June 2026

MONTHLY
MARKET INSIGHTS

THE MONTH'S BIG THEMES

ECONOMY:

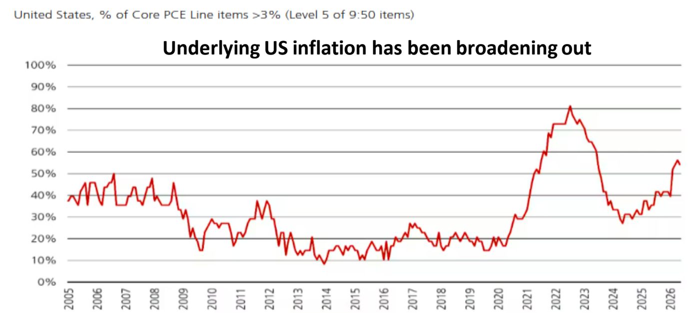
- The macro backdrop shifted materially in June, moving from an energy shock to a tentative de-escalation. T**he decline in oil prices has eased pressure on central banks, which remained notably cautious in their June meetings**. The earlier energy shock is still feeding through core inflation, mainly via services. **Global economic activity remains resilient** and lower energy prices should provide additional support.
- **US – Resilient activity but inflation is still sticky:** Inflation accelarated, with the May PCE price index rising to 4.1% YoY and the core measure to 3,4%, while PPI also increased more than expected, with the headline measure reaching 6,5%, the highest since 2022. Although Q1 GDP was revised up to an annualized 2,1% and consumer spending has remained more resilient despite ongoing pressure on household purchasing power, incoming data point to a slowdown in Q2 growth, reflecting the impact of the Middle East conflict on both businesses and consumers. The labor market remained resilient, with gains becoming broader-based, suggesting the economy is still firm despite mounting slowdown concerns. The FED kept rates unchanged at 3,50%-3,75%, while Chair K. Warsh delivered a hawkish message, stressing that bringing inflation under control remains his top priority.
- **Eurozone – Cooling inflation and weak growth momentum:** Q1 GDP growth was revised down sharply to -0,2% QoQ, from the initial estimate of 0,1%. While activity indicators stabilized at low levels, inflation fell to 2,8% in June from 3,2% in May, marking the first decline since January, as energy price pressures faded. Inflation slowed across Germany, France and Itasly Consumer confidence remained weak. The ECB raised policy rates to 2,25%, citing rising inflation, and delivered a hawkish message, signaling that further rate increases could follow.
- **UK – Cooling inflation and sluggish growth:** The Bank of England kept rates unchanged at 3,75% as inflation held at 2,8% YoY, its lowest level since March 2025, while PMIs pointed to a very modest growth environment, with services under pressure. UK GDP contracted by 0,1% in April after rising 0,3% in March, as the Middle East conflict weighed on activity, with services the main drag. Prime Minister K. Starmer announced his resignation, paving the way for A. Burnham to become the country's seventh prime minister in ten years.
- **China – Disappointing activity data:** Activity data weakened further, with both consumption and investment softening. Exports continued to support growth. Inflation picked up, especially at the producer price level, while the property sector continued to weigh on economic activity**.**
- **Japan – An economy in decent shape**: Inflation remained soft thanks to energy subsidies. Although markets have viewed the BoJ as behind the curve, the central bank delivered a 25bp hike to 1%, the highest since 1995, alongside an announcement that bond-purchase tapering would be halted next year. The government also announced a JPY 370tr ($2,3tr) fiscal package, aimed at strenghtening the country's long-term growth prospects.

GEOPOLITICAL TENSION:

- The **US and Iran have agreed to a 60-day negociation window to end the conflict**, with the Strait of Hormuz partially reopened. Domestic pressure on Trump to end the war before the mid-terms has intensified. **Israel's stance remains uncertain**, as it seeks to keep the Lebanon conflict outside any deal.
- **The Russia-Ukraine conflict remained characterised by cross-border strikes and limited tactical advances,** with no breakthrough or broader peace process emerging.

CHARTS OF THE MONTH

Source: UBS



Source: UBS

Source: Generali investment

MONTHLY MARKET INSIGHTS

MARKET'S REACTION

EQUITY

- As tensions between the US and Iran cooled**, global markets were defined by de-escalation and rotation. Equity volatility picked up notably amid a correction in tech stocks,** with MSCI World down 0,8% and the MSCI Emerging market down 0,3%.
- **US equities posted mixed returns, with tech stocks weighing on broader market performance.** The S&P 500 fell 1,1%, the Nasdaq slipped 0,2%, while the small caps index gained 3,6%. Equity investors rotated out of technology and AI-linked stocks into value and cyclical sectors. Industrials and healthcare sectors outperformed. Space X went public mid June at $135 per share, ending the month at just over $153 after having reached $220 .
- **European equities outperformed,** with the Stoxx 600 up 2,5%, as oil prices retreated towards pre-conflict levels. Among the major markets, the French CAC 40 outperformed with a gain of 2,7%, while the German DAX edged down 0,4%. The UK Footsie rose 0,8% despite political upheavals, as investors rotated away from technology towards value-oriented sectors.
- **Asian markets were mixed: i/ Japanese equities posted strong return**, with the Nikkei up 5,6%, as profitability remained robust: banks are benefiting from solid credit expansion and a steeper yield curve, while industrials and tech are riding the global capex surge and the AI boom, ii/ **Chinese equities posted mixed returns**, with the mainland index gaining 1,8%, while the Hong Kong index declined 9,1%, the weakest major market. Asian markets exposed to AI hardware and semiconductors pared some of their earlier gains after posting exceptionally strong first half.
- **Some LatAm countries declined in June** amid falling oil and commodity prices, which could weigh on export performance.

FIXED INCOME

- **Sovereign bond markets posted positive returns in a context of declining government bonds yields across major markets**. US 10-year yields fell back to the lowest in six weeks, closing the month at 4,44%, as the de-escalation between the US and Iran triggered a sharp fall in the oil price. European yields followed through. UK Gilt yields dropped as oil prices declined and political uncertainty receded. Japanese yields faced some pressure as fiscal slippage risk weighed on bonds
- **Credit markets were mixed**. EUR denominated credit bonds outperformed their US counterparts. US credit spreads modestly widened from historically low levels, while European spreads were broadly unchanged. Primary market conditions remained supportive, as shown by strong new issue demand, especially in the US. Emerging market corporate credit delivered positive returns on carry and outperformed local currency debt, which was pressured by a stronger US Dollar.

COMMODITIES

- **Oil prices fell sharply,** with WTI and Brent ending the month down 20,4% and 20,8%, respectively, easing the risk of a more persistent pick-up in inflation.
- **Precious metals suffered over the month,** with gold down 11,8% and silver down 21,3%, amid a marked shift in US rate expectations. Gold recorded its steepest quarterly fall in 13 years.

CURRENCIES & CRYPTO

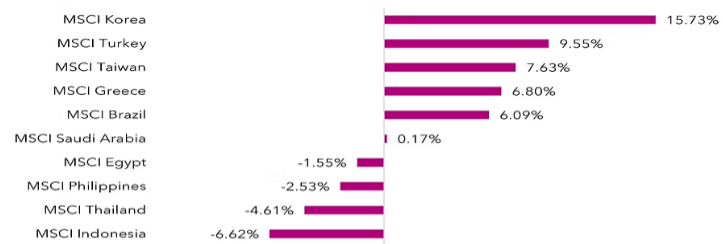
- The **US Dollar outperformed its currencies basket,** rising 2,3% in June. Chair Warsh's strong commitment to price stability reinforced US monetary policy as the US dollar's main support, alongside resilient growth and higher real yields. The Yen slid to near 40-year lows, prompting warnings from the finance minister of decisive action to defend the currency.
- **Cryptocurrencies ended June deeply in negative territory:** Bitcoin fell 20,2%, Ethereum 22%, and the Ripple 21,8%.

CHARTS OF THE MONTH

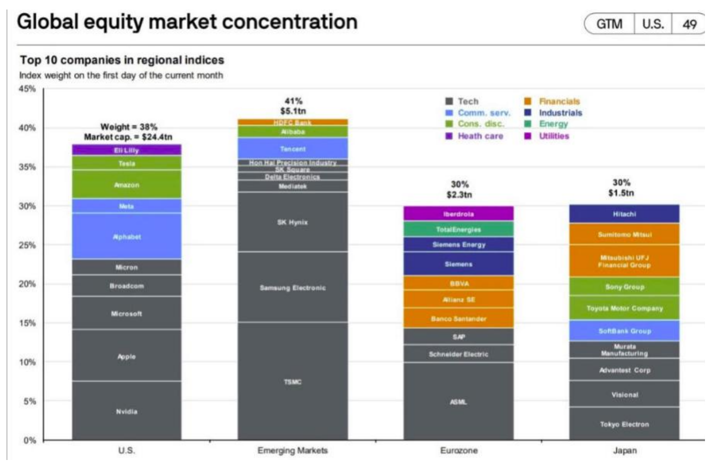
Top and Bottom 5 Developed Markets

Source: Cleveradvisor

Top and Bottom 5 Emerging Markets



Source: Cleveradvisor



Source: JPMorgan Asset Management

MONTHLY MARKET INSIGHTS

June 2026

MONTHLY MARKETS REVIEW (As of June 2026, 30th)

EQUITY MARKETS

	MTD	YTD
MSCI World (USD)	-0.8%	+9.0%
MSCI Emerging (USD)	-0.3%	+25.0%
S&P 500 (USD)	-1.1%	+9.6%
NASDAQ 100 (USD)	-0.2%	+19.9%
RUSSELL 2000 (USD)	+3.6%	+21.9%
STOXX 600 (EUR)	+2.5%	+8.3%
DAX (EUR)	-0.4%	+2.1%
CAC 40 (EUR)	+2.7%	+3.1%
FTSE 100 (GBP)	+0.8%	+5.7%
NIKKEI (JPY)	+5.6%	+39.2%
CSI 300 (CNY)	+1.8%	+7.5%
BOVESPA (BRL)	-1.0%	+6.8%
HANG SENG (HKD)	-9.1%	-10.7%

FIXED INCOME MARKETS

	MTD	YTD
Global Aggregate USD (Hedged)	+0.2%	+0.9%
Global Aggregate EUR (Hedged)	+0.3%	+0.2%
US Investment Grade	-0.3%	+0.5%
US High Yield	-0.4%	+1.2%
EU Investment Grade	+0.4%	+1.3%
EU High Yield	+0.5%	+1.7%
EM Local Ccy. Gov (Unhedged)	-0.2%	+1.1%
EM Hard Ccy. Aggregate (Unhedged)	+0.4%	+2.2%

CRYPTO CURRENCY MARKETS

	MTD	YTD
Bitcoin	-20.2%	-33.1%
Ethereum	-22.0%	-47.1%
Ripple	-21.8%	-43.6%

COMMODITY MARKETS

	MTD	YTD
Gold	-11.8%	-7.0%
WTI Crude	-20.4%	+21.0%
Brent Crude	-20.8%	+19.8%
Silver	-21.3%	-15.2%
Natural Gas	-0.5%	-11.2%
Copper	-2.6%	+10.0%

CURRENCY MARKETS

	MTD	YTD
US Dollar Index (DXY)	+2.3%	+3.0%
EURUSD	-2.0%	-2.8%
GBPUSD	-1.4%	-1.6%
AUDUSD	-3.9%	+2.8%
USDCHF	+3.1%	+2.0%
USDJPY	+1.7%	+3.5%

Source: Yahoofinance.com

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