Hawkish hold meets crude correction as duration rallies into a firmer dollar

The post-FOMC hawkish repricing has unwound and duration is leading. The US 10Y fell to 4.41%, -45bp WoW, even as the 2Y rose to 4.11%, +1.5% WoW, steepening the curve to a 30bp gap.

Crude gave back its war premium and equities cracked at the top end. WTI fell -10.9% WoW to $78.94 and SPY shed -2.5% to 727.80 while QQQ dropped -4.9%, the tech complex bearing the brunt.

Digital assets are in a clean downtrend with on-chain hedging confirming the tape. BTC fell -6.7% WoW to $59,014 and ETH -10.1% to $1,534.57, both sitting on fresh 52-week lows.

OUR READ

The post-FOMC hawkish bid has faded into the long end; duration is the cleaner trade than equity beta this week.

Market snapshot · as of 26 June 2026

	Ccy	Price	Perf. since 52 Week Low			Perf. since 52 Week High			Perf.	Trend	Signal	GC View
			Date	Low	Rise %	Date	High	Decl. %	YTD	6m	OB / OS	
Core anchors												
US 10Y Treasury Yield	%	**4.41**	Oct-25	3.97	+11.1%	May-26	4.67	-5.6%	+5.3%	up	neutral	OW
S&P 500 (SPY ETF)	USD	**727.8**	Jun-25	611.9	+18.9%	Jun-26	759.6	-4.2%	+6.5%	up	neutral	**N**
Brent Crude †	USD	**76.49**	Dec-25	59.93	+27.6%	Apr-26	138.2	-44.7%	+23.4%	neutral	sl. OS	—
Gold (GLD ETF)	USD	**371.5**	Jul-25	301.0	+23.4%	Jan-26	495.9	-25.1%	-6.7%	down	sl. OS	**N**
Bitcoin	USD	**59,014**	Jun-26	59,014	+0.0%	Oct-25	114,521	-48.5%	-33.5%	down	neutral	UW
EUR/USD		**1.15**	Jul-25	1.14	+0.3%	Jan-26	1.20	-4.3%	-2.3%	neutral	sl. OS	**N**
Weekly focus												
US Dollar Index (Broad)		**120.4**	Jan-26	117.4	+2.5%	Nov-25	121.9	-1.2%	+0.7%	neutral	neutral	OW
US 2Y Treasury Yield	%	**4.11**	Feb-26	3.38	+21.6%	Jun-26	4.24	-3.1%	+18.4%	up	sl. OB	**N**
US 20Y Treasuries (TLT ETF)	USD	**87.04**	May-26	83.02	+4.8%	Oct-25	92.06	-5.5%	+0.0%	neutral	neutral	OW
Nasdaq-100 (QQQ ETF)	USD	**704.3**	Jun-25	546.2	+28.9%	Jun-26	746.2	-5.6%	+14.9%	up	sl. OB	UW
USD/JPY		**161.4**	Jul-25	143.6	+12.4%	Jun-26	161.4	+0.0%	+3.0%	neutral	neutral	**N**
US IG Credit (LQD ETF)	USD	**109.3**	May-26	107.1	+2.1%	Oct-25	112.9	-3.2%	-0.8%	neutral	neutral	**N**
German 10Y Bund Yield	%	**2.90**	Jul-25	2.57	+12.8%	May-26	3.21	-9.7%	-0.3%	neutral	neutral	**N**

** Large fixed income ETFs used as proxies to assess duration trades and credit markets.*
† Brent Crude: FRED primary 76.49 vs cross-check 72.95 — hard (Divergence -4.63% > 3.0× tolerance (±0.50%)).
Client view: core anchors + weekly focus. Growth Capital tracks the full GC27 cross-asset universe; displayed rows are curated for this week's thesis. GC View is a draft, subject to CIO review.

Source: Growth Capital analysis. Data as of market close, 26 June 2026.

Duration leads as the war premium drains and the dollar grinds higher

We read this week as a hawkish hold whose hawkishness the market has already faded, leaving a steeper curve, a firmer dollar, and a crude correction running in parallel. The US 10Y closed at 4.41%, down 45bp on the week, while the 2Y rose to 4.11%, up 1.5%, and the DXY held at 120.40, up 0.23% WoW and 0.66% YTD near the top of its 117.44 to 121.92 range. The front end is pricing a Fed that will not cut soon, the long end is pricing a war premium draining out of energy and into Treasuries, and the dollar is the residual that absorbs both. This is not a risk-on tape: SPY fell 2.5% and QQQ fell 4.9% even as the curve bull-steepened. Our single house view is that duration is the cleaner expression of the current regime than equity beta. We hold that view with a defined falsifier on the 10Y. The week's coherence sits in the rates complex, not the index.

Start with the rates observation. The US 10Y at 4.41% is down 45bp WoW and now sits below where it traded before the 17 June FOMC, while the 2Y at 4.11% is up 1.5% on the week and pinned near its 4.24% 52-week high, a 30bp 10Y-2Y gap that has widened from a flatter starting point. The transmission runs through the war premium and the policy reaction function in opposite directions along the curve. Brent and WTI both corrected double digits this week as Strait of Hormuz flow assurances unwound the supply-disruption bid, which pulls the market's medium-term inflation compensation lower and lets the 10Y rally; the long end is a duration-plus-breakeven instrument, and a falling oil path compresses the breakeven leg directly. The front end does not get that relief because a Fed holding at 3.50% to 3.75% with no forward guidance keeps the 2Y anchored to the policy rate rather than to oil. The pass-through is asymmetric: energy disinflation reaches the 10Y through breakevens, but the 2Y answers to the reaction function, so the curve steepens mechanically. We are overweight US duration via TLT at 87.04, flat on the week, over a three-to-six-month horizon, accepting carry drag and the risk of a hawkish surprise in exchange for convexity if growth softens. We would cut that view if the 10Y breaks back above 4.67%, its 52-week high, which would signal the breakeven relief is reversing and the long end is repricing a higher-for-longer terminal rate rather than a draining war premium.

The cross-asset tape contradicts the calm read that a curve steepening usually implies. SPY fell 2.5% WoW to 727.80 and QQQ fell 4.9% to 704.28, with the Nasdaq proxy still 14.9% higher YTD versus SPY's 6.5%, so the selling concentrated where the YTD gains and the valuation were richest. The mechanism is a positioning unwind, not an earnings event. A market that made fresh highs on subdued implied volatility carries crowded momentum and low-vol exposure, and when the marginal buyer steps back the same crowding that suppressed realised vol amplifies the drawdown on the way down; tech is the high-beta leg of that crowd, which is why QQQ fell roughly twice as hard as SPY. Credit declined to confirm: HYG slipped 0.2% to 79.85 and is down 1.0% YTD, a muted move that says this is an equity-positioning event, not a credit-cycle turn, since a genuine deleveraging would show in high-yield spreads before the index. We are neutral US large-cap equity and underweight the Nasdaq complex specifically over the next quarter, accepting that we give up upside if the momentum trade re-grosses. We would move back to neutral on QQQ if it reclaims its 746.16 52-week high on broadening breadth, which would signal the unwind has cleared rather than paused.

The second material rail is the dollar and its mirror in crude and gold. DXY at 120.40 is up 0.66% YTD and sits 0.23% higher WoW, EUR/USD eased to 1.147, down 0.39% WoW and 2.28% YTD, and USD/JPY printed a fresh cycle high at 161.37, up 0.54% on the week. A firmer dollar tightens global financial conditions and is the counterpart to the crude correction, since dollar-priced oil falls faster when the numeraire strengthens; gold via GLD fell 4.0% WoW to 371.52 and is down 6.7% YTD, consistent with higher real-rate expectations at the front end overwhelming the safe-haven bid. The risk-off in equities and the risk-off in gold sit on the same axis: both are paying for a dollar that the market expects to stay restrictive. The coherence holds.

What would change our view. On the downside, a 10Y move back above 4.67% would tell us the long end is repricing higher-for-longer rather than draining a war premium, and we would cut duration and add dollar exposure. On the upside, a clean reclaim of the SPY 759.57 and QQQ 746.16 52-week highs on widening breadth would tell us the positioning unwind has exhausted, and we would lift equity beta back to neutral-plus. The crude path is the swing variable underneath both, but we treat the reconciled energy prints as directional rather than precise this week given a wide cross-source divergence. A late-cycle credit lens keeps us alert to a non-linear turn: leverage built quietly in private channels does not show in the index until funding stress appears in spreads, and HYG at 79.85 is the gauge we watch first. Source: GrowthCapital analysis; FRED, Hyperliquid, Nansen, ECB, BEA.

Asset deep-dives

Fixed Income: The US 10Y at 4.41% is down 45bp WoW and now trades below its pre-FOMC level, while the 2Y at 4.11% is up 1.5% and sits within a tick of its 4.24% 52-week high, leaving a 30bp 10Y-2Y gap that has widened on the week. The German 10Y at 2.90% fell 3.7% WoW toward its three-month lows, and TLT held at 87.04, flat on the week and essentially unchanged YTD at +0.01%. The transmission is a tale of two ends. The long end is a duration-plus-breakeven instrument, and the crude correction drains the inflation-compensation leg directly, so the 10Y rallies as the war premium unwinds. The front end answers to a Fed holding at 3.50% to 3.75% with no forward guidance, which anchors the 2Y to the policy path rather than to oil, so it cannot follow the long end down. The result is a mechanical bull-steepening rather than a growth-scare flattening. We are overweight US duration via TLT over a three-to-six-month horizon, accepting carry drag and a hawkish-surprise risk in exchange for convexity if growth softens. IG credit confirms the benign read: LQD at 109.33 rose 0.23% WoW even as it sits down 0.76% YTD, a stable spread that argues against a credit-cycle turn. We would cut the duration call if the 10Y breaks back above its 4.67% 52-week high, which would signal the long end is repricing a higher terminal rate rather than a draining supply premium, inverting the mechanism that drives our overweight.

Equities: SPY fell 2.5% WoW to 727.80 and QQQ fell 4.9% to 704.28, with the divergence telling the story: the Nasdaq proxy retains a 14.9% YTD gain against SPY's 6.5%, so the week's selling hit hardest where the YTD advance and the valuation premium were largest. DIA edged up 0.31% to 517.10 and IWM rose 0.20% to 296.17, both holding near their 52-week highs, which confirms the move is a concentrated tech unwind and not a broad de-risking. The mechanism is a positioning event. A market that climbed to fresh highs on suppressed implied volatility carries crowded momentum and low-vol exposure, and when the marginal buyer pauses the same crowding that held realised vol down amplifies the drawdown, with QQQ as the high-beta leg falling roughly twice as far as SPY. Overseas proxies moved in sympathy, with FEZ down 4.2% to 67.15 and EWJ down 4.0% to 92.41, so the unwind is global beta rather than a US-specific catalyst. We are neutral US large-cap and underweight the Nasdaq complex over the next quarter, accepting we forgo upside if the momentum trade re-grosses, because the asymmetry favours waiting for breadth to confirm. We would move QQQ back to neutral on a reclaim of its 746.16 52-week high with broadening participation, which would signal the unwind has cleared rather than merely paused. A late-cycle lens keeps us cautious on paying full price for a narrow, leveraged advance.

Forex: DXY held at 120.40, up 0.23% WoW and 0.66% YTD, sitting near the top of its 117.44 to 121.92 range, while EUR/USD eased to 1.147, down 0.39% WoW and 2.28% YTD, and USD/JPY printed a fresh cycle high at 161.37, up 0.54% on the week. The dollar is the residual that absorbs a hawkish front end and a draining war premium at once. The transmission into the yen is the cleanest: with the Fed holding at 3.50% to 3.75% and the BoJ still far below, the rate differential pins USD/JPY higher, and the pair making new highs reflects a carry trade that a firm dollar keeps intact rather than a fundamental yen story. The euro leg is softer, with EUR/USD now sl. oversold at 1.147 after the ECB's 25bp hike to a 2.25% deposit rate, since a German 10Y at 2.90% near three-month lows undercuts the rate-support case for the single currency. GBP/USD fell 0.82% to 1.3228 and USD/CHF rose 0.41% to 0.804, both consistent with broad dollar firmness rather than idiosyncratic moves. We are neutral EUR/USD over the next quarter, since the pair sits near range support and the YTD weakness already reflects the rate gap, leaving the risk two-sided. We would turn underweight EUR/USD on a break below its 1.1431 52-week low, which would signal the rate differential is widening faster than the market has priced and the dollar's grind has further to run.

Commodities: Gold via GLD fell 4.0% WoW to 371.52 and is down 6.7% YTD, sitting sl. oversold and well off its 495.90 52-week high, the standout move in a week where the energy complex also corrected hard. The mechanism on gold runs through real-rate expectations. A firmer dollar at a DXY of 120.40 and a front end anchored by a Fed holding at 3.50% to 3.75% lift expected real yields, and gold pays no coupon, so a higher real-rate path raises its opportunity cost and pulls the price down even with geopolitical risk still live. The safe-haven bid that would normally cushion gold during a Strait of Hormuz scare is being overwhelmed by the rate channel, which is the tell that this is a dollar-and-rates move rather than a risk-event move. Natural gas at 3.16 rose 3.3% WoW and is up 12.1% YTD, a divergence from the broader energy correction that reflects its own supply-demand balance rather than the crude risk premium. We are neutral gold via GLD over the next quarter, since the oversold reading and live geopolitical tail offset the rate headwind, leaving a balanced setup. We would turn overweight GLD if the front-end repricing reverses and the 2Y rolls off its 4.24% high, which would cut the real-rate opportunity cost that is currently the binding constraint on the metal. We treat this week's crude prints as directional given a wide cross-source divergence in the energy feed.

Metric	Value	Note
BTC ETF 7d net flow	**-$6.40B**	Outflows
ETH ETF 7d net flow	**-$992.2M**	Outflows
Stablecoin supply	**$292.77B**	
DeFi chain TVL	**$66.15B**	
BTC dominance	**55.33%**	
BTC funding (annualized)	**-4.18%**	Negative
BTC DVOL	**48.9**	Put/call 0.58
BTC NVT (14d)	**242.5**	

Sources: SoSoValue, DeFiLlama, Deribit, Nansen, Blockchain.com · as of 2026-06-26. 12/13 sources OK.

Algorithm notes & methodology

Notes:

1. Trend (6 months): Growth Capital proprietary algorithm weighing the slope of the 6-month trend vs the 3-month trend, factorised by the Fibonacci retracement ratio (0.618). Values normalised using average price over each period. Combined slope above +0.08% = 'up', below -0.08% = 'down', otherwise 'neutral'.

2. OB / OS measures: Growth Capital proprietary algorithm comparing the difference between the 8-day and 100-day moving averages combined with the 3-day vs 15-day, normalised by the 1-year standard deviation (~260 trading days). Values above 225% = 'OB', above 100% = 'slightly OB'; below -225% = 'OS', below -100% = 'slightly OS'; otherwise 'neutral'.

What we're watching

The 10Y at 4.41% is the pivot. A break back above its 4.67% 52-week high would tell us the long end is repricing a higher terminal rate rather than draining a war premium; we cut duration and add dollar exposure on that signal. To the upside, a clean reclaim of the SPY 759.57 and QQQ 746.16 52-week highs on widening breadth would mark the positioning unwind as exhausted, and we lift equity beta to neutral-plus. HYG at 79.85 is the credit gauge we watch first for any non-linear turn; a move through its 78.72 low would shift the read from positioning to credit cycle.

About Growth Capital

Growth Capital L.L.C-FZ is a licensed wealth manager serving family offices, institutional investors, and high-net-worth individuals. Our Weekly Markets Roundup tracks a curated cross-asset universe spanning global equities (via liquid US ETF proxies for commercial-clean licensing), sovereign yields (Fed + Bundesbank primary sources), foreign exchange, commodities, and digital assets. Equity exposure is tracked via liquid US ETFs (SPY, QQQ, DIA, IWM, FEZ, EWJ) and gold via GLD to maintain a commercial-clean licensing posture.

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