WEEKLY MARKET OVERVIEW

Macro | Equities | Bonds | Crypto | Earnings | Futures

Rising together

14 September 2026

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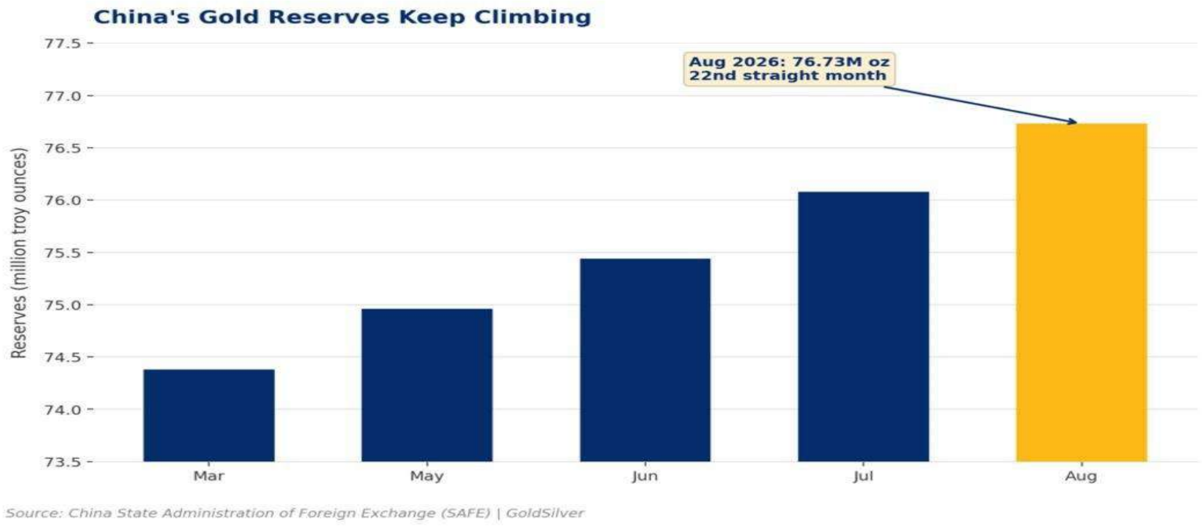
China is increasing its gold reserves at a historic pace.



Prices for petroleum products continue to rise.

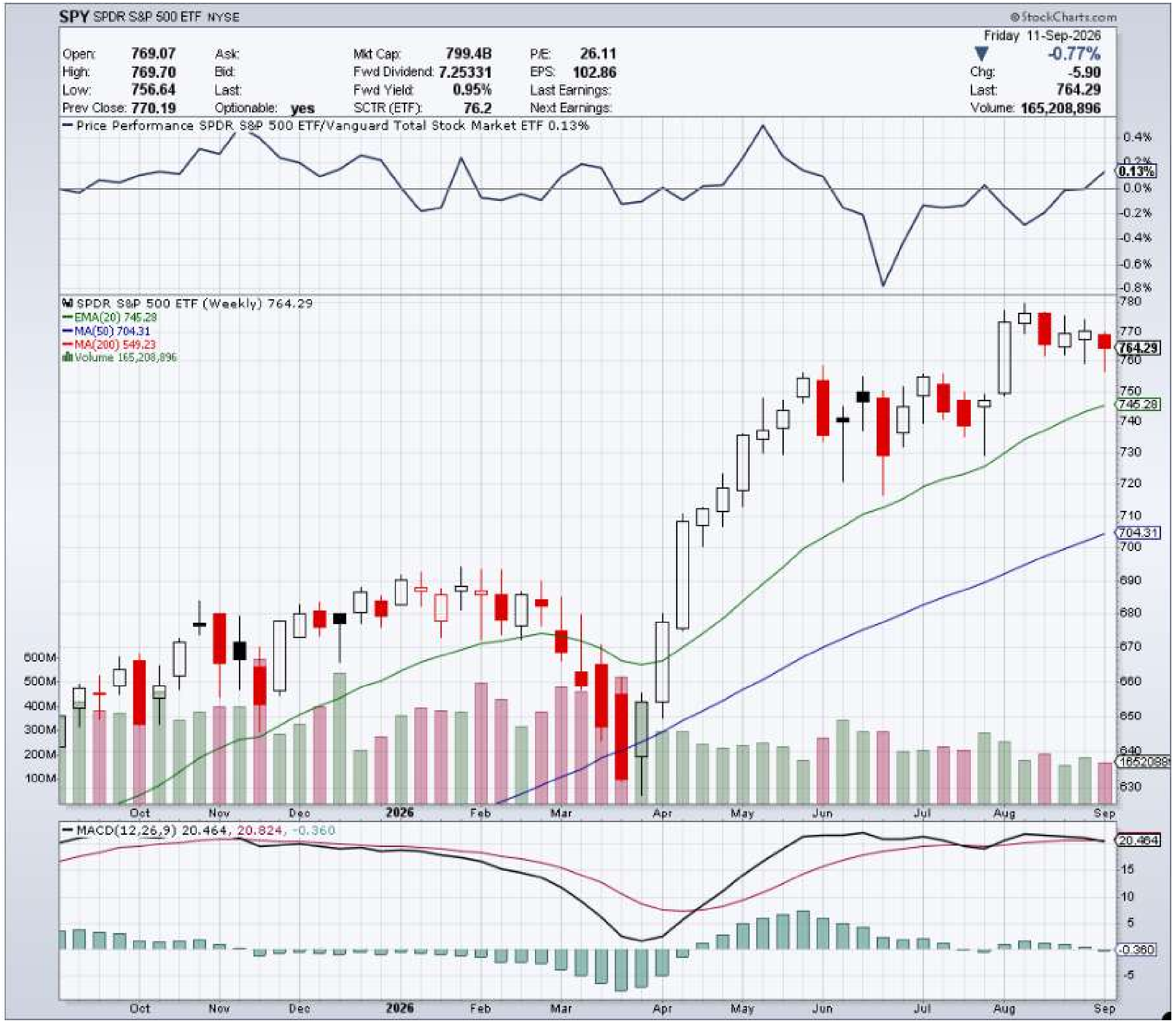
US government bond yields are at their highest level since 2007.

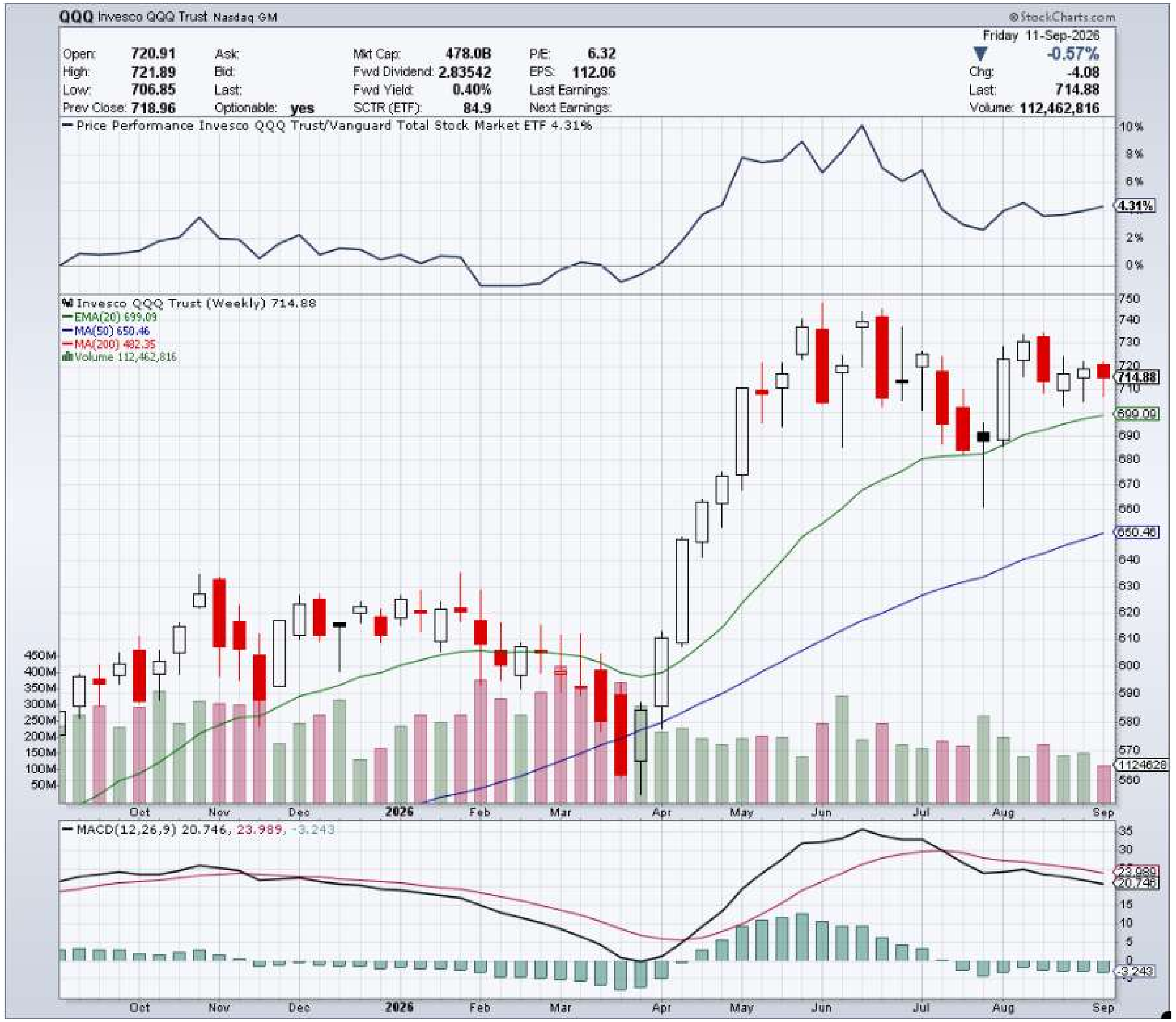
The Federal Reserve estimates the probability of an interest rate hike at approximately 75%.

Indices

S&P500's performance: -0.77%

Nasdaq's performance: -0.57%

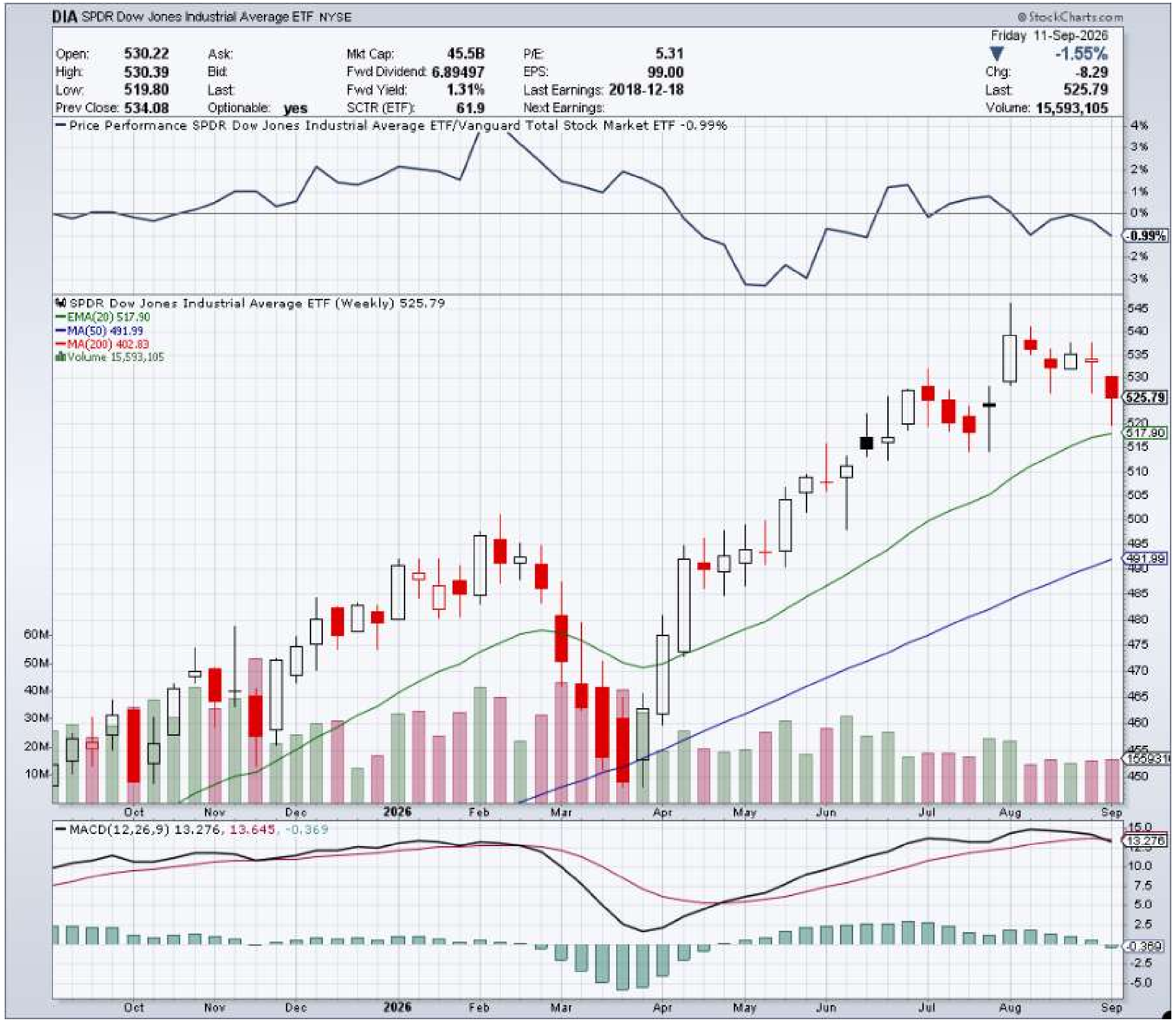


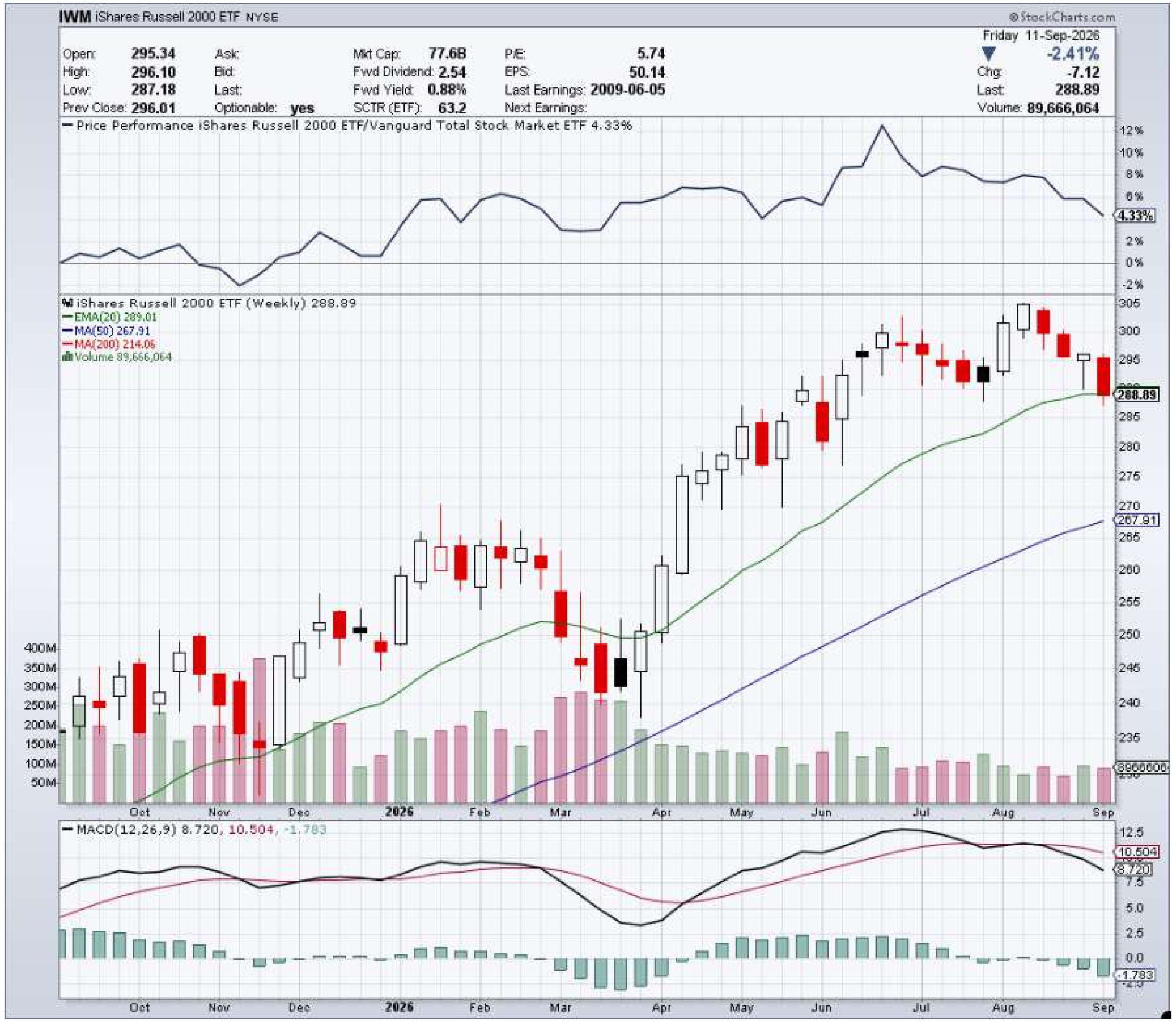


Indices

Dow Jones's performance: -1.55%

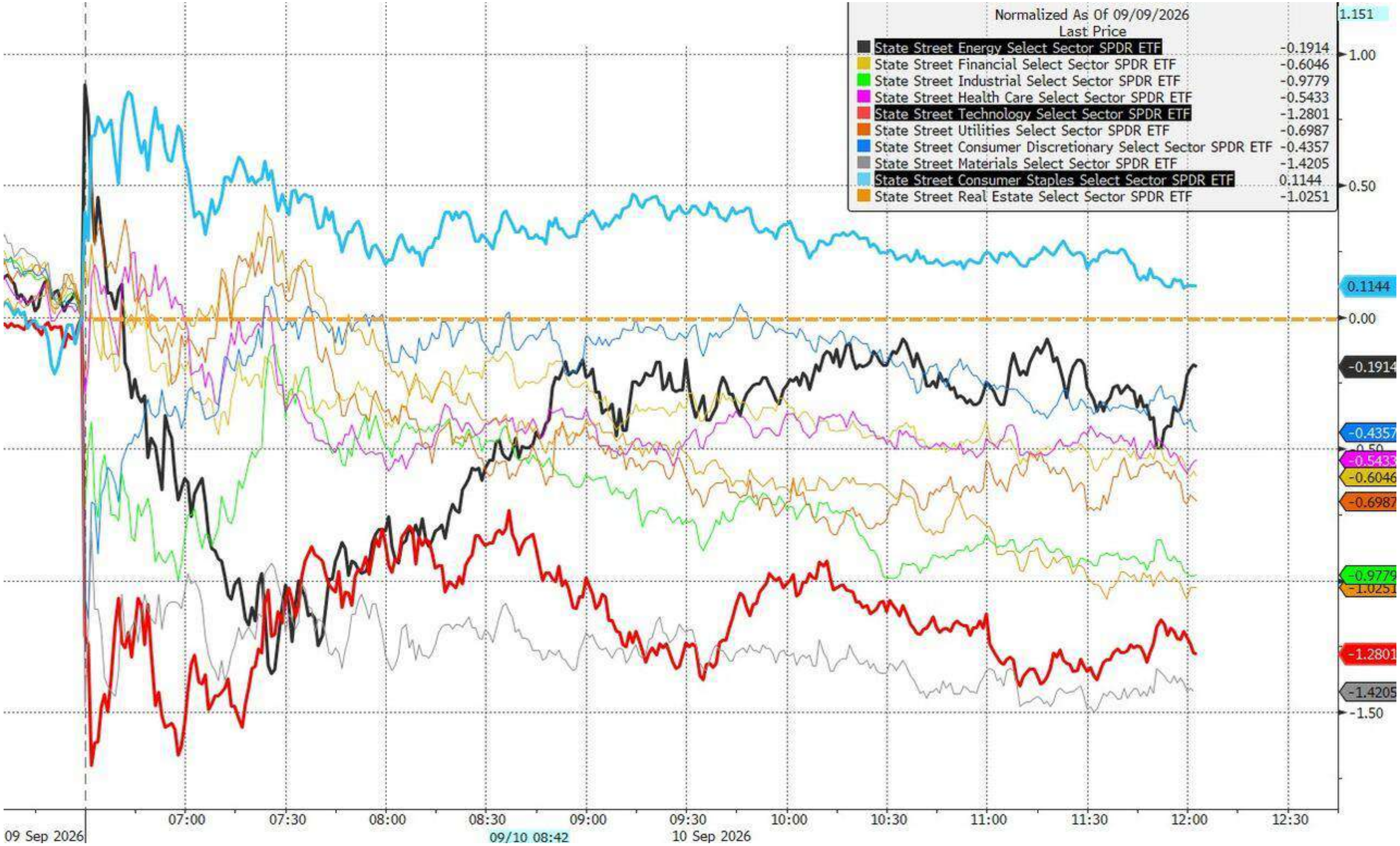
Russell 2000's performance: -2.41%



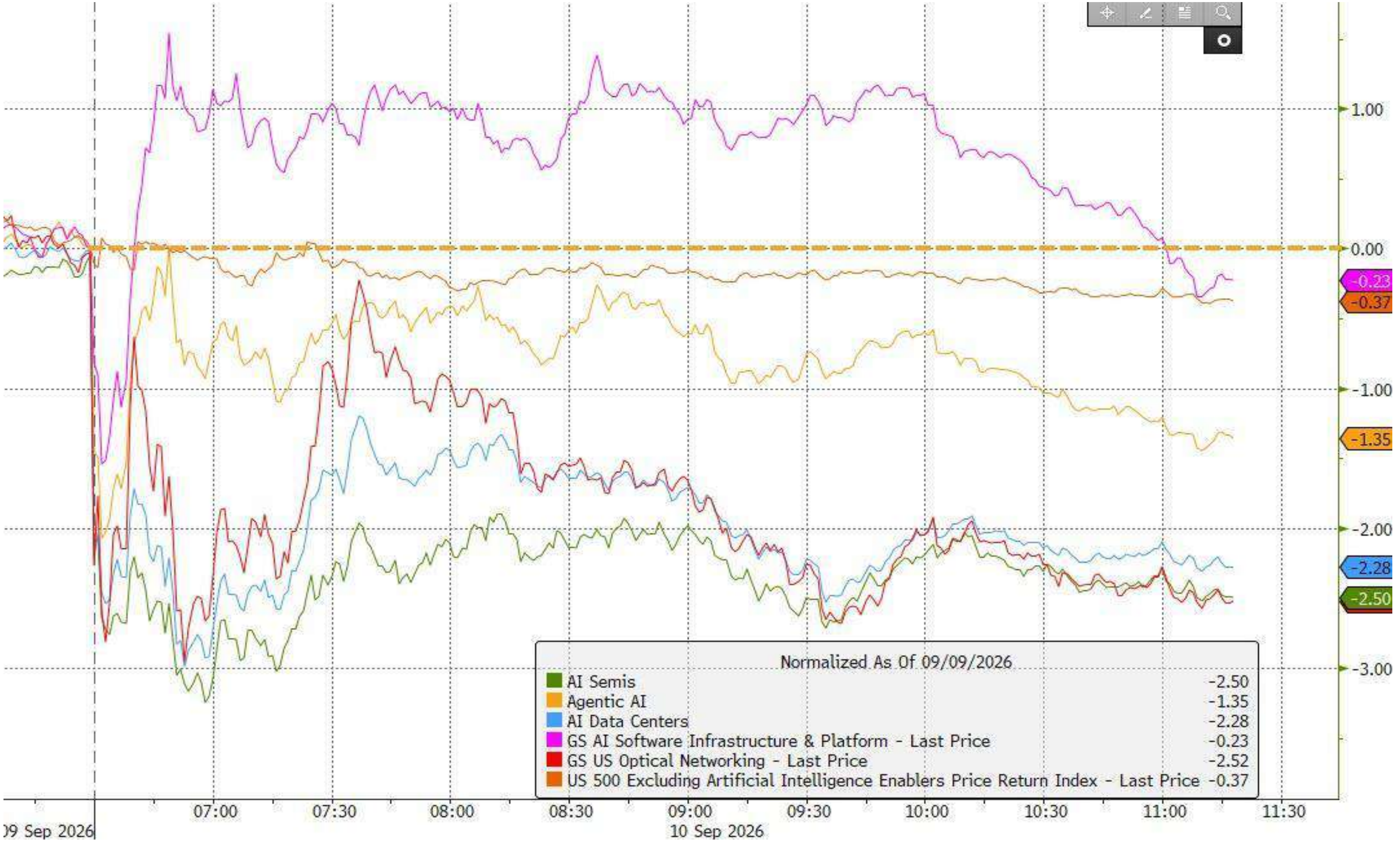


Last week, all major U.S. stock indices showed mixed results. Small-cap stocks and the Dow Jones index suffered the heaviest losses, while the S&P 500 and Nasdaq indices remained relatively stable.

Virtually all S&P 500 sectors declined, with the exception of consumer staples. The materials and technology sectors posted the worst results. The energy sector remained virtually unchanged following a sharp rise in oil prices, signaling investor skepticism regarding the sustainability of high oil prices.



Shares of all leading companies in the AI sector fell.



Shares of software development companies also showed weaker performance, lagging behind the broader market.

Semiconductor stocks came under significant pressure and were among the sectors that experienced the steepest declines.

Oracle (ORCL) reported revenue of $16.1 billion for the second quarter of fiscal year 2026, a 14% increase year-over-year. Adjusted earnings per share (EPS) rose 54% to $2.26. The primary growth driver was the Oracle Cloud Infrastructure (OCI) segment, with revenue surging 68% to $4.1 billion, while total cloud services revenue reached $8.0 billion, up 34%. Demand for artificial intelligence infrastructure was particularly strong.

Adobe (ADBE) reported record revenue of $6.62 billion for the second quarter of 2026, an increase of approximately 13% year-over-year. Adjusted earnings per share (EPS) came in at $5.96, up about 18%. A key driver of this growth was strong demand for the company's artificial intelligence solutions: annual revenue from AI-focused products more than tripled compared to the previous year, exceeding $500 million. Driven by these strong results, Adobe raised its revenue and EPS guidance for 2026.

Q2 Earnings

Kroger (KR) reported revenue of approximately $34.6 billion and adjusted earnings per share (EPS) of $1.09 for the second quarter of fiscal year 2026, representing a year-over-year increase of about 5%. Identical-store sales, excluding fuel, rose by just 0.2%, while adjusted e-commerce sales grew by 20%. The company maintained its full-year EPS guidance but lowered its forecast for identical-store sales growth from 1.5% to 0.4% due to softening consumer demand and other headwinds.

Copart (CPRT) reported revenue of approximately $1.1 billion for the second quarter of fiscal year 2026, a 3.6% decrease compared to the previous year. Adjusted earnings per share (EPS) stood at $0.36, down 10% from $0.40 a year earlier. Gross profit fell 6.2% to $492.8 million, while net income dropped 9.5% to $350.7 million. Thus, Copart experienced some decline in revenue and profitability during the second quarter.

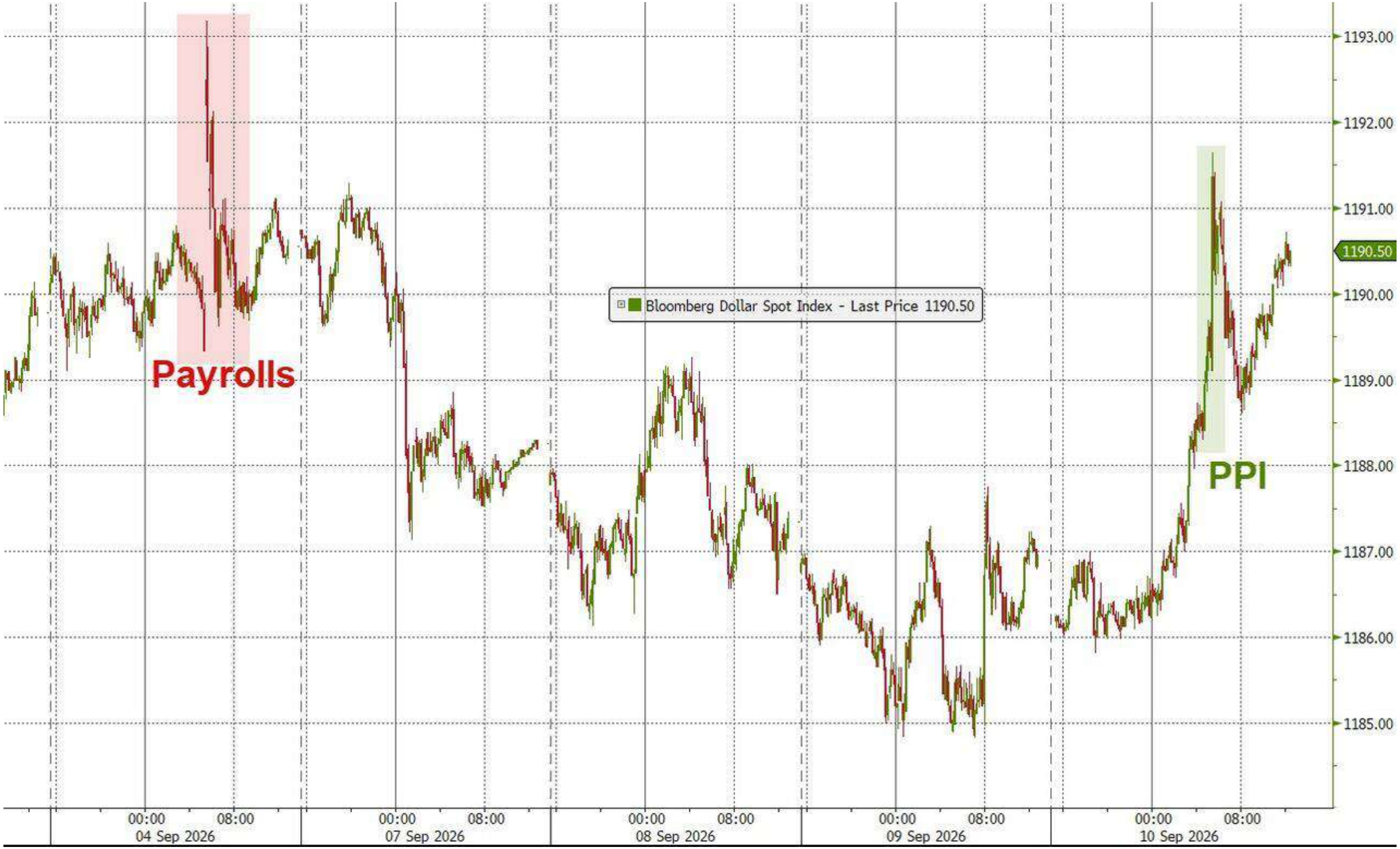
Bond Market | September hike odds

The market currently prices the probability of an interest rate hike by the Federal Reserve at 75%. Unless the Consumer Price Index delivers a major surprise before the meeting, a failure to raise rates would come as a significant surprise to the market.

US Treasury yields remain near their highest levels since 2007. High oil prices are fueling inflationary pressure, limiting the potential for yields to fall. This time around, rising interest rates are already exerting significant pressure on stocks, particularly those with long-term growth prospects.

Bond Market | Dollar index

On Friday, the dollar managed to recoup the losses recorded during the week.



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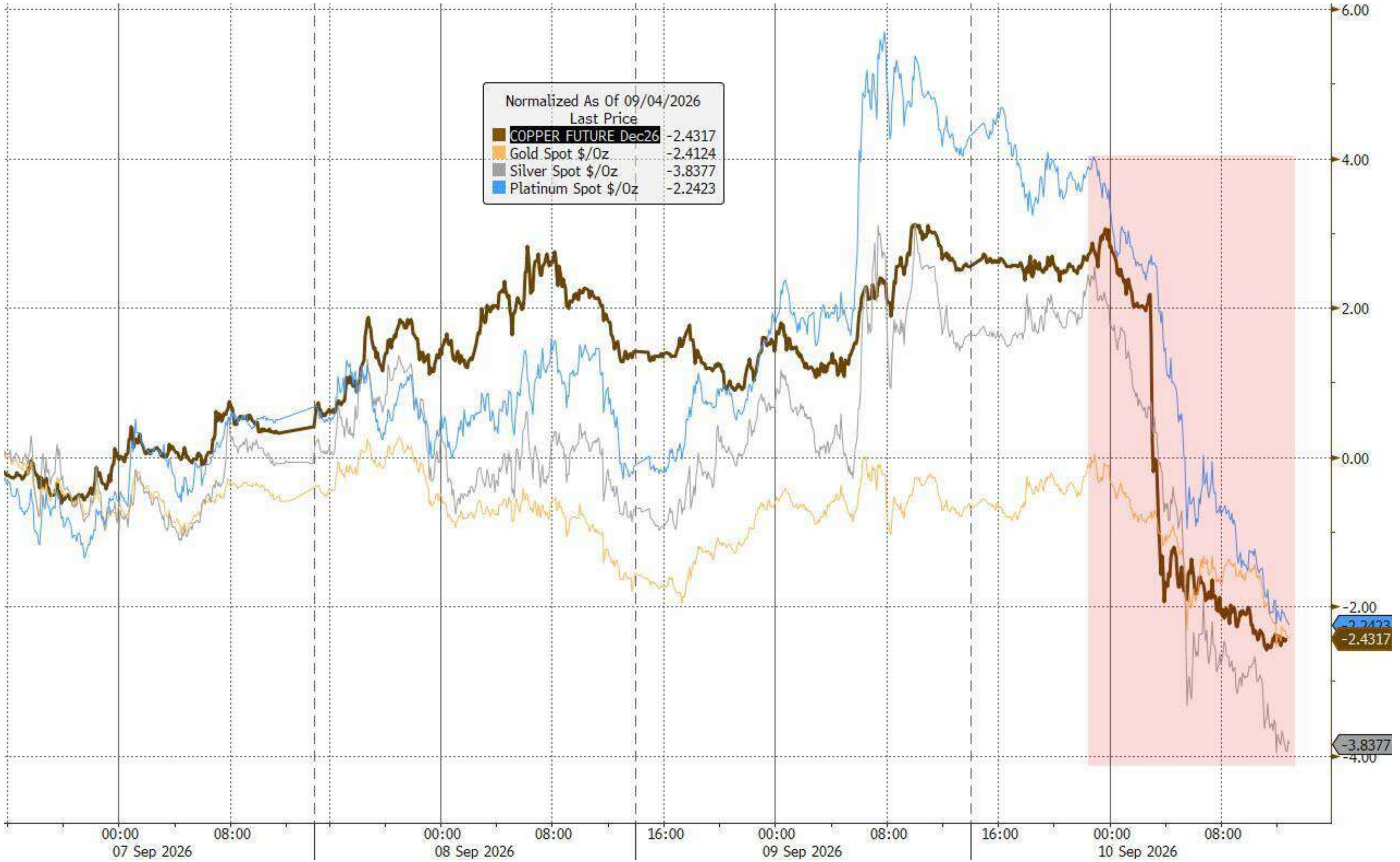
Futures | Metals

Copper prices fell sharply on Friday, and most non-ferrous metals showed a downward trend for the week.



On Friday, WTI crude oil prices surpassed $100, approaching their highest levels since the war. The price surge was driven by geopolitical tensions, the escalating conflict between Iran and the United States, and intensified Houthi actions against Saudi Arabia. At the same time, Saudi Arabia's oil production fell to its lowest level since 1990.

Futures | Refined products

Currently, 91% of trading systems hold long positions in WTI crude oil futures.
On July 7, Goldman Sachs stated that risks to oil prices remain primarily to the upside. The price of Brent crude could exceed $120 per barrel if oil production in the Gulf of Mexico remains approximately 4 million barrels per day below pre-war levels.
At the same time, the price of crude oil is not the only factor that matters; the situation in the refined products market—particularly regarding diesel fuel—could be of greater significance to the market.

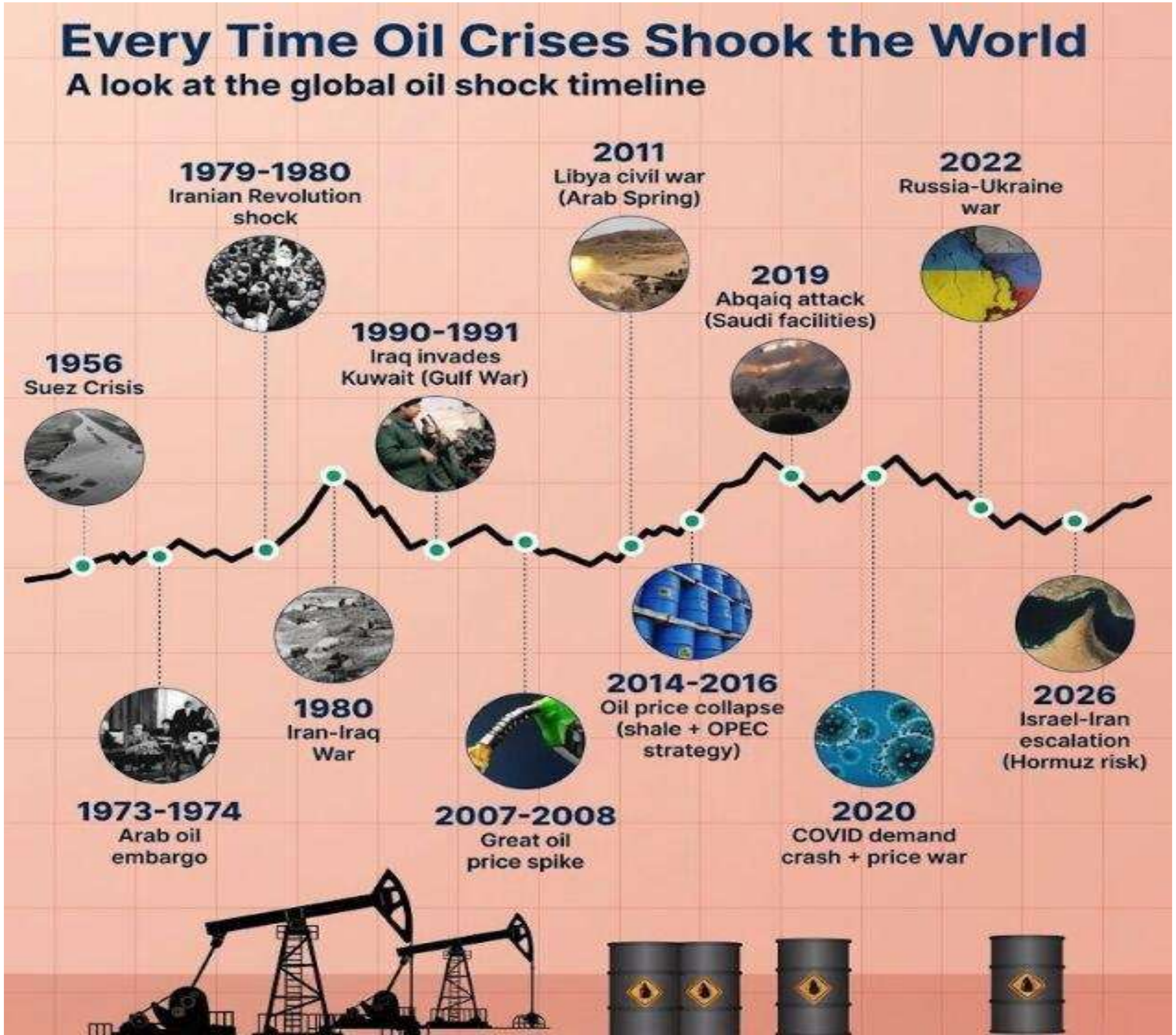
Bitcoin also declined last week, falling below the $77,000 mark.

The Red Sea bypass route has a new complication

It was already noted in July that Saudi Arabia's alternative route bypassing the Strait of Hormuz was under significant strain. The time required to transport oil from Yanbu to Taiwan has increased from 19 days to 48 days.

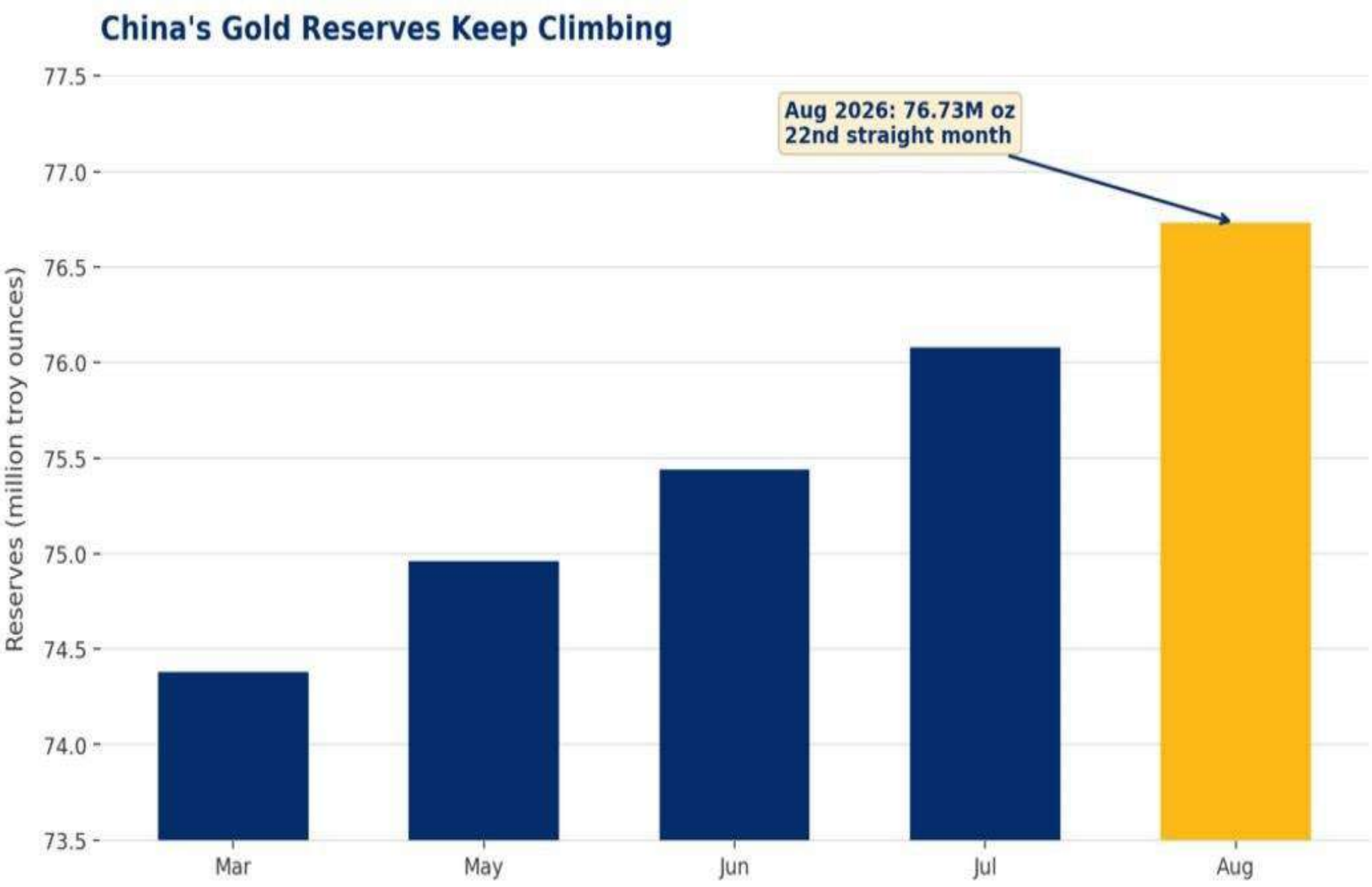
It seems that every major oil crisis has followed the same pattern: geopolitical triggers -> physical supply disruptions -> underestimation of risks -> sharp price swings.

But this time, there is a significant difference; previous crises were primarily driven by supply, demand, or policy issues. This time, all these factors are under pressure simultaneously.



China continues to stockpile gold at a historic pace.

China’s central bank officially bought +20 tonnes of gold in August, matching its largest monthly purchase since October 2023. This follows +20 tonnes and +15 tonnes acquired in July and June, respectively, and marks its 22nd consecutive monthly gold purchase. So far in 2026, China has officially added +80 tonnes to its gold reserves, lifting total holdings to a record 2,387 tonnes. By comparison, in full-year 2025, China increased its official gold reserves by a total of +29 tonnes.

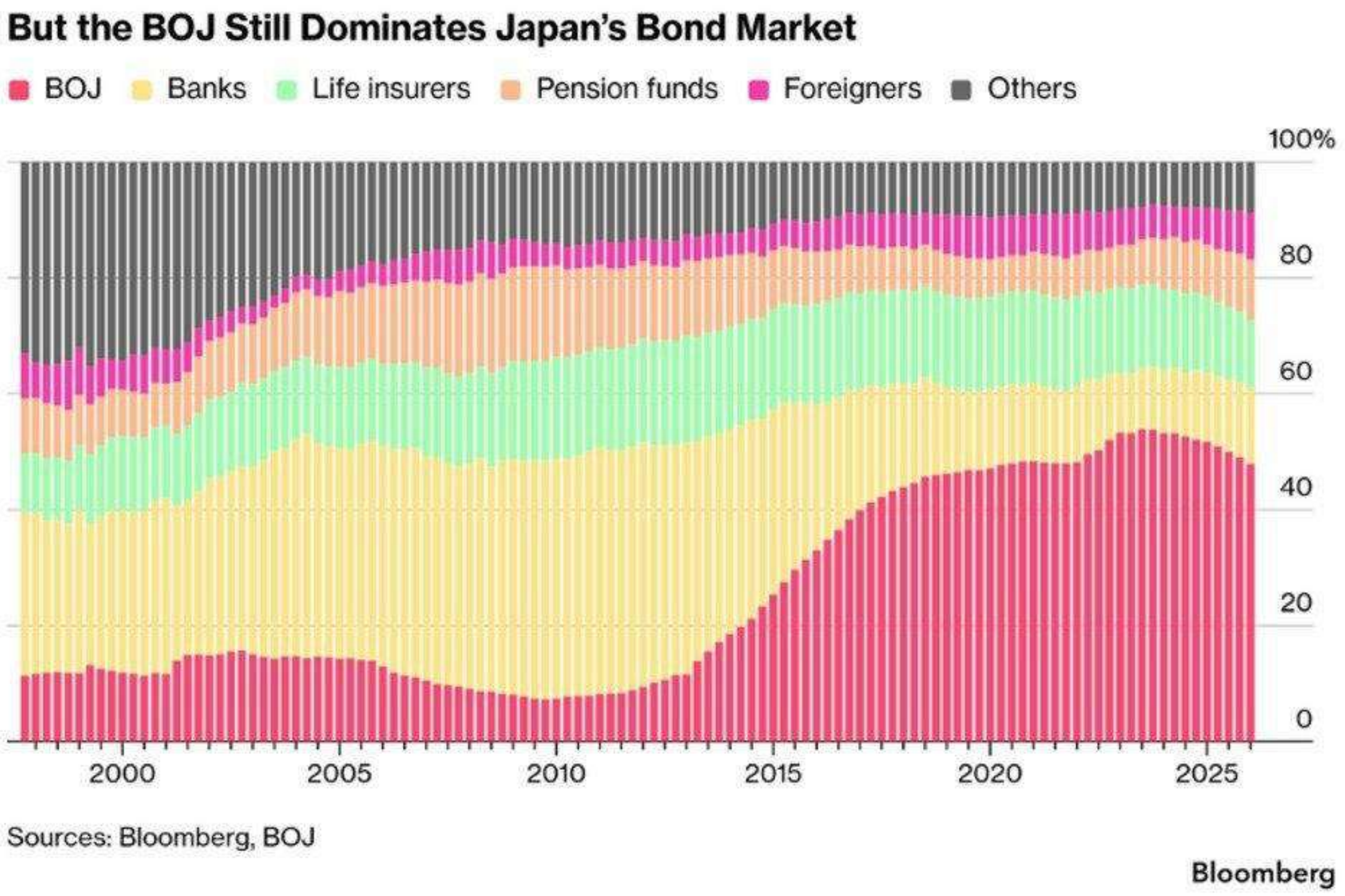


Source: China State Administration of Foreign Exchange (SAFE) | GoldSilver

The commodities cycle has begun to shift.

The correlation between commodities and the S&P 500 index has started to change following a prolonged slump; between 2015 and 2024, this correlation hit a 50-year low. Previous lows in 1977, 1999, and 2008 coincided with specific phases of commodity cycles, but this time, the low persisted for longer.
Early signs of a reversal are already visible:
Oil prices are above $100, copper is at record highs, energy prices in Europe are elevated, and fuel inventories are under pressure.
Equities do not necessarily have to plummet; they simply need to stop rising by 20% annually.

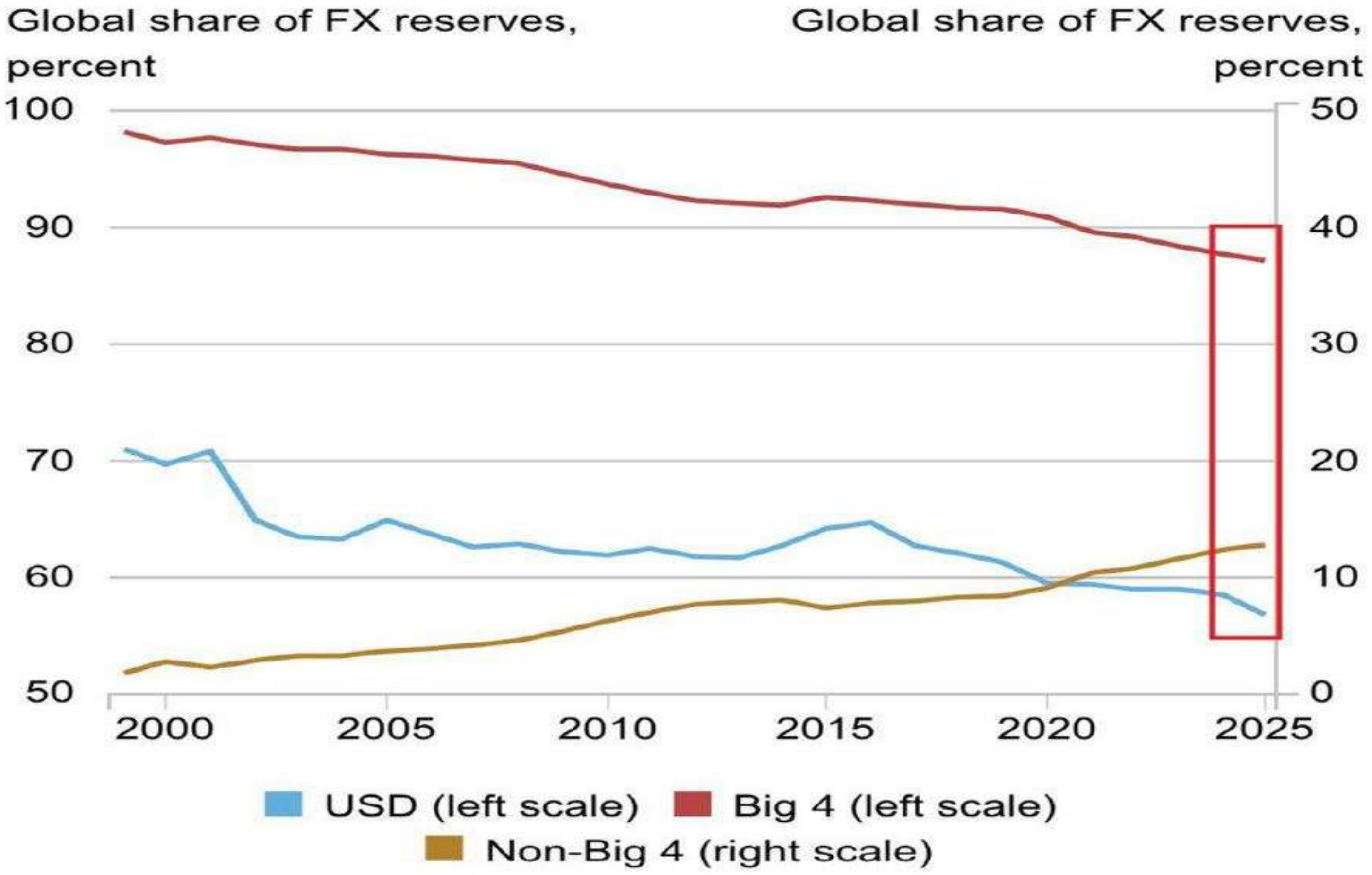
Despite balance sheet reduction, the Bank of Japan remains the dominant force in Japan's bond market:
The Bank of Japan now holds ~46% of Japanese government bonds (JGBs), down -8 percentage points from its 2023 peak and its lowest proportion since 2021. Yet, the BoJ still holds more JGBs than banks, life insurers, pension funds, and foreign investors combined. By comparison, the BoJ owned just ~10% of JGBs in 2013. This comes despite BoJ holdings of JGBs dropping -$310 billion over the 12 months ending in July, their largest 12-month decline in history. This brought the BoJ's total JGB holdings down to ~$3.3 trillion, its lowest since 2020, but still +400% above 2012 levels. The BoJ is stepping back, but it still controls Japan's bond market.



Talk of de-dollarization appears to be running ahead of reality.

The dollar's share of global reserves has fallen to 57%, the lowest level in 30 years. However, this decline is largely driven by the policies of a few countries, particularly China and Russia. The dollar's position remains stable in the majority of countries that hold reserves. Thus, this is not yet a global exodus from the dollar, but rather a gradual diversification of reserves.

Shares of Dollars and Big Four Currencies in Global Foreign Exchange Reserves Have Declined



Source: IMF Currency Composition of Official Foreign Exchange Reserves (COFER) year-end values.
Note: Big four currencies are USD, JPY, EUR, and GBP.

Earnings Calendar

This week, 18 companies will publish their financial reports for the second quarter of 2026. Among the most anticipated by market participants are the reports from Trip.com Group Limited (TCOM), Lennar Corporation (LEN), Forgent Power Solutions, Inc. (FPS), Kestra Medical Technologies (KMTS) and many other companies.

No.	Ticker	Company	Sector	Industry	Country	↓Market Cap	P/E	Price
1	TCOM	Trip.com Group Ltd ADR	Consumer Cyclical	Travel Services	Singapore	25.53B	6.19	39.31
2	LEN	Lennar Corp	Consumer Cyclical	Residential Construction	USA	19.13B	12.45	79.60
3	FPS	Forgent Power Solutions Inc	Industrials	Electrical Equipment & Parts	USA	9.19B	-	30.20
4	KMTS	Kestra Medical Technologies Ltd	Healthcare	Medical Instruments & Supplies	USA	1.39B	-	23.75
5	LUXE	LuxExperience B.V ADR	Consumer Cyclical	Luxury Goods	Germany	1.00B	1.79	7.30
6	RLGT	Radiant Logistics Inc	Industrials	Integrated Freight & Logistics	USA	384.96M	24.72	8.22
7	PLAY	Dave & Buster's Entertainment Inc	Communication Services	Entertainment	USA	285.27M	-	8.20
8	ALMU	Aeluma Inc	Technology	Semiconductors	USA	249.49M	-	12.95
9	HITI	High Tide Inc	Healthcare	Pharmaceutical Retailers	Canada	230.82M	-	2.63
10	IPHA	Innate Pharma ADR	Healthcare	Biotechnology	France	217.82M	-	1.95
11	EPM	Evolution Petroleum Corp	Energy	Oil & Gas E&P	USA	150.77M	-	3.75
12	CODA	Coda Octopus Group Inc	Industrials	Aerospace & Defense	USA	112.92M	22.89	10.01
13	RFIL	RF Industries Ltd	Industrials	Electrical Equipment & Parts	USA	110.65M	81.99	10.20
14	VRA	Vera Bradley Inc	Consumer Cyclical	Footwear & Accessories	USA	87.59M	-	3.08
15	ISPR	Ispire Technology Inc	Consumer Defensive	Tobacco	USA	84.38M	-	1.47
16	HYFT	MindWalk Holdings Corp	Healthcare	Biotechnology	USA	60.61M	-	1.29
17	HAIN	Hain Celestial Group Inc	Consumer Defensive	Packaged Foods	USA	57.76M	-	0.64
18	BIOX	Bioceres Crop Solutions Corp	Basic Materials	Agricultural Inputs	Argentina	25.92M	-	0.41

This Week's U.S. Economic Calendar

Monday, Sep. 14						
	No events scheduled					
Tuesday, Sep. 15						
8:30 AM	Empire State Manufacturing Survey	Sep	-	-	20.6
TBA	U.S. Federal Open Market Committee meeting	-	-	-	-
Wednesday, Sep. 16					
8:30 AM	Retail Sales	Aug.	-	-	-0.6%
8:30 AM	Import Prices	Aug.	-	-	-0.4%
10:00 AM	Manufacturing & Trade: Inventories	Jul.	-	-	0%
10:00 AM	NAHB Housing Market Index	Sep	-	-	35
2:00 PM	Federal Reserve economic projections	-	-	-	3.8%
2:00 PM	U.S. interest rate decision	-	-	-	3.8
Thursday, Sep. 17					
8:30 AM	Housing Starts	Aug.	-	-	1.2M
8:30 AM	Philadelphia Fed Business Outlook Survey	Sep	-	-	47.4
8:30 AM	Weekly Jobless Claims	Sept. 12	-	-	-
10:00 AM	Pending Home Sales Idx, M/M%	Aug.	-	-	-2.3%
Friday, Sep. 18					
9:15 AM	Industrial Production, M/M%	Aug.	-	-	0.2%
9:15 AM	Capacity Utilization %	Aug.	-	-	76.3%
10:00 AM	Leading Indicators	Aug.	-	-	0.2%

AraratBank

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