



## THE WEEK'S BIG THEMES

### ECONOMY

- **Continued resilience in the US labor market:** employment rose more than expected in May, while April data were revised higher. This marked the strongest three-month average since March 2024. Gains also became broader-based, suggesting the economic remains firm despite mounting slowdown concerns. The unemployment rate held steady at 4.3%. **The ISM index rose in May** to a level not seen since 2022, exceeding expectations, with new orders expanding for a fifth consecutive month. Both manufacturing and services activity gained momentum. The prices index eased modestly but still pointed to rising prices for a 20th straight month. Notably, the employment subcomponents remained weak. **PMI readings were more mixed**, with manufacturing still expanding but services sector more subdued.
- **The Eurozone Q1 GDP growth was revised down sharply to -0.2% QoQ**, from the first estimates of 0.1%. Retail sales fell in April, led by non-food products. On a yearly basis, the economy expanded by 0.3% in the quarter, down from 1.2% last year. **May inflation rose to 3.2% YoY** from 3% in April and 1.7% in January, with fuel costs the main driver. Core inflation increased to 2.5%, reinforcing expectations of an ECB hike at the June meeting.
- **Japan nominal average wages rose 3.5% YoY.** Adjusted from inflation, wages increased for a fourth consecutive month, as government gasoline subsidies helped curb price pressures. **Household spending remained weak**, contracting for a fifth straight month.
- **China's official manufacturing PMI showed factory activity losing momentum in May** after two consecutive months of expansion, though it remained at the 50 threshold. The data point to an uneven recovery. Smaller private-sector firms showed greater resilience, with the private PMI at 51.8.
- **The Reserve Bank of India kept its policy rate unchanged at 5.25%**, despite foreign outflows pressuring the currency, which is down 6% YtD.

### GEOPOLITICAL TENSION

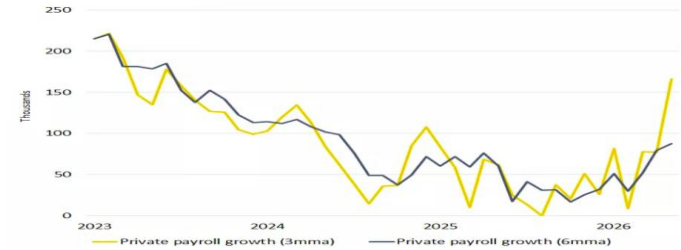
- **The ceasefire between the US and Iran remained fragile**, with continued hostilities and diplomatic tensions preventing a stable resolution.
- **The war in Ukraine remained deadlocked**, with peace talks stalled. V. Zelensky called for a face-to-face meeting with V. Putin in a renewed bid to end the war, but Putin refused the proposal.
- Invoking a legal provision known as Section 301, **the Trump administration plans to impose new tariffs of 10% to 12.5% on 59 countries**

### REPORTING SEASON

- According to FactSet, **S&P 500 companies posted average earnings growth of 28.6% YoY**, marking the strongest pace since Q4 2021 and the sixth straight quarter of double-digit growth.

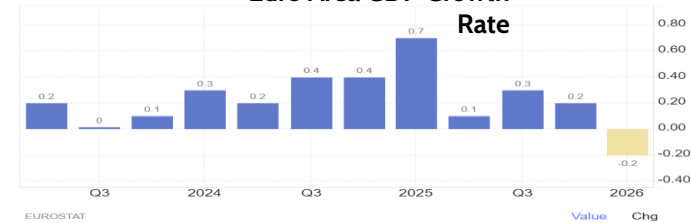
## CHARTS OF THE WEEK

A resurgent U.S. labor market



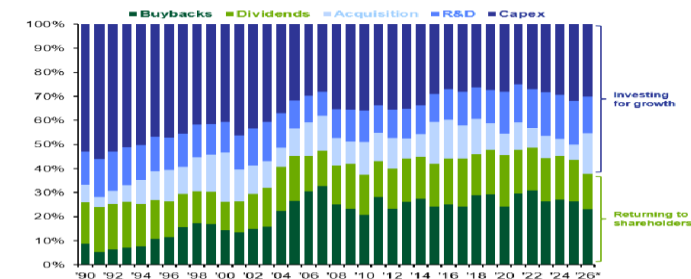
Source Edwardjones, FRED

Euro Area GDP Growth



Source TradingEconomics.com

S&P companies are investing for growth



Source JP Asset Management

## ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<ul style="list-style-type: none"> <li>• Current account, GDP growth (JP)</li> <li>• Consumer inflation expectations (US)</li> </ul>	<ul style="list-style-type: none"> <li>• GDP growth (KR)</li> <li>• Imports &amp; Exports (CN)</li> <li>• Industrial production (DE)</li> <li>• Balance of trade, Redbook (US)</li> </ul>	<ul style="list-style-type: none"> <li>• PPI (JP)</li> <li>• Inflation, PPI (CN)</li> <li>• Inflation, EIA data (US)</li> <li>• BoC Rate decision (CA)</li> </ul>	<ul style="list-style-type: none"> <li>• Retail sales (ID)</li> <li>• <b>ECB Rate decision</b> (EA)</li> <li>• Jobless claims, PPI (US)</li> <li>• Inflation rate (AR)</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity utilization, Industrial production (JP)</li> <li>• Michigan consumer sentiment (US)</li> </ul>

## MARKET'S REACTION

## EQUITY

- **Global equities sold off**, led by the MSCI Emerging Markets index, which fell 4,2%, and underperformed the MSCI World, down 1,2%.
- **Volatility hit US markets, with the S&P 500 posting its largest one-day drop in 2026 on Friday.** After nine consecutive weeks of gains, the index fell 2,6%, as a late-week sell-off across semiconductor-related equities weighed on the broader market. A growing pipeline of AI-related issuance, lackluster guidance from Broadcom, and a stronger-than-expected May jobs report contributed to the move, as investors worried that an improving labor market alongside inflation risks could prompt further rate hikes. The Tech-heavy Nasdaq 100 was hit harder, losing 4,5%. Large caps underperformed value stocks, and small caps lagged large caps.
- **European equities lost ground but outperformed US peers**, with the Stoxx Europe 600 down 0,5%. Among major indexes, Germany's DAX fell 1,4%, while France's CAC 40 added 0,4%, as did the UK's Footsie 100.
- **Asian equity markets posted mixed results:** Japan's Nikkei rose 0,4%, while mainland Chinese equities dropped 1,5% on signs of an uneven economic recovery. Hong Kong's Hang Seng Index also declined 0,9%, although technology-related gains helped limit losses.

## FIXED INCOME

- **Global bond yields rose across the board:** US Treasury yields increased by c. 10bps to end the week at 4,53%, supported by the stronger-than-expected jobs report and hawkish comments from Fed officials about inflation and its implications for monetary policy. The US 2-year benchmark closed 16pbs higher at 4,16%. Markets are pricing in at least one 25 basis point hike by year-end, and another in 2027. German Bund yields also rose 10bps at 3,04%, while the UK Gilt which ended the week at 4,90%. The 10-year Japanese government bond yield was broadly unchanged at 2.66%.
- **Corporate bonds posted negative returns.** Investment-grade credit underperformed sovereign bonds, although new issues were generally oversubscribed. High-yield sentiment was mixed but constructive despite some volatility. Euro-denominated credit outperformed its US counterpart, while emerging market debt underperformed, particularly in local currency. Sentiment in private credit remained fragile, with redemptions continuing to rise.

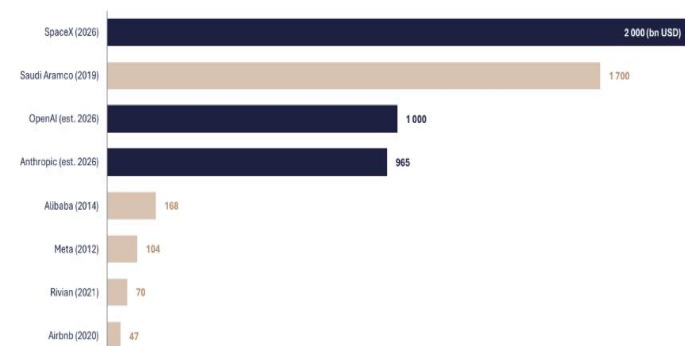
## COMMODITIES

- **Oil prices drifted higher on hopes of peace agreement in the Middle East**, with Brent and WTI rising 1,1% and 3,6%, respectively. **Natural gas fell** by 1,9%.
- **Precious metals declined**, with Gold down 4,9% and Silver down 8,8%, as markets continued to price a rate hike in 2027.

## CURRENCIES &amp; CRYPTO

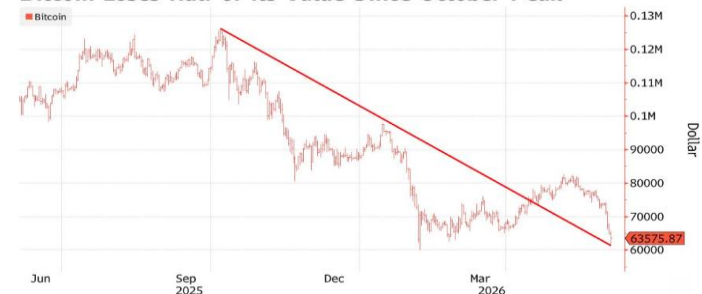
- **The US dollar index drifted higher**, gaining 1,2% against its currencies basket. The euro weakened 0,3%, the British pound slipped 0,1%, and the Australian dollar fell 0,4%. The Yen weakened 0,5% to level where authorities have previously intervened, prompting warnings from the finance minister of decisive action to defend the currency.
- **Cryptocurrencies sold off sharply**, with Bitcoin falling for a fourth consecutive week, down 17%. Ethereum declined 21,4% and Ripple 17,5%. All of Bitcoin's gains since the US presidential election in November 2024 have now been erased.

## CHARTS OF THE WEEK



Source: Altitude IS

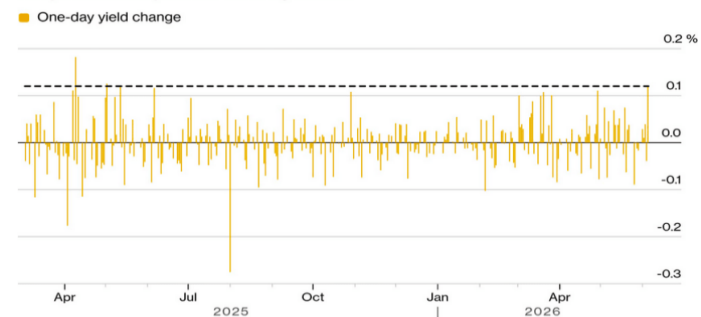
## Bitcoin Loses Half of its Value Since October Peak



Source: Global Markets Investor, Bloomberg

## US Two-Year Yields Rises Most In 14 Months

Hot jobs number jolts US Treasury market



Source: Global Markets Investor, Bloomberg



# WEEKLY MARKET INSIGHTS

29 May 2026 – 05 June 2026

## WEEKLY MARKETS REVIEW (As of 8 June 2026)

### EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	-1.2%	-1.2%	+8.6%
MSCI Emerging (USD)	-4.2%	-4.2%	+20.2%
S&P 500 (USD)	-2.6%	-2.6%	+7.9%
NASDAQ 100 (USD)	-4.5%	-4.5%	+14.7%
RUSSELL 2000 (USD)	-2.9%	-2.9%	+14.2%
STOXX 600 (EUR)	-0.5%	-0.5%	+5.0%
DAX (EUR)	-1.4%	-1.4%	+1.1%
CAC 40 (EUR)	+0.4%	+0.4%	+0.8%
FTSE 100 (GBP)	-0.4%	-0.4%	+4.4%
NIKKEI (JPY)	+0.4%	+0.4%	+32.3%
CSI 300 (CNY)	-1.5%	-1.5%	+4.0%
BOVESPA (BRL)	-2.7%	-2.7%	+4.9%
HANG SENG (HKD)	-0.9%	-0.9%	-2.6%

### FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	-0.4%	-0.4%	+0.2%
Global Aggregate EUR (Hedged)	-0.5%	-0.5%	-0.6%
US Investment Grade	-0.7%	-0.7%	+0.0%
US High Yield	-0.6%	-0.6%	+1.0%
EU Investment Grade	-0.5%	-0.5%	+0.5%
EU High Yield	-0.3%	-0.3%	+0.9%
EM Local Ccy. Gov (Unhedged)	-1.6%	-1.6%	-0.4%
EM Hard Ccy. Aggregate (Unhedged)	-0.6%	-0.6%	+1.1%

### CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-17.0%	-17.0%	-30.4%
Ethereum	-21.4%	-21.4%	-46.7%
Ripple	-17.5%	-17.5%	-40.4%

### COMMODITY MARKETS

	WoW	MTD	YTD
Gold	-4.9%	-4.9%	+0.3%
WTI Crude	+3.6%	+3.6%	+57.7%
Brent Crude	+1.1%	+1.1%	+53.0%
Silver	-8.8%	-8.8%	-1.7%
Natural Gas	-1.9%	-1.9%	-12.4%
Copper	-1.5%	-1.5%	+11.3%

### CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+1.2%	+1.2%	+1.8%
EURUSD	-0.3%	-0.3%	-1.1%
GBPUSD	-0.1%	-0.1%	-0.3%
AUDUSD	-0.4%	-0.4%	+6.5%
USDCHF	+0.7%	+0.7%	-0.4%
USDJPY	+0.5%	+0.5%	+2.3%

Source: Yahoo Finance

## GET IN TOUCH



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