apollo. This is followed by the 27 member countries of the European Union, at 46%. By comparison, only 38% of companies in the UK and 37% in Germany survive for at least 5 years. Simply put, the US has the highest proportion of businesses that remain active after 5 years. This reflects the advantages of the US business environment, including more developed and larger capital markets, flexible labor rules, and lighter regulation that facilitate growth. The US has one of the most business-friendly environments in the world.

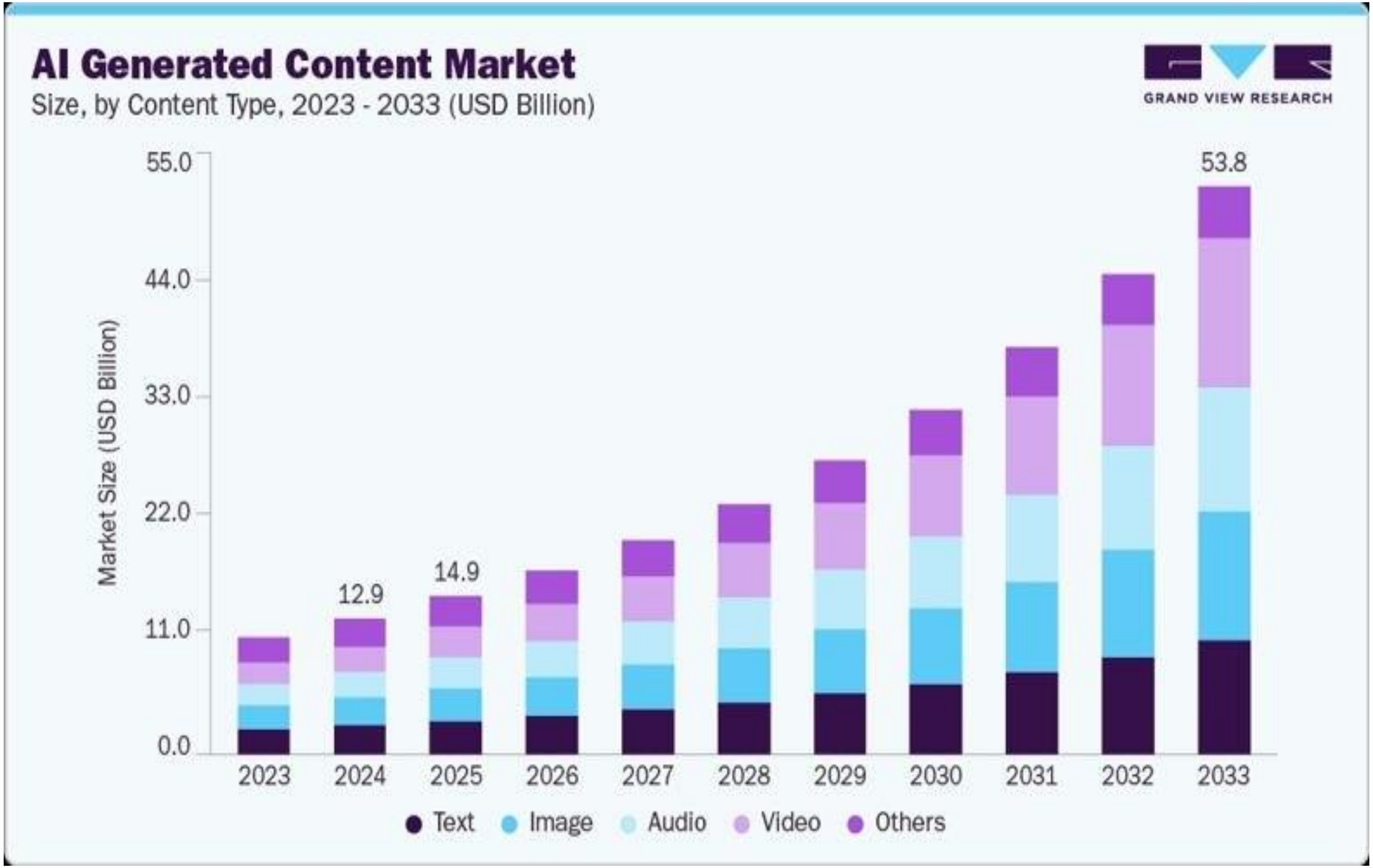


Since Trump signed his "Big, Beautiful Bill" in early July 2025, raising the debt ceiling to $5 trillion, the US national debt has grown by $3.6 trillion. One of Trump's 2024 campaign goals was to reduce the US national debt. But under Trump, the national debt has not only continued to grow, but has grown at a record pace in US history. Many experts, from the CEO of Rockefeller Capital Management to Ray Dalio, are sounding the alarm about the rapid growth of US debt. Dalio recently stated that the US is close to a "point of no return" regarding the national debt.



Did You Know?

AI-generated content is spreading rapidly, but its effectiveness still lags behind human-generated content. According to a recent study, AI already generates 41% of LinkedIn posts, 13% of Reddit posts, and 10% of Substack posts. Meanwhile, AI-generated posts on LinkedIn receive, on average, 45% fewer engagements than human-generated content. This demonstrates that original, human-generated content on social media remains a significant competitive advantage.86% of financial executives believe AI skills are more valuable than an MBA.



AraratBank

Earnings Calendar

This week, 1260 companies will publish their financial reports for the second quarter of 2026. Among the most anticipated by market participants are the reports from Space Exploration Technologies (SPCX), Eli Lilly (LLY), Advanced Micro Devices (AMD), Caterpillar (CAT), HSBC Holdings (HSBC), Palantir Technologies (PLTR), Sandisk Corporation (SNDK), McDonald's Corporation (MCD), Toyota Motor Corporation (TM) and many other companies.

No.	Ticker	Company	Sector	Industry	Country	Market Cap	P/E	Price
1	SPCX	Space Exploration Technologies Corp	Industrials	Aerospace & Defense	USA	1500.11B	-	113.07
2	LLY	Lilly(Eli) & Co	Healthcare	Drug Manufacturers - General	USA	1084.89B	41.47	1152.00
3	AMD	Advanced Micro Devices Inc	Technology	Semiconductors	USA	823.75B	165.80	505.18
4	CAT	Caterpillar Inc	Industrials	Farm & Heavy Construction Machinery	USA	384.63B	41.54	834.99
5	HSBC	HSBC Holdings plc ADR	Financial	Banks - Diversified	United Kingdom	365.28B	17.56	106.29
6	MRK	Merck & Co Inc	Healthcare	Drug Manufacturers - General	USA	319.15B	36.37	129.22
7	PLTR	Palantir Technologies Inc	Technology	Software - Infrastructure	USA	293.24B	137.81	122.32
8	ANET	Arista Networks Inc	Technology	Computer Hardware	USA	220.46B	59.95	175.08
9	AMGN	AMGEN Inc	Healthcare	Drug Manufacturers - General	USA	208.65B	26.89	386.60
10	TM	Toyota Motor Corp ADR	Consumer Cyclical	Auto Manufacturers	Japan	202.23B	9.71	190.06
11	SNDK	Sandisk Corp	Technology	Computer Hardware	USA	199.11B	46.74	1344.53
12	WDC	Western Digital Corp	Technology	Computer Hardware	USA	192.85B	33.40	559.50
13	MCD	McDonald's Corp	Consumer Cyclical	Restaurants	USA	190.64B	22.12	268.32
14	DIS	Walt Disney Co	Communication Services	Entertainment	USA	166.78B	15.37	96.04
15	GILD	Gilead Sciences Inc	Healthcare	Drug Manufacturers - General	USA	163.25B	17.89	131.49
16	NVO	Novo Nordisk ADR	Healthcare	Drug Manufacturers - General	Denmark	158.92B	11.11	47.32
17	SHOP	Shopify Inc	Technology	Software - Application	Canada	158.51B	120.07	122.15
18	BKNG	Booking Holdings Inc	Consumer Cyclical	Travel Services	USA	150.86B	25.60	194.69
19	COP	Conoco Phillips	Energy	Oil & Gas E&P	USA	145.31B	20.28	119.27
20	UBER	Uber Technologies Inc	Technology	Software - Application	USA	142.45B	17.44	69.98

This Week's U.S. Economic Calendar

TIME (ET)	REPORT	PERIOD	ACTUAL	MEDIAN FORECAST	PREVIOUS
MONDAY, AUG. 3					
9:45 am	S&P final U.S. manufacturing PMI	July		--	53.8
10:00 am	ISM manufacturing	July		54.0%	53.3%
10:00 am	Construction spending	June		0.3%	0.1%
TBA	Auto sales	July		--	16.5 million
TUESDAY, AUG. 4					
8:30 am	U.S. trade balance	June		-$73.0B	-$77.6B
10:00 am	Factory orders	June		0.3%	-1.3%
10:00 am	Job openings	June		7.5 million	7.6 million
8:15 pm	Kansas City Fed President Jeff Schmid speaks				
WEDNESDAY, AUG. 5					
8:15 am	ADP employment	July		75,000	98,000
9:45 am	S&P final U.S. services PMI	July		--	53.6
10:00 am	ISM services	July		54.4%	54.0%
THURSDAY, AUG. 6					
8:30 am	Initial jobless claims	Aug. 1		200,000	197,000
8:30 am	U.S. productivity	Q2		0.7%	0.3%
10:00 am	Wholesale inventories	June		--	0.1%
FRIDAY, AUG. 7					
8:30 am	U.S. employment report	July		85,000	57,000
8:30 am	U.S. unemployment rate	July		4.3%	4.2%
8:30 am	U.S. hourly wages	July		0.3%	0.35%
8:30 am	Hourly wages year over year			--	3.5%
10:00 am	Richmond Fed President Tom Barkin speaks				
3:00 pm	Consumer credit	June		$12.0B	-$0.2 billion

AraratBank

060 408 005, 060 408 002, 010 592 301
87 Pavstos Buzand St, Yerevan, 0002
brokerage@araratbank@am