



THE WEEK'S BIG THEMES

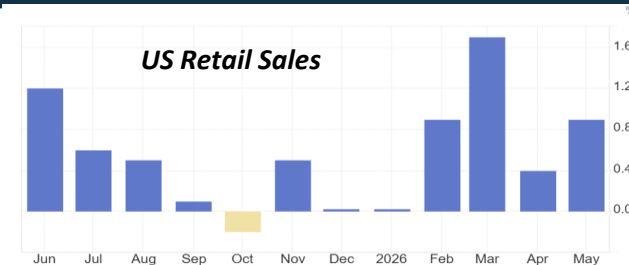
ECONOMY

- **A busy week for central banks:** i/ the **US Federal Reserve kept its benchmark interest rate unchanged at 3,50%-3,75% and removed the previously projected 2026 rate cut from its dot plot.** The Fed delivered a more hawkish message than markets had anticipated, with policymakers reinforcing a higher-for-longer stance and updated forecasts pointing to further tightening. Inflation expectations were revised upward (2026: headline PCE at 3.6% and core PCE at 3.3%). Chair Warsh reiterated the Fed's commitment to restoring price stability and signalled less reliance on forward guidance, underscoring a data-dependent approach, ii/ in Europe, the **Bank of England) left its main rate unchanged at 3,75%, as inflation slowed,** while the **Swiss National Bank maintained its key rate at 0%.** In Norway, **Norges Bank also left its policy rate unchanged at 4,25%,** while signalling that a future hike is likely as inflation continues to run above target, iii/ The **Bank of Japan raised its policy rate at 1%,** its highest since 1995, in order to address inflation risk linked to the conflict in Middle East and the persistent weakness of the Yen, iv/ **the Chinese central bank (PBoC) unveiled targeted policy measures** aimed at supporting growth and stabilising the housing market, notably through tighter control of short-term funding rates and increased liquidity provision, v/ **Brazilian policymakers cut 25bps to 14,25%,** the third consecutive easing move.
- **US retail sales point to continued consumer resilience** in May, while manufacturing remains firm. The **housing sector also showed pockets of strength,** despite higher financing costs and affordability pressures.
- **Eurozone inflation was confirmed at 3.2%** in May. **The area unexpectedly posted a EUR 1bn trade deficit in April,** falling short of consensus expectations for a EUR 7,8bn surplus. The deterioration reflected higher energy import costs and softer net exports of machinery and vehicles. **German wholesale inflation moderated slightly in May (+5,9% Yoy versus 6,3% in April),** while the **ZEW economic sentiment index improved markedly in June,** returning to positive territory.
- **UK Inflation remained unchanged at 2,8% YoY in May,** its lowest level since March 2025.
- **Japanese economic data remained resilient.** Export growth accelerated in May and core machinery orders rebounded strongly in April, pointing to improving external demand and business investment. Headline inflation data printed in line with expectations at 1.5%.
- **Chinese economic data remained mixed,** with industrial activity and exports showing resilience, while retail spending and investment continued to weaken. Overall, external demand remains a key support for growth, but domestic demand has yet to stage a meaningful recovery. Property sector continued to weigh on economic activity.

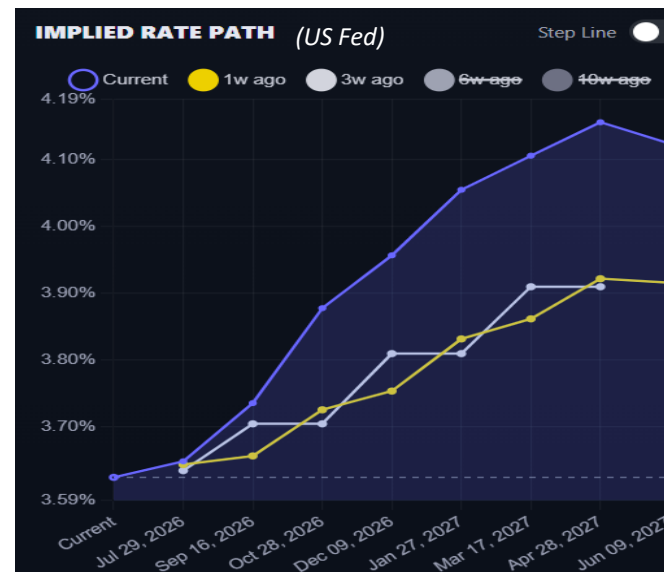
GEOPOLITICAL TENSION

- News of a **U.S.-Iran memorandum of understanding** that could pave the way for the reopening of the Strait of Hormuz.
- **The conflict in Ukraine continue to be driven by escalation risks**
- **China increased pressure on U.S. companies,** by excluding 46 firms from public procurement markets and imposing rare-earth export restrictions on several others with links to the U.S. military.

CHARTS OF THE WEEK



Source Tradingeconomics.com



Source rateprobability.com

ECONOMIC EVENTS TO WATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<ul style="list-style-type: none"> • Inflation (CA) • Consumer confidence Flash, ECB Pst Lagarde speech (EA) 	<ul style="list-style-type: none"> • PMI (AU, JP, FR, DE, EA, UK, US) • Leading indicators (ZA) • Richmond Fed index (US) • GDP (AR) 	<ul style="list-style-type: none"> • Inflation (AU) • IFO (DE) • Home data (US) 	<ul style="list-style-type: none"> • Employment data (AU) • Leading economic index (JP) • GDP QoQ final, core PCE index, Claims (US) 	<ul style="list-style-type: none"> • Tokyo Inflation (JP) • Michigan index (US) • Unemployment rate (BR)

MARKET'S REACTION

EQUITY

- **Geopolitical tensions eased after an interim US-Iran agreement came into effect, paving the way for the reopening of the Strait of Hormuz.** Against this backdrop, the MSCI Emerging Markets index rose 3,4% over the week, reaching a new all-time high, while the MSCI World index gained 0,6%.
- **US equity markets ended higher,** ignoring the hawkish policy signal delivered by the new Fed chair. Gains were concentrated in semiconductors and AI-related stocks. Indeed, with a broad tech-led rally erasing earlier losses after Pst Trump announced a domestic manufacturing partnership between Intel and Apple. The Nasdaq 100 advanced 2,6%, while the S&P 500 gained 0,9%. Small cap stocks also performed well, with the Russell 2000 rising 1,2% .
- **European equities posted positive returns,** supported by news of a US-Iran agreement and the MoU scheduled to be signed over the weekend. The Eurostoxx 600 ended the week up 0,4%. However, mixed macroeconomic signals across the region kept investors highly selective: Germany's Dax gained 1,4%, while France's Cac 40 rose 0,8%. In contrast, the UK Footsie declined 1% amid domestic political uncertainty. The easing of the Iranian naval blockade weighed on energy stocks, while lower oil prices provided support to domestic industrials. Technology shares also recorded strong gains.
- **Asian equity markets delivered mixed performances:** Japan's Nikkei surged 7,9%, led by semiconductor equipment and technology stocks. Mainland Chinese equities gained 3,4% during the holiday-shortened week, while Hong Kong's Hang Seng Index fell 3,2%, reflecting weaker offshore sentiment towards China-related assets.

FIXED INCOME

- **Global bond yields were mixed over the week.** Following the US Fed meeting, US Treasury yields moved in opposite directions across the curve, with the 2-year benchmark rising to 4,18%, its highest level in more than a year, while the 10-year tenor yield declined to 4,45%. Meanwhile, market-implied US inflation expectations have fallen, suggesting that investors increasingly expect inflation to return to the Fed's 2% target over the next two years. In Europe, the German 10-year yield declined to 2,98%, as market participants scaled back expectations of further ECB rate hikes. The 10-year UK Gilt yield was broadly unchanged over the period.
- **Corporate bonds generated modest positive returns.** US and Euro Investment Grade credit gained 0,1%, while Euro High Yield slightly outperformed its US counterpart. Emerging debt underperformed amid a stronger US dollar and a more cautious monetary outlook.

COMMODITIES

- **The resumption of traffic through the Strait of Hormuz weighed heavily on oil prices,** with WTI crude recording its worst weekly performance in two months. WTI and Brent crude prices declined 9,8% and 8,6%, respectively.
- **Precious metals also remained under pressure.** Gold was broadly unchanged over the week, edging up 0,2%, while silver extended its losing streak to six consecutive weeks, falling 2,4%.

CURRENCIES & CRYPTO

- **The US Dollar Index gained 1,1% over the week,** approaching its highest level of 2026, as the Fed adopted a more hawkish tone. and reinforced its higher-for-longer policy stance. The JPY weakened following the BoJ's policy meeting
- **Cryptocurrency markets were mixed :** Bitcoin ended broadly unchanged, while Ethereum advanced 2,8% and Ripple gained 0,4%.

CHARTS OF THE WEEK

The yield advantage of short-term bonds over cash has widened



Source: Edwardjones.com



Source: CBH

Yen Nears Weakest Level Since 1986



Source: Bloomberg

Bloomberg

Source: Global Markets Investor



WEEKLY MARKET INSIGHTS

12 June 2026 – 19 June 2026

WEEKLY MARKETS REVIEW (As of 22 June 2026)

EQUITY MARKETS

	WoW	MTD	YTD
MSCI World (USD)	+0.6%	-0.7%	+9.1%
MSCI Emerging (USD)	+3.4%	+2.2%	+28.2%
S&P 500 (USD)	+0.9%	-1.0%	+9.6%
NASDAQ 100 (USD)	+2.6%	+0.2%	+20.4%
RUSSELL 2000 (USD)	+1.2%	+2.1%	+20.1%
STOXX 600 (EUR)	+0.4%	+1.5%	+7.2%
DAX (EUR)	+1.4%	-0.5%	+2.0%
CAC 40 (EUR)	+0.8%	+2.9%	+3.3%
FTSE 100 (GBP)	-1.0%	-0.4%	+4.3%
NIKKEI (JPY)	+7.9%	+7.4%	+41.5%
CSI 300 (CNY)	+3.4%	+1.0%	+6.7%
BOVESPA (BRL)	-1.5%	-3.0%	+4.6%
HANG SENG (HKD)	-3.2%	-5.0%	-6.7%

FIXED INCOME MARKETS

	WoW	MTD	YTD
Global Aggregate USD (Hedged)	+0.1%	-0.0%	+0.6%
Global Aggregate EUR (Hedged)	-0.1%	-0.2%	-0.3%
US Investment Grade	+0.1%	+0.1%	+0.9%
US High Yield	+0.1%	+0.1%	+1.7%
EU Investment Grade	+0.1%	-0.2%	+0.8%
EU High Yield	+0.3%	+0.2%	+1.4%
EM Local Ccy. Gov (Unhedged)	-0.1%	-0.1%	+1.1%
EM Hard Ccy. Aggregate (Unhedged)	-0.0%	+0.2%	+2.0%

CRYPTO CURRENCY MARKETS

	WoW	MTD	YTD
Bitcoin	-0.0%	-13.4%	-27.4%
Ethereum	+2.8%	-15.0%	-42.3%
Ripple	+0.4%	-14.4%	-38.2%

COMMODITY MARKETS

	WoW	MTD	YTD
Gold	+0.2%	-7.4%	-2.3%
WTI Crude	-9.8%	-12.3%	+33.4%
Brent Crude	-8.6%	-13.3%	+31.2%
Silver	-2.4%	-12.4%	-5.5%
Natural Gas	+3.6%	-1.7%	-12.3%
Copper	-0.9%	+0.2%	+13.2%

CURRENCY MARKETS

	WoW	MTD	YTD
US Dollar Index (DXY)	+1.1%	+2.0%	+2.6%
EURUSD	-1.0%	-1.7%	-2.5%
GBPUSD	-1.6%	-1.8%	-2.0%
AUDUSD	-0.5%	-2.1%	+4.7%
USDCHF	+1.2%	+2.7%	+1.7%
USDJPY	+0.7%	+1.3%	+3.1%

Source: Yahoo Finance

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