WEEKLY MARKET OVERVIEW

Macro | Equities | Bonds | Crypto | Earnings | Futures

Rising together

24 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.

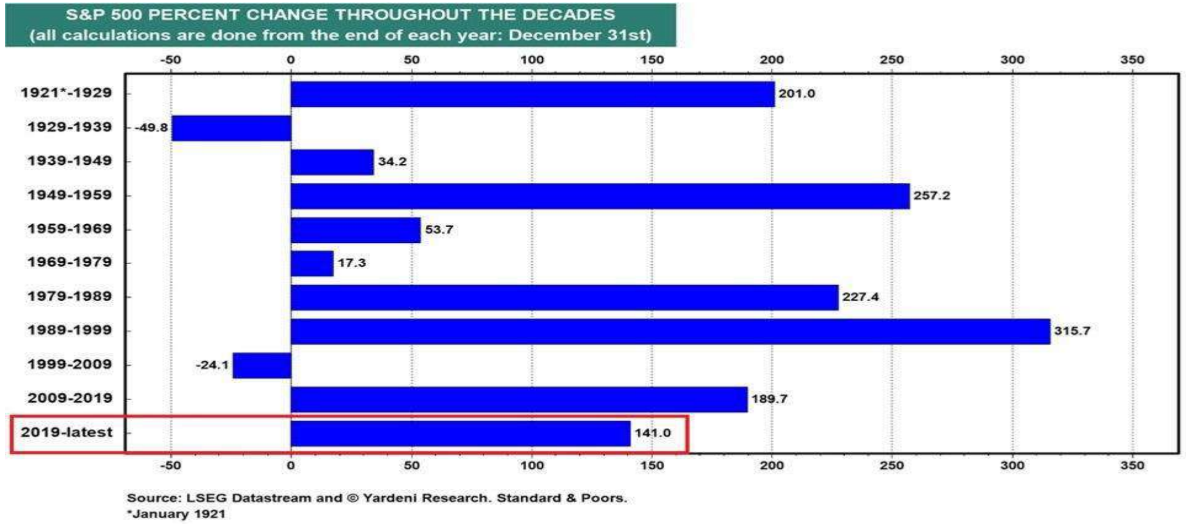
Any forecast of potential loss or gain is **a mere description** and should not be viewed as a restriction on maximum possible loss or gain. Investments **are not guaranteed or insured by ARARATBANK OJSC** or any other financial company or any local government body or insurance agency and thus **are 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.

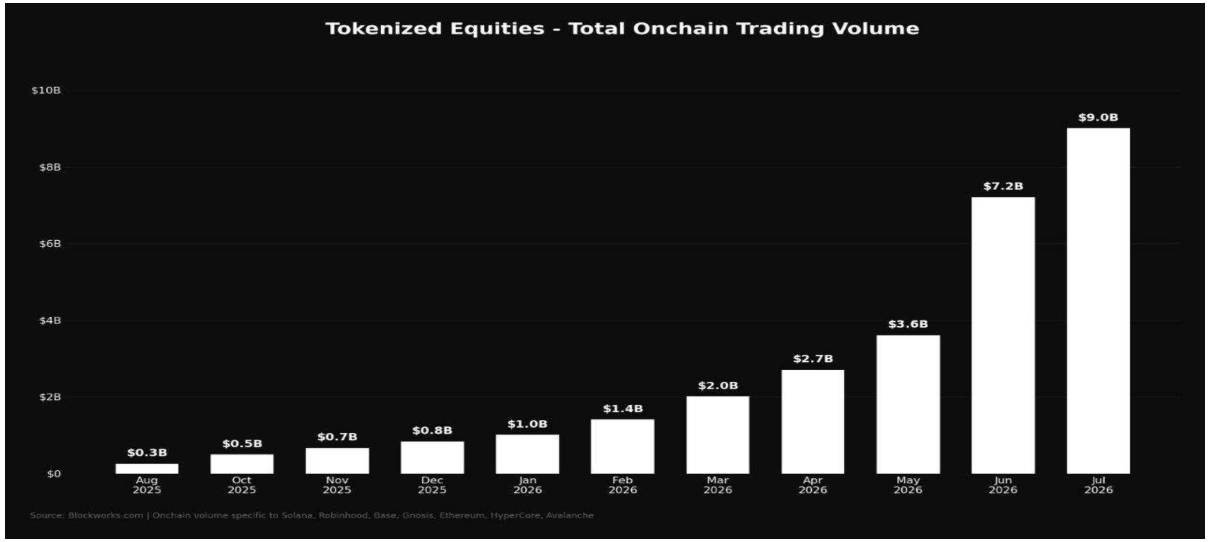
Markets: Summary

Artificial intelligence is at the center of debt risks.

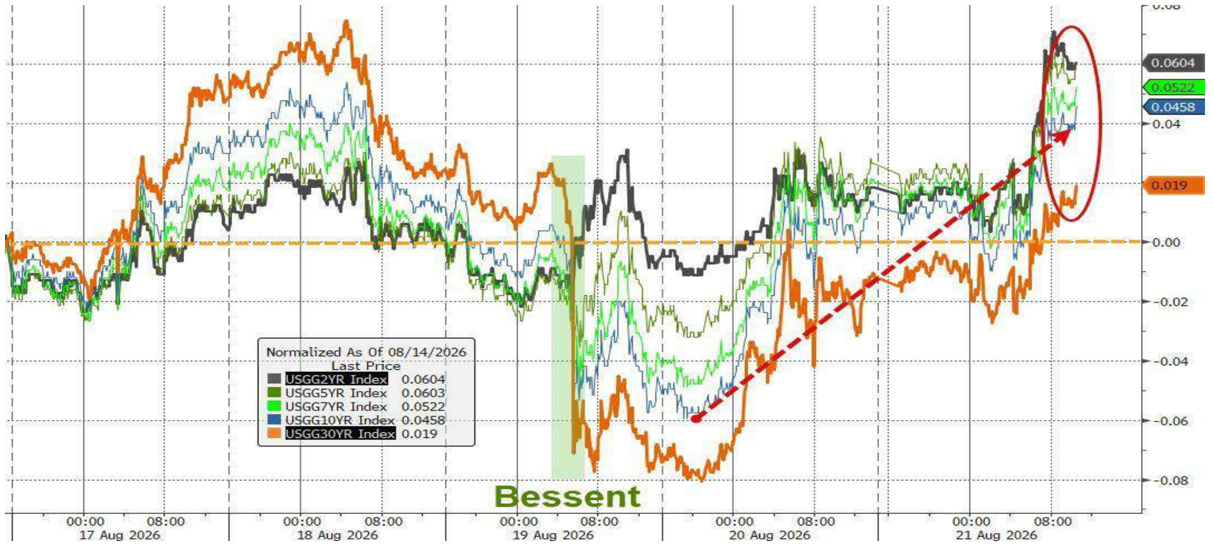
American stock markets are experiencing one of the strongest periods in their history.



Markets are moving to 24-hour trading.



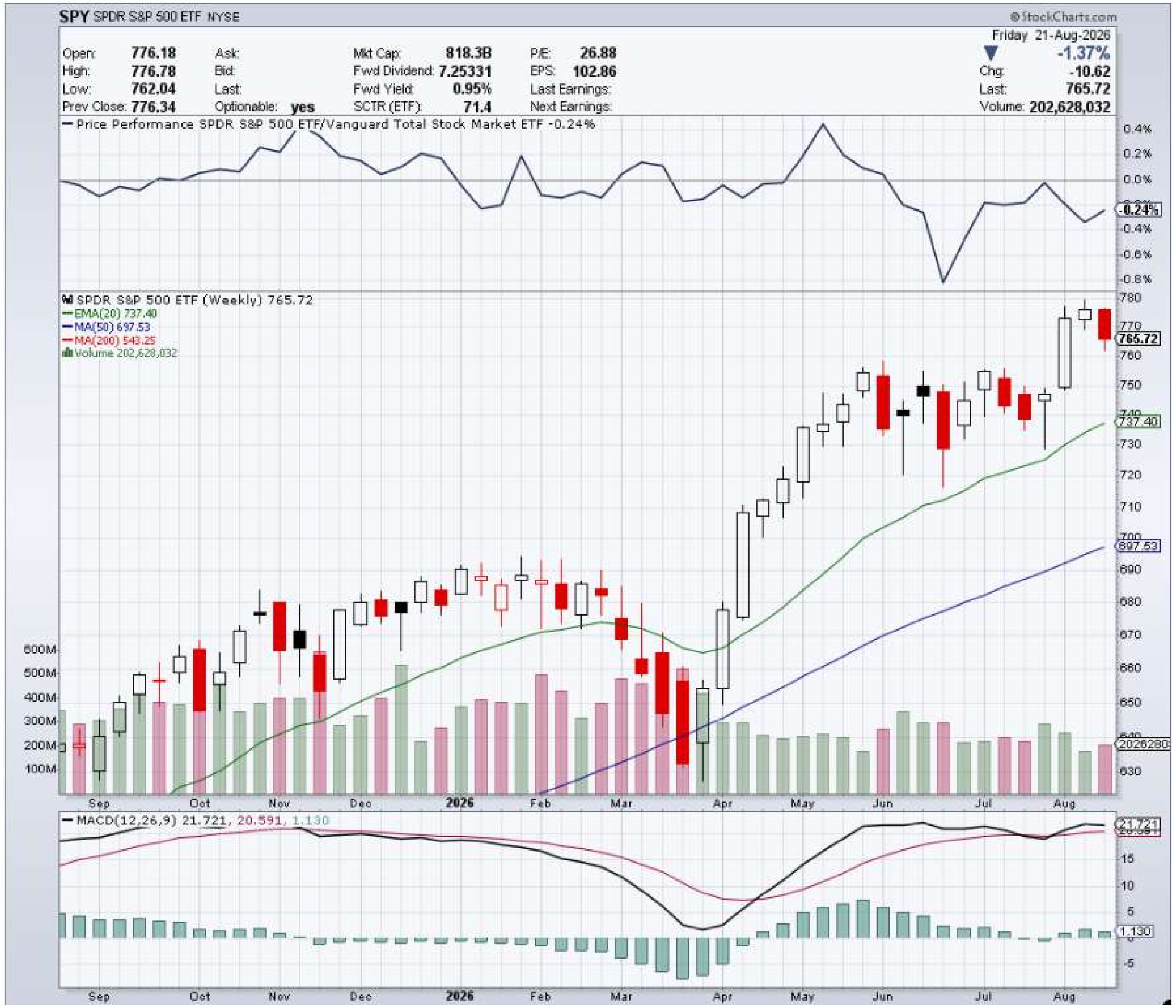
The bond market remains under pressure.



Indices

S&P500's performance: -1.37%

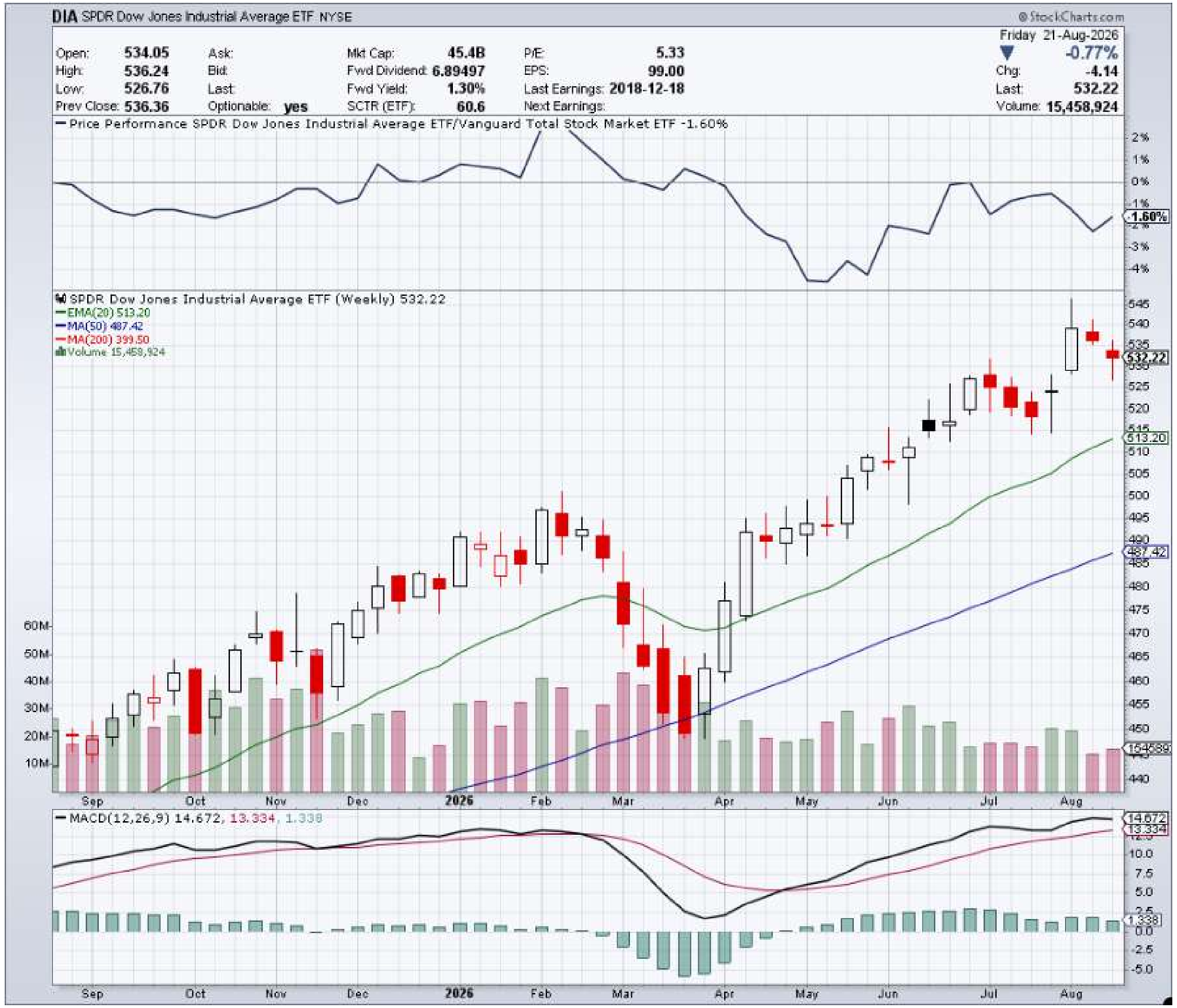
Nasdaq's performance: -2.41%

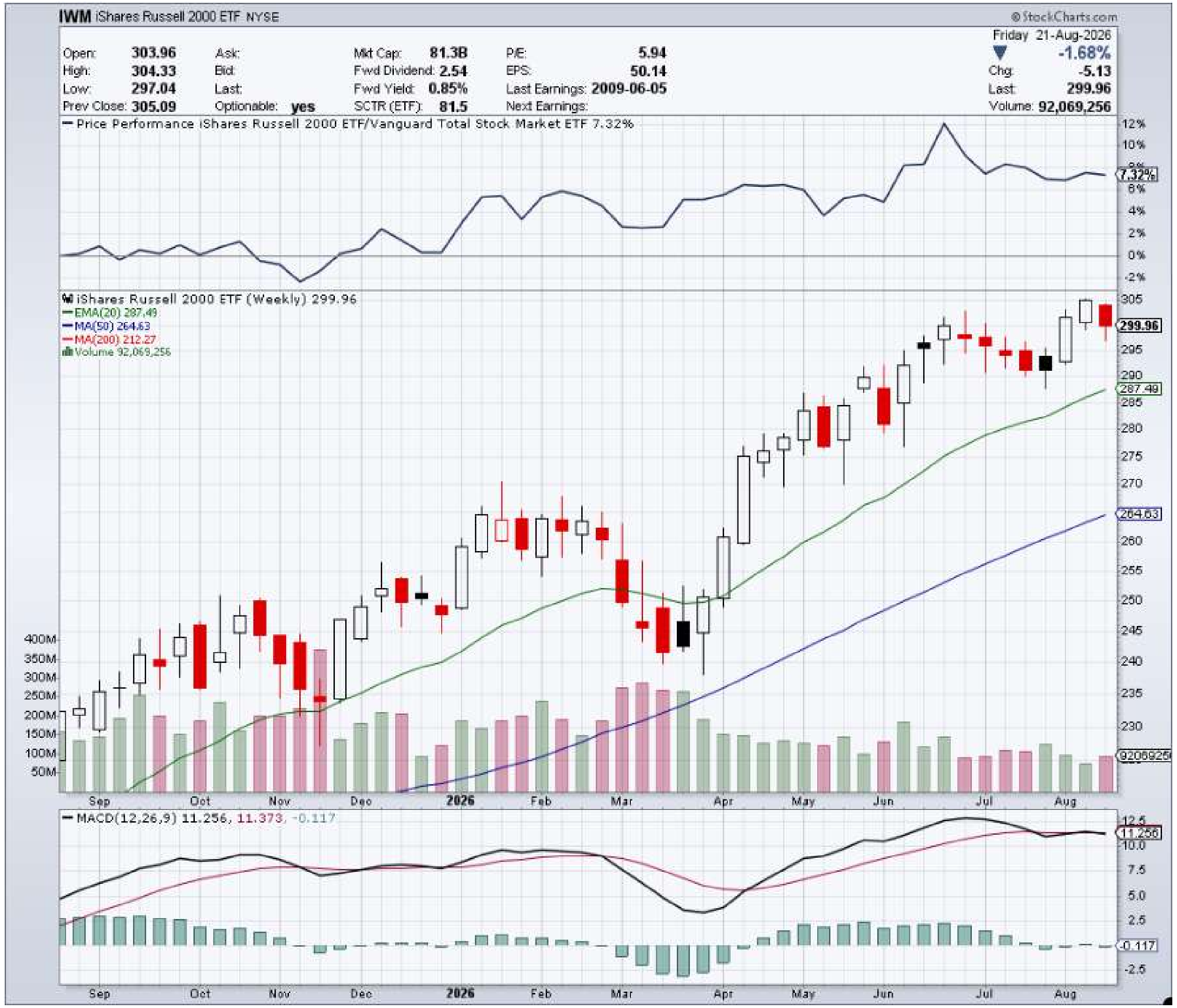


Indices

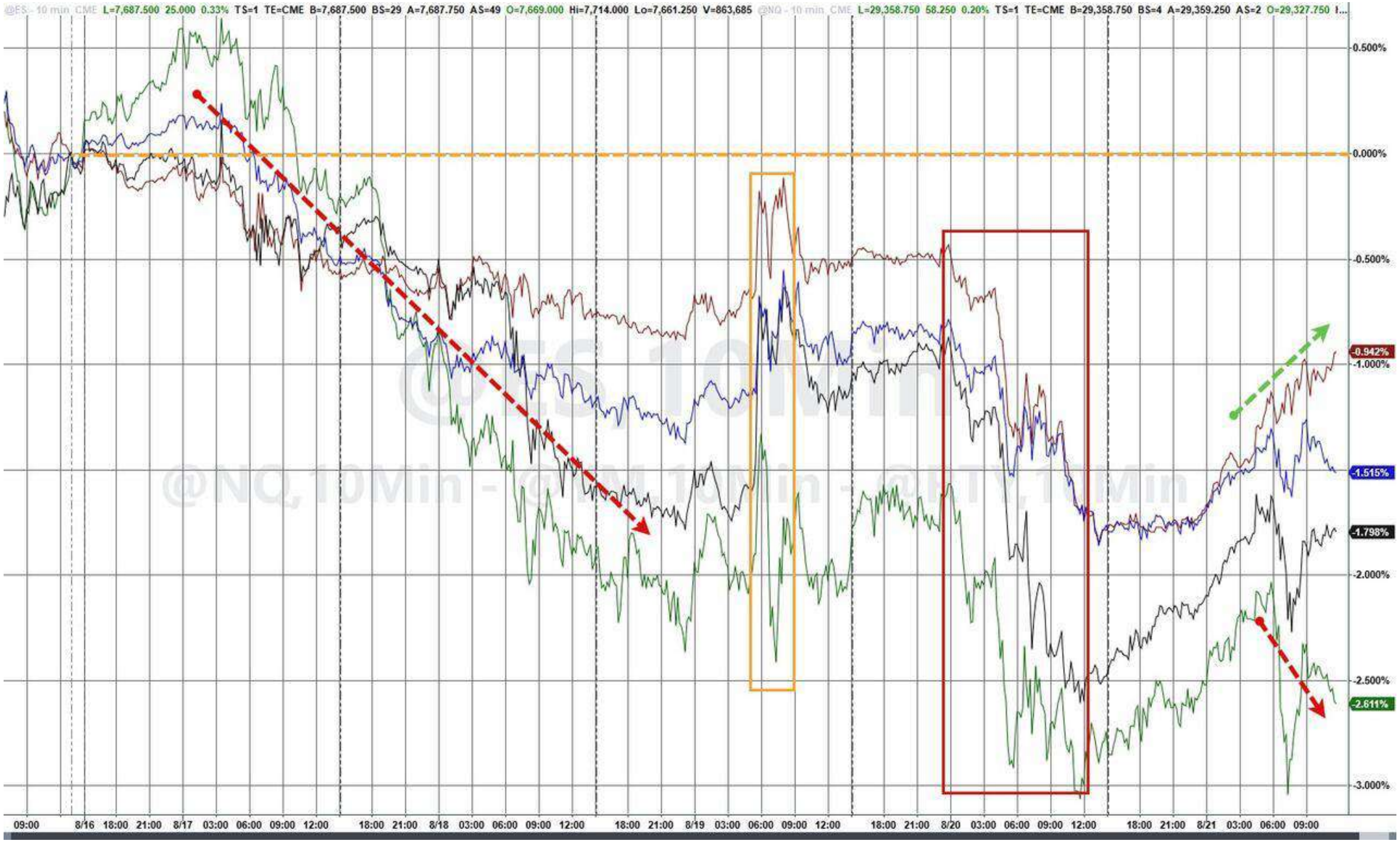
Dow Jones' performance: -0.77%

Russell 2000's performance: -1.68%



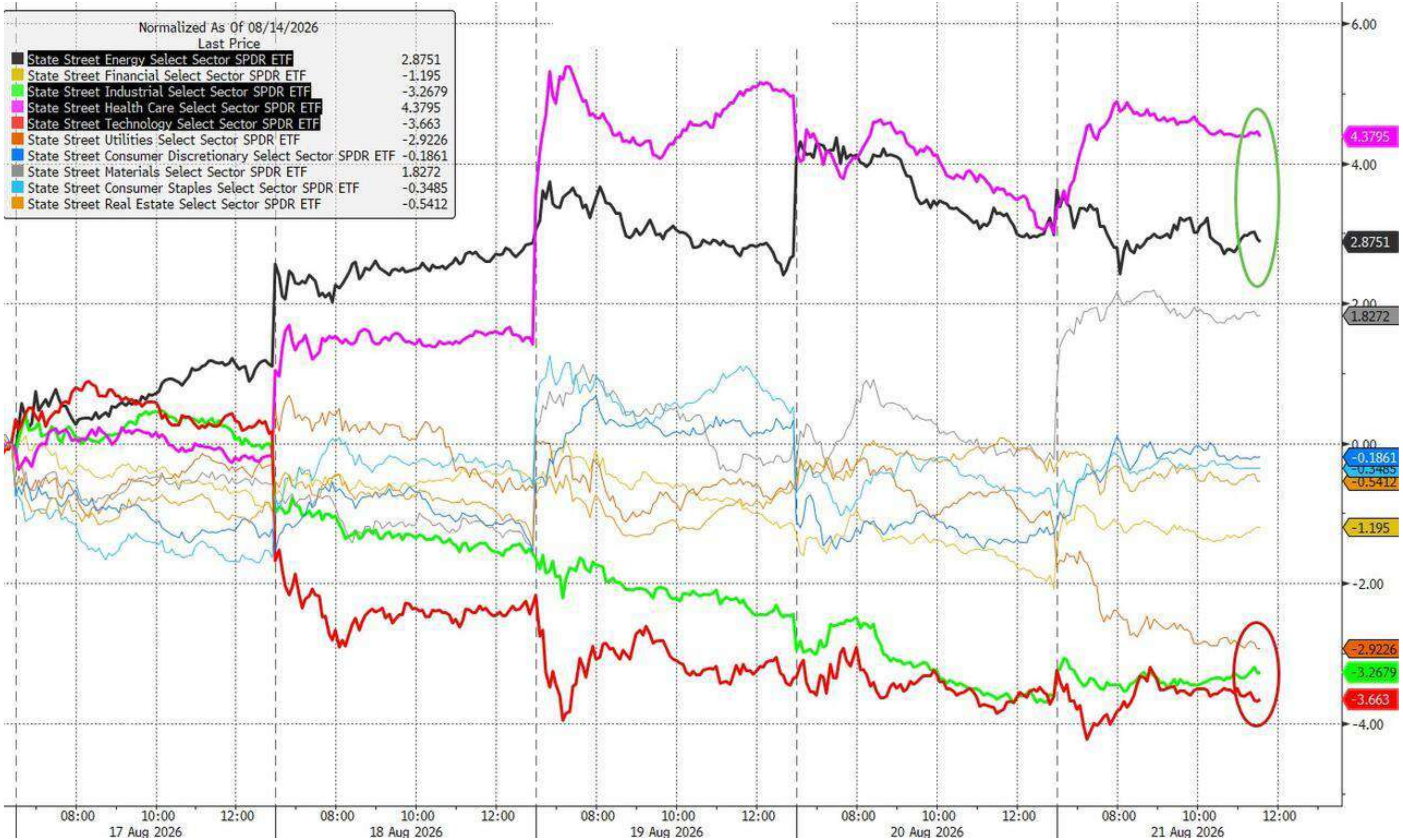


US stock indices posted negative returns. The S&P 500 and Nasdaq posted their first weekly decline since late July, while the Dow Jones posted its worst weekly performance since March. Stocks were pressured by concerns about the high debt loads of tech companies. Market sentiment was also impacted by concerns about the American consumer: an unexpected drop in Walmart sales suggests a possible weakening of consumer demand, especially with gasoline prices exceeding $4 per liter.



High yields and oil prices are weighing on markets.

The energy sector rose sharply on rising oil prices, but healthcare was the week's best performer, led by a sharp rise in Moderna (MRNA) shares. Industrials and technology, on the other hand, remained among the weakest performers.

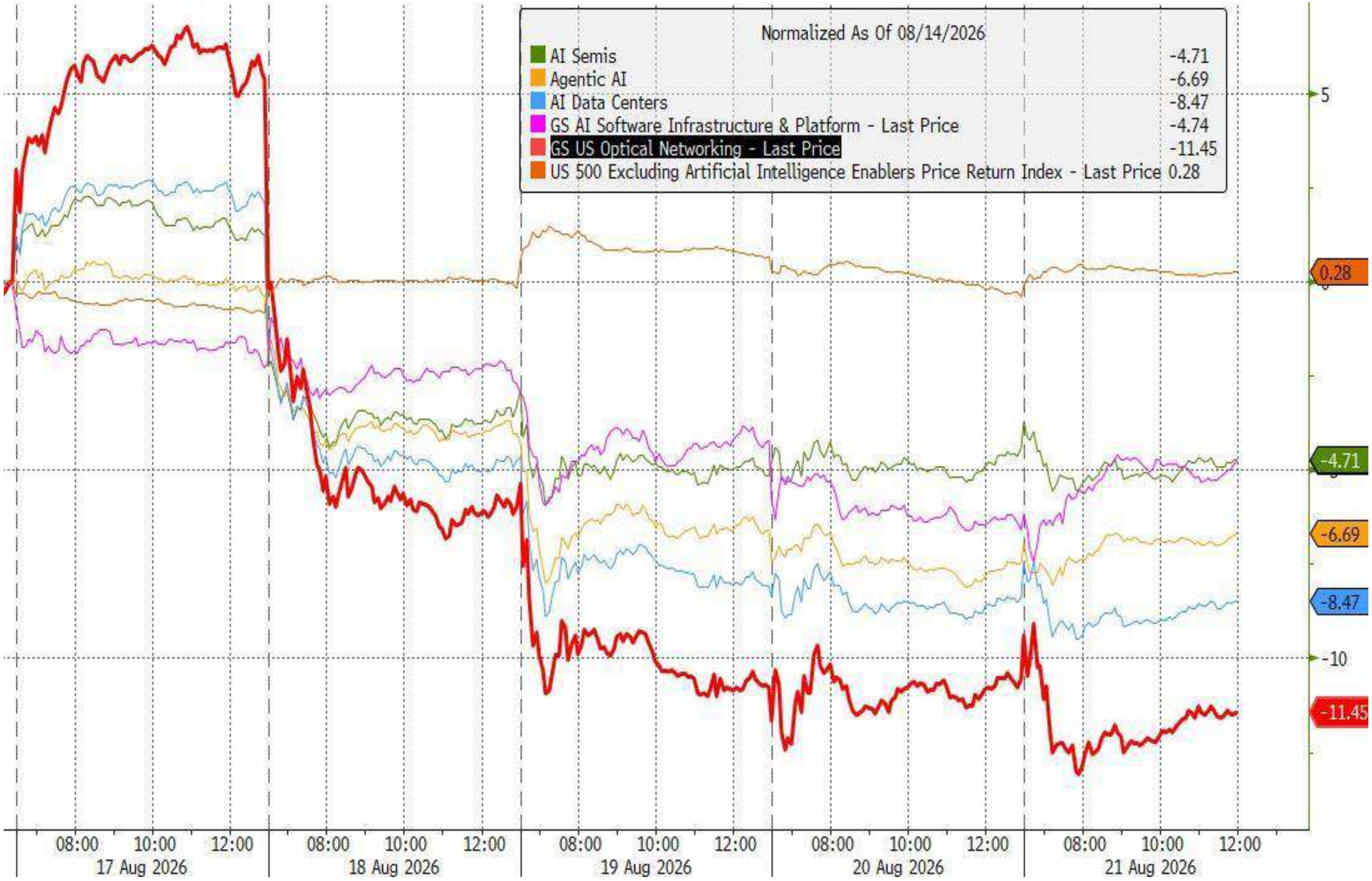


AI Debt Financing Risk Returns to Spotlight

Broadcom's CDS spread has widened sharply to a record high, reminding investors of the growing credit risks associated with AI infrastructure financing. This highlights how the large-scale debt financing underpinning the AI boom could become a source of additional market risk.

AI Segments Lagging the Market

Since August 14, the S&P 500 has remained virtually unchanged (+0.28%), while key AI segments have declined:
AI Semiconductors -4.71%,
Data Centers -8.47%,
Optical Networks -11.45%.
This suggests that investors are reassessing their expectations for the AI sector and the risks associated with infrastructure investments. Rising financing costs are creating additional pressure, especially for companies sensitive to AI infrastructure.



Walmart (WMT) reported revenue of $187.9 billion in the second quarter of 2026, up 5.9% year-on-year, driven by e-commerce growth, robust U.S. sales, and international growth. Earnings per share (EPS) were $0.81, up 19% year-on-year. However, the results fell short of market expectations, causing the company's shares to fall more than 9%.

Home Depot (HD) reported revenue of $47.9 billion in the second quarter of 2026, up 5.7% year-over-year. Earnings per share (EPS) were $4.92, up from $4.68 a year earlier, and comparable sales increased 1.7%. The results show a gradual improvement in demand, particularly among larger customers, although the impact of the housing market and high financing costs continue to limit activity on large remodeling projects.

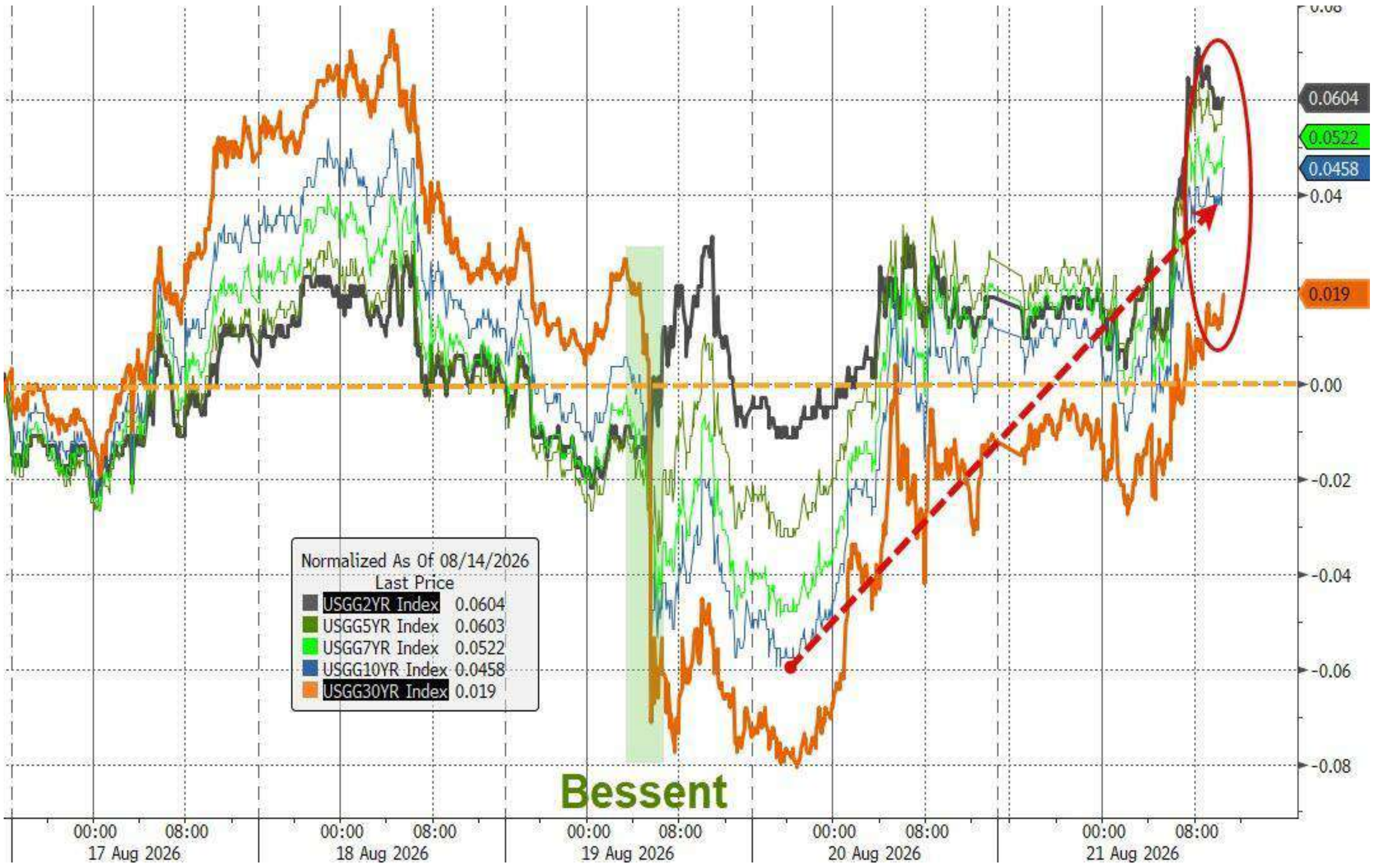
Q2 Earnings

Alibaba Group (BABA) reported revenue of RMB 269.0 billion (US$39.6 billion) in the second quarter, up 9% year-on-year. This growth was driven by rapid development of cloud services and artificial intelligence. At the same time, the company continues to invest heavily in infrastructure and AI technologies, putting pressure on profitability.

Target (TGT) reported revenue of approximately $26.5 billion in the second quarter of 2026, up 5.3% year-over-year, with comparable sales up 3.8%. Earnings per share (EPS) was $4.11, up from $2.05 a year earlier. The significant EPS increase was driven by a pre-tax tariff rebate of approximately $994 million, which added approximately $1.65 per share.

Bond markets remain under pressure.

The yield on 30-year US Treasury bonds briefly exceeded 5.3%, reaching its highest level since 2007, while the yield on 10-year bonds approached 4.7%.The selloff also affected markets in Japan and Germany. Government support measures only eased short-term pressure, indicating that the risk of a rise in long-term yields remains.



Japanese government bond yields reach historic highs

The yield on 10-year Japanese government bonds exceeded 2.95%, reaching its highest level since the 1990s. Stabilizing inflation and economic activity have raised expectations that the Bank of Japan may continue to tighten monetary policy. Meanwhile, high domestic yields could dampen Japanese investors' appetite for US and European government bonds, putting additional pressure on them.

Bond Market | Dollar Index | Gold Spot

The dollar fell nearly 1% this week, despite rising US Treasury yields. This is an important signal, as higher yields typically support dollar strength. This will likely be perceived as a question of fiscal risk and confidence in US assets.

Gold prices exceeded $4,600 per ounce, marking a third consecutive week of gains and remaining above their 200-day moving average. The rise was driven by a weaker dollar, tensions in the Middle East, inflation risks, and declining confidence in US Treasuries.

The situation in the metals market is mixed

Silver and platinum led the week, while copper declined amid rising physical inventories.

Futures | Refined products

Oil prices continue to rise

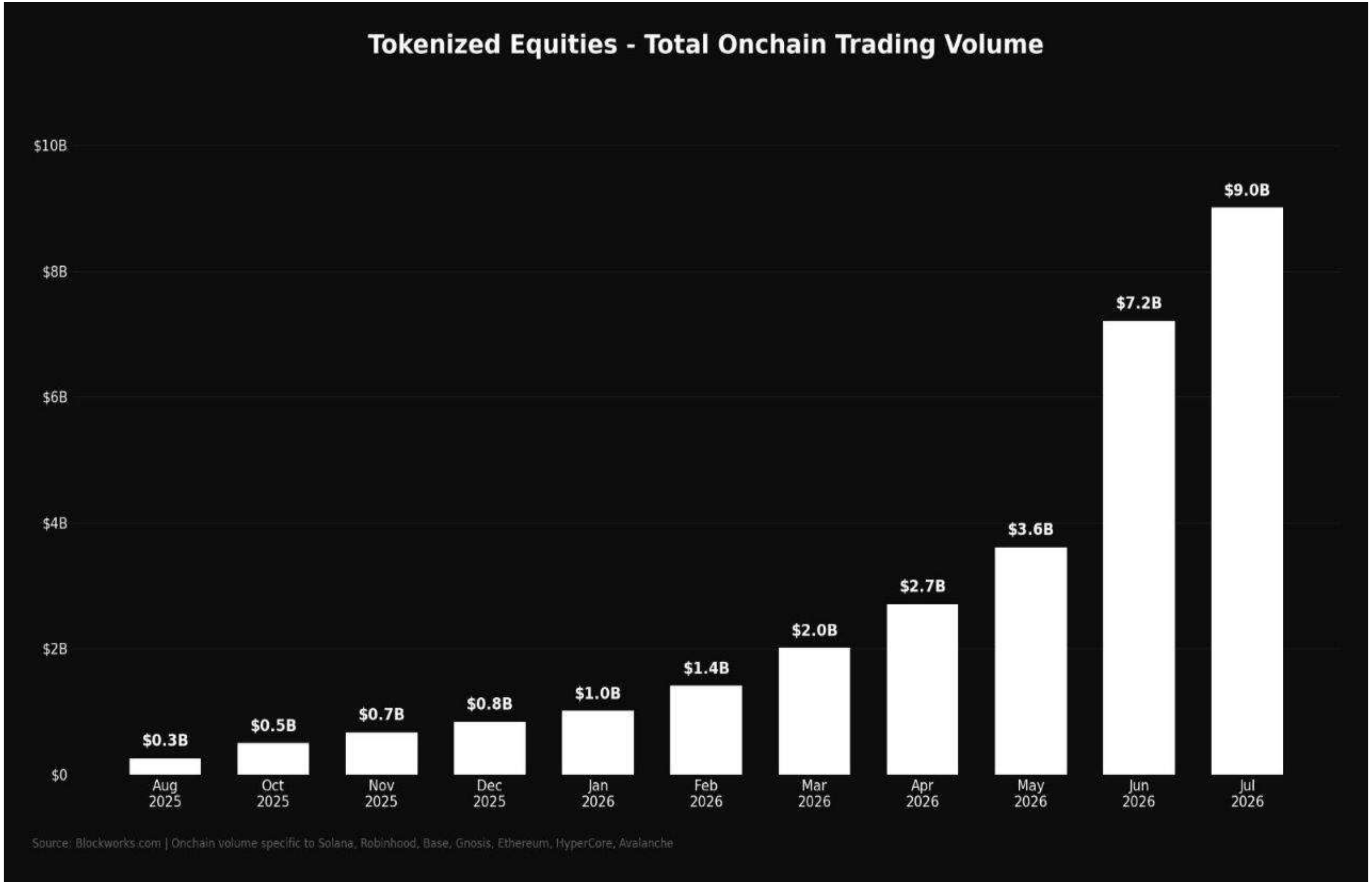
The rise in prices is driven by escalating tensions between the US and Iran, uncertainty regarding Middle Eastern supplies, and concerns about flows through the Strait of Hormuz. At the same time, the shortage of petroleum products, particularly diesel fuel, continues to deepen amid reduced supplies from the Middle East and Ukrainian attacks on Russian refineries.

Bitcoin posted its best weekly performance since 2024. Bitcoin's previous price rose more than 20% last week. 2024 2024

Ethereum's price has risen by approximately 30% to surpass $2,400, signaling a sharp recovery in demand for crypto assets.

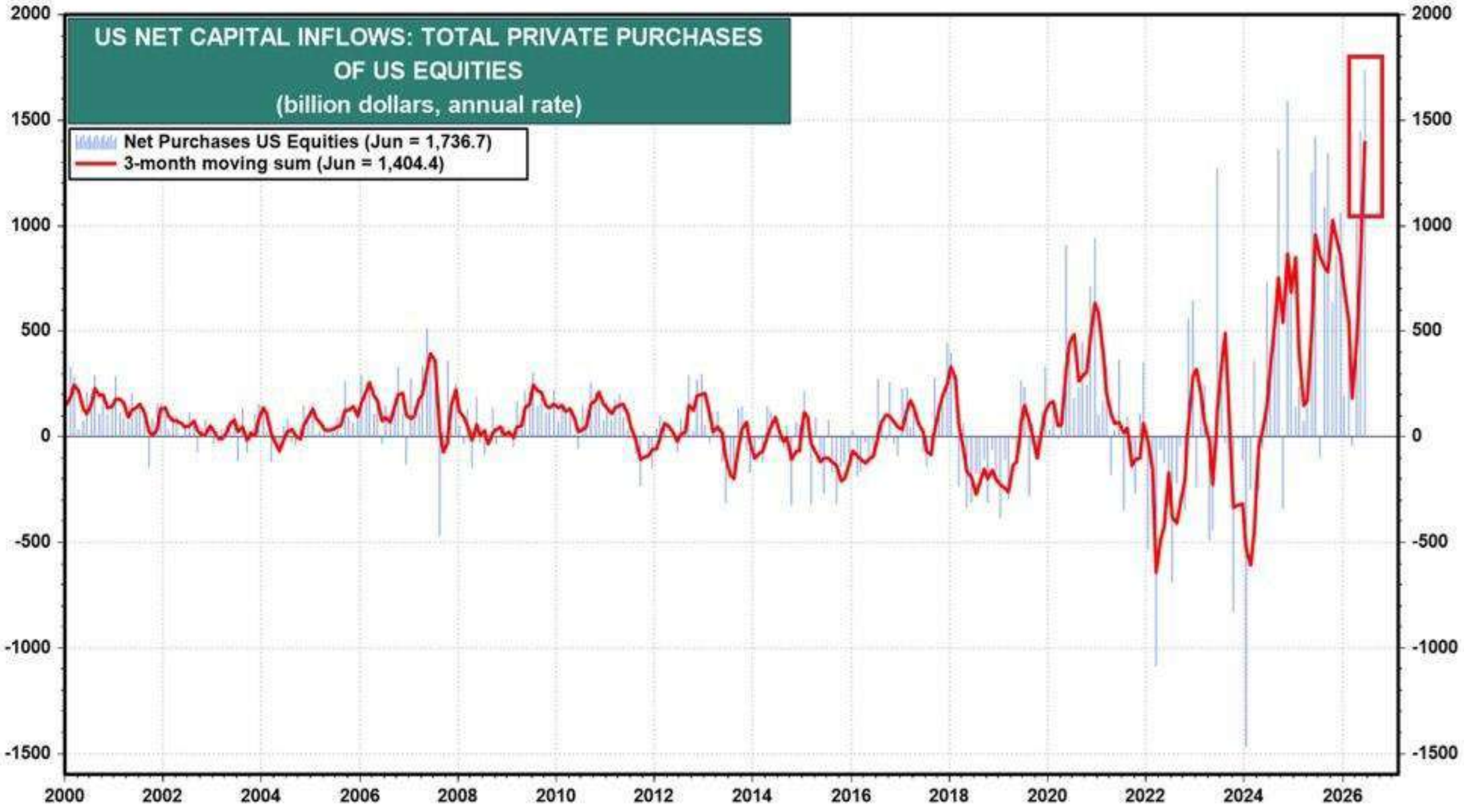
Markets are shifting to 24/7 trading.

Trading volume in tokenized stocks reached $9 billion in 2026, setting a new record. Year-over-year growth was 800%, with quarterly growth of 207%. Demand is particularly high for high-growth stocks in memory and storage devices, which are available 24/7. This trend coincides with Nasdaq's plans to expand trading hours to 23 hours a day, 5 days a week.



The world continues to actively buy US stocks.

In June, foreign investors outside the US purchased a record $181.4 billion worth of US stocks. Of this amount, $144.7 billion came from retail investors, bringing the annual total to $1.74 trillion, a historic high. Retail investors accounted for approximately 80% of total foreign purchases, demonstrating unprecedented interest in US stocks.

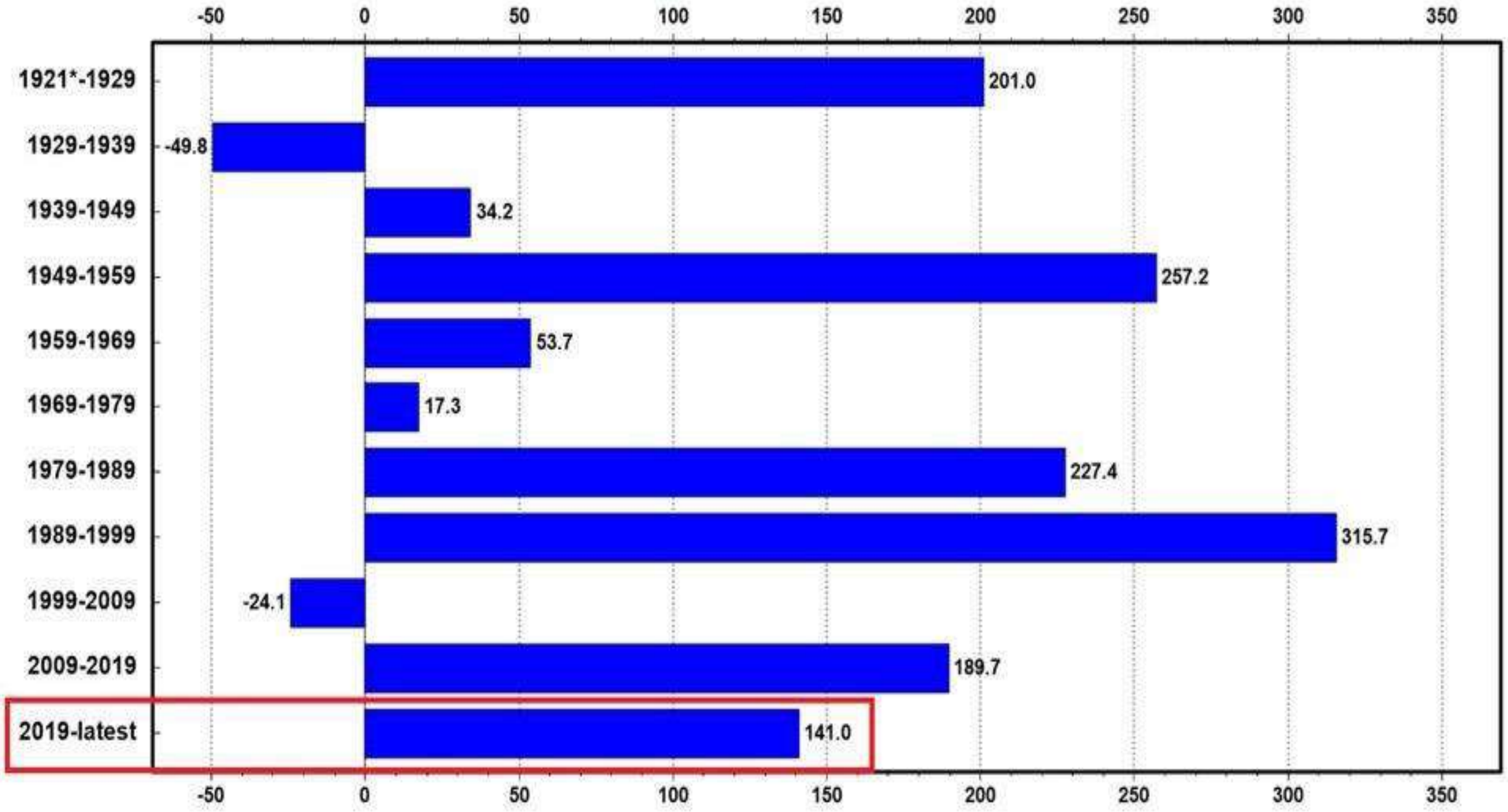


Source: LSEG Datastream and © Yardeni Research. US Treasury.

American stocks are experiencing one of the strongest decades in history.

The S&P 500 has risen 141% since the end of 2019. If this growth rate continues, the index could finish the decade with a gain of nearly 277%. This would be the second-best decade in history, second only to the 316% gain recorded during the dot-com boom of 1989-1999 and surpassing the 257% gain recorded during the post-war boom of 1949-1959.

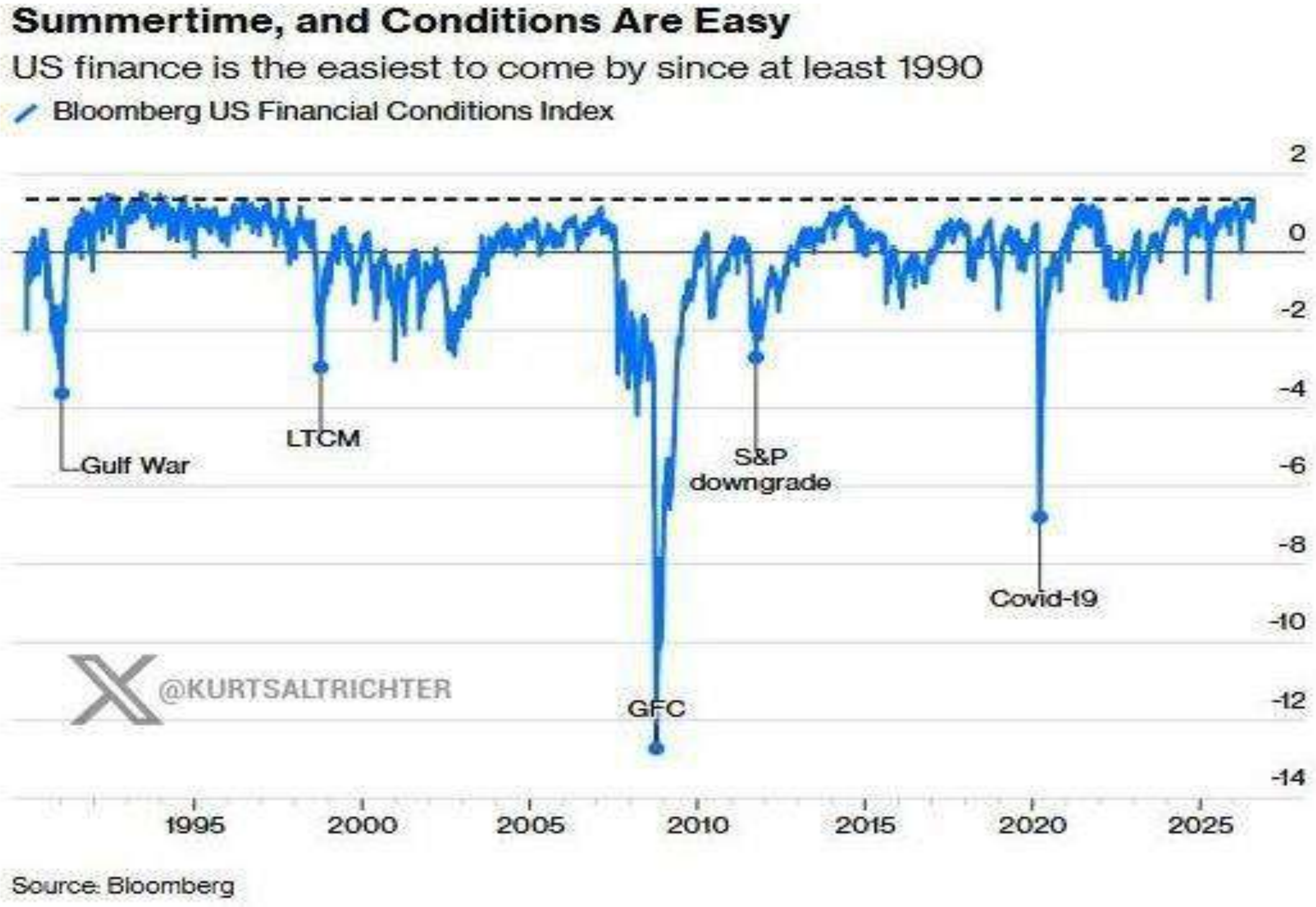
S&P 500 PERCENT CHANGE THROUGHOUT THE DECADES
(all calculations are done from the end of each year: December 31st)



Source: LSEG Datastream and © Yardeni Research. Standard & Poors.
*January 1921

US financial conditions have never been looser. Not once since 1990.

Bloomberg's index of how easy it is to raise money across stocks, credit, and rates just closed at the easiest level in its 35-year history, looser than 2021 and looser than the dot-com peak. This is the liquidity holding stocks, gold, and credit near records all at once. Conditions this loose have never lasted. When they tighten, the most leveraged trades, AI and credit, unwind first.

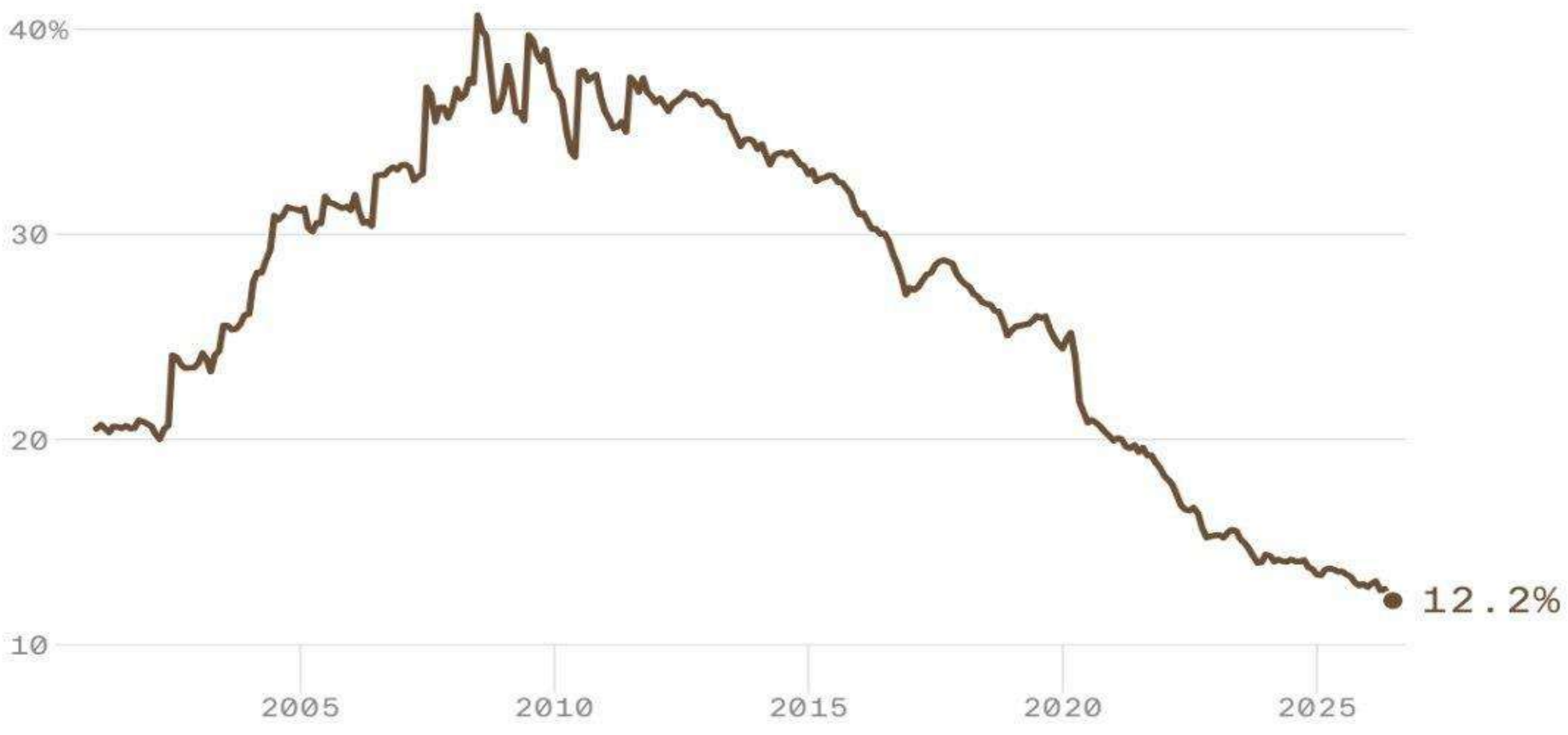


This is one of the most misleading charts for 2026.

The share of foreign governments holding US government debt has fallen from 40.7% in 2008 to 12.2%, but this doesn't mean they're selling off their assets en masse. Their assets still amount to around $4 trillion; US government debt has simply grown faster. The problem is that foreign buyers can't keep up with the debt's growth, so much of it is being absorbed by private investors demanding higher returns.

Share of U.S. Treasuries held by foreign official entities

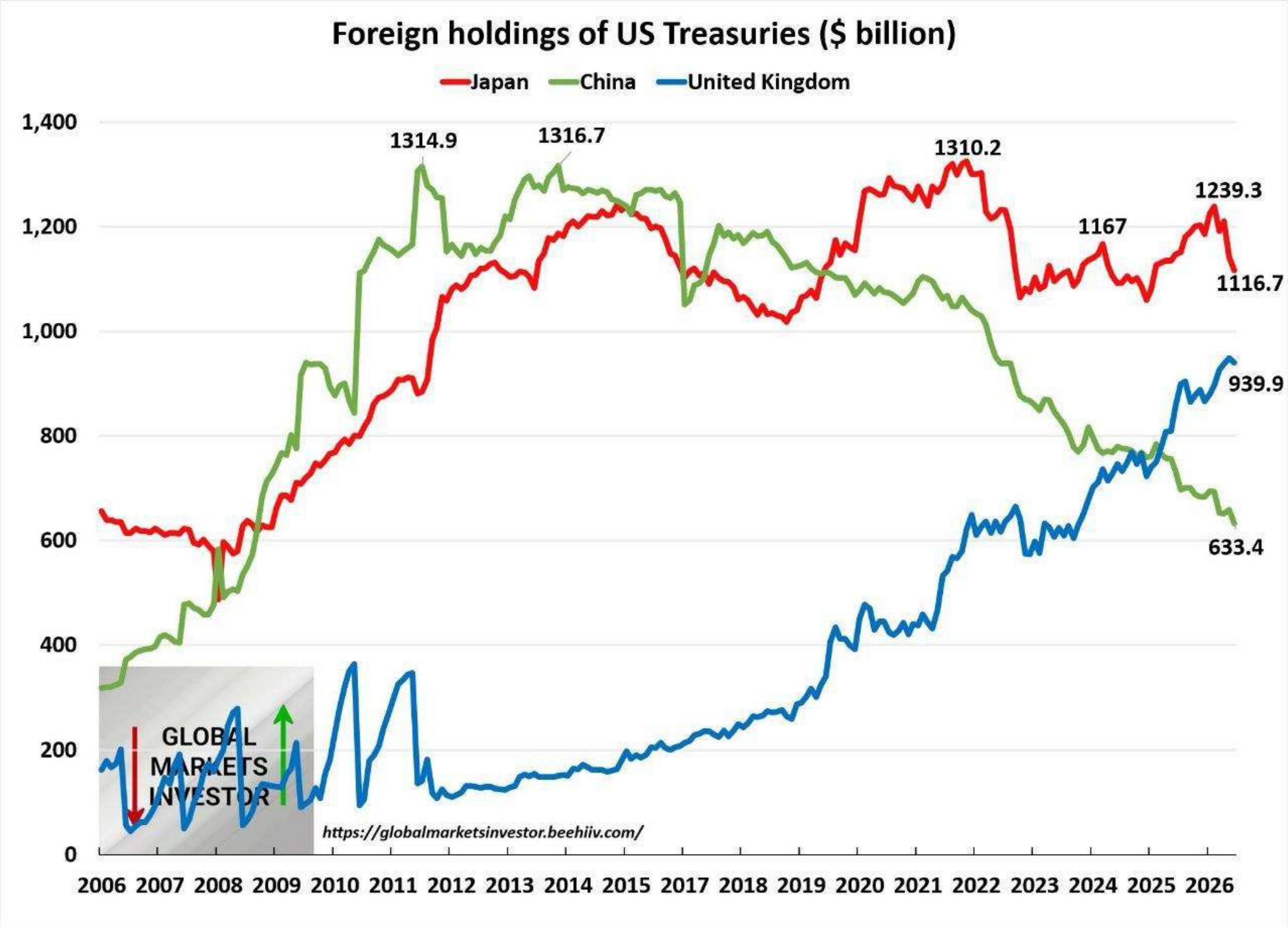
Monthly; December 2000 to June 2026



Data: FactSet, U.S. Treasury Department; Chart: Matt Phillips/Axios

China has already shed more than half of the U.S. debt (bonds) that it held. Japan has maintained a stable balance for over a decade, though it has recently reduced its portfolio. Perhaps the U.S. Treasury has decided to help the Bank of Japan stabilize the yen so that the Japanese government doesn't opt to sell U.S. debt to halt the yen's depreciation.

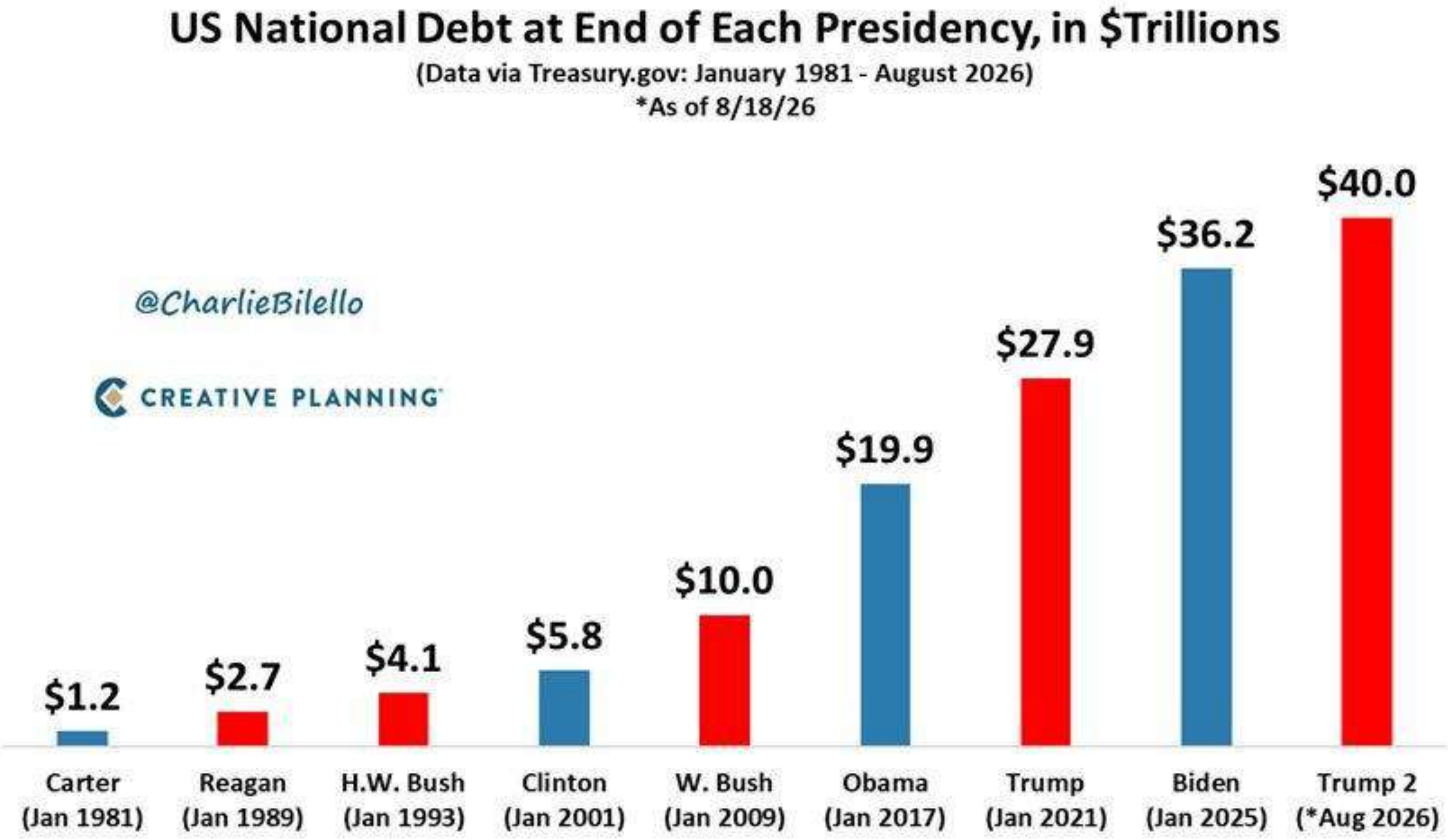
Meanwhile, the United Kingdom hasn't stopped buying U.S. bonds, and at the rate it's going, it could end up being the country with the largest portfolio internationally.



Did You Know?

The Federal Government cannot continue to spend more money than it takes in." - Jimmy Carter (1978)

"For decades we have piled deficit upon deficit, mortgaging our future and our children's future." - Ronald Reagan (1981)
"We must bring the Federal budget deficit under control." - George H.W. Bush (1989)
"We must put our fiscal house in order." - Bill Clinton (1993)
"We can pay down a large portion of the national debt." - George W. Bush (2001)
"Families across the country are tightening their belts … the federal government should do the same." - Barack Obama (2010)
"We will start to balance our budget and pay down our debt." - Donald Trump (2016)
"My plan will reduce the deficit." - Joe Biden (2022)
"We will balance the federal budget." - Donald Trump (2024)



Earnings Calendar

This week, 105 companies will publish their financial reports for the second quarter of 2026. Among the most anticipated by market participants are the reports from NVIDIA Corporation (NVDA), Royal Bank of Canada (RY), Marvell Technology (MRVL), Salesforce (CRM), PDD Holdings (PDD), HEICO Corporation (HEI), Synopsys (SNPS), Autodesk (ADSK) and many other companies.

No.	Ticker	Company	Sector	Industry	Country	↓ Market Cap	P/E	Price
1	NVDA	NVIDIA Corp	Technology	Semiconductors	USA	5247.77B	33.21	216.85
2	RY	Royal Bank Of Canada	Financial	Banks - Diversified	Canada	284.54B	18.41	205.21
3	MRVL	Marvell Technology Inc	Technology	Semiconductors	USA	219.83B	85.77	251.01
4	TD	Toronto Dominion Bank	Financial	Banks - Diversified	Canada	197.42B	19.02	116.85
5	CRWD	Crowdstrike Holdings Inc	Technology	Software - Infrastructure	USA	193.82B	-	190.34
6	CRM	Salesforce Inc	Technology	Software - Application	USA	168.25B	23.78	205.43
7	PDD	PDD Holdings Inc ADR	Consumer Cyclical	Internet Retail	China	127.42B	9.76	89.52
8	BMO	Bank of Montreal	Financial	Banks - Diversified	Canada	122.10B	18.31	172.90
9	CM	Canadian Imperial Bank Of Commerce	Financial	Banks - Diversified	Canada	107.20B	15.83	115.69
10	BNS	Bank Of Nova Scotia	Financial	Banks - Diversified	Canada	106.54B	16.49	86.44
11	INTU	Intuit Inc	Technology	Software - Application	USA	98.98B	21.91	361.87
12	SNPS	Synopsys Inc	Technology	Software - Infrastructure	USA	76.19B	92.06	397.92
13	ADSK	Autodesk Inc	Technology	Software - Application	USA	52.97B	36.68	251.02
14	WDAY	Workday Inc	Technology	Software - Application	USA	48.74B	61.56	197.32
15	WDS	Woodside Energy Group Ltd ADR	Energy	Oil & Gas E&P	Australia	45.73B	16.96	24.12
16	A	Agilent Technologies Inc	Healthcare	Diagnostics & Research	USA	44.14B	31.39	156.30
17	HEI	Heico Corp	Industrials	Aerospace & Defense	USA	40.92B	62.61	350.58
18	VEEV	Veeva Systems Inc	Healthcare	Health Information Services	USA	40.70B	44.61	250.53
19	GFI	Gold Fields Ltd ADR	Basic Materials	Gold	South Africa	40.68B	11.50	45.45
20	P	Everpure Inc	Technology	Computer Hardware	USA	36.56B	167.19	109.98

AraratBank

This Week's U.S. Economic Calendar

Monday, Aug. 24

No events scheduled

Tuesday, Aug. 25

9:00 AM	S&P Cotality Case-Shiller Home Px Index	Jun.	-	-	0.9%
10:00 AM	New Home Sales	Jul.	-	-	628K
10:00 AM	Conference Bd - Consumer Confidence	Aug.	-	-	90.8

Wednesday, Aug. 26

8:30 AM	Durable Goods	Jul.	-	-	0.3%
8:30 AM	2nd estimate GDP	2Q	-	-	1.5%
8:30 AM	Personal Income, M/M%	Jul.	-	-	0.2%
8:30 AM	Consumer Spending, M/M%	Jul.	-	-	0.3%
8:30 AM	PCE Price Idx, M/M%	Jul.	-	-	-0.1%
8:30 AM	PCE Price Idx, Y/Y%	Jul.	-	-	3.7%
8:30 AM	PCE Core Price Idx, M/M%	Jul.	-	-	0.1%
8:30 AM	PCE Core Price Idx, Y/Y%	Jul.	-	-	3.3%

Thursday, Aug. 27

8:30 AM	Weekly Jobless Claims	Aug. 22	-	-	206K
8:30 AM	Advance U.S. Trade Balance in Goods	Jul.	-	-	-101.5B
8:30 AM	Wholesale Inventories	Jul.	-	-	0.3%
8:30 AM	Retail Inventories	Jul.	-	-	0%
11:00 AM	Kansas City Fed Survey	Aug.	-	-	17

Friday, Aug. 28

9:45 AM	Chicago Business Barometer - ISM-Chicago Business Survey - Chicago PMI	Aug.	-	-	57.6
10:00 AM	U. Michigan Final Consumer Survey	Aug.	-	-	55.2

AraratBank

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