



Purple Patch

JULY 2026

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In the news: It's like rain on your wedding day

Unlike the infamous Alanis Morissette song, recent US policy is actually ironic!

The US turned 250 in July. The War of Independence was not the result of a single dispute or cause. It followed years of growing tension: disputes over tariffs, resentment at decisions imposed from across the water, the closing of Boston port and the belief that rights were being eroded. We oversimplify but the irony is difficult to miss.

In the UK, Andy Burnham took office and the inevitable speculation began. How do you fix public services, stimulate growth and restore UK and overseas confidence in the UK system, without borrowing more money or imposing crippling taxes? Across the Channel, France heads towards a presidential election next year facing many of the same fiscal dilemmas.

Bond markets continue to send an increasingly clear message. France now trades at a noticeably wider spread to Germany than it did only a few years ago, suggesting investors require additional compensation to lend to the French government. The UK's spread remains considerably higher, which partly reflects structurally higher interest rates and inflation, but also a higher required return.

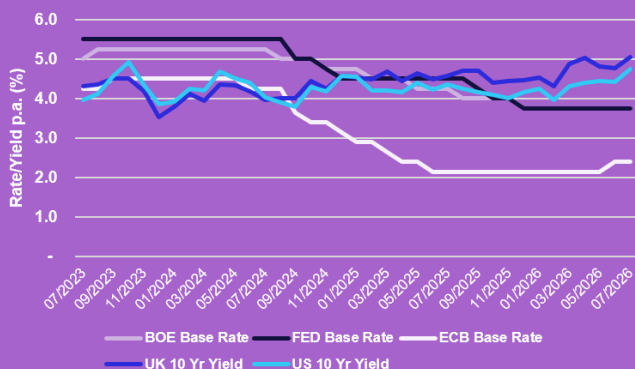
The United States is not immune. Treasury yields have continued to rise (30-year bond yields are at 2007 levels) as investors weigh persistent fiscal deficits, substantial borrowing requirements and the possibility that tariffs could keep inflation higher for longer.

Governments across the developed world have become accustomed to running low-cost fiscal deficits. However, as debt servicing costs rise, those deficits become increasingly expensive to finance. The options are stark without stronger growth: higher taxes, lower spending or allowing inflation to erode the real value of debt. None comes without political and economic pain.

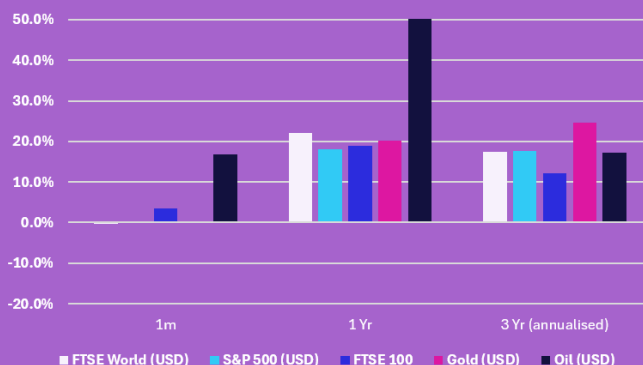
Equity markets are facing a similar question. After two years of rewarding AI investment, almost regardless of cost, investors are now asking whether the enormous capital expenditure will actually pay off. Some of the Mag Seven (now being labelled the "Lag Seven") have fallen sharply, while insurance, pharma and autos (ex-Tesla) outperformed. That isn't irony; it's economics.



Bond Yields and Rates



Equities, Gold and Oil



Market Stats





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Sports news

Football: Spain deservedly won their second World Cup, beating a feisty Argentina 1-0 in New Jersey.

Tennis: At Wimbledon, Linda Noskova won the women's singles final, her first Grand Slam, whilst Jannik Sinner won the men's tournament for the second year running.

Darts: The incredible Luke Littler (still only 19) won the World Matchplay in Blackpool, setting a new tournament three dart average, a new final average and the most 180's in the tournament history.

Cricket: England completed a home white ball summer beating India 4-0 in T20 and 2-1 in the one-day series.

Cycling: Tadej Pogacar won his fifth Tour de France, his third in a row, setting a new record for the 13.8km Alpe d'Huez ascent, that had stood for 30 years, in the process.



A good news story

Scot, Josh Kerr broke the men's world mile record at the London Diamond League in July.

He became the first man ever to run a mile in under 3 minutes 43 seconds, having heavily publicised his intention to break the record that had stood for 27 years.

He is the first British athlete since Steve Cram in 1985 to hold the record and said "... I just hoped it would be a little bit faster!"

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Quote for the Month

"To punish me for my contempt for authority, fate made me an authority myself."

Attributed to Albert Einstein

Stat of the Month

3:42.66

Josh Kerr's mile record, and 66 was also the number of sixes thrown by Luke Littler!

