Monthly **Market Commentary** - June 2026

Global equity markets advanced more modestly in June, rising by 0.7%, as May's geopolitical relief rally gave way to consolidation. Confirmation of an Iran–US agreement and the reopening of the Strait of Hormuz removed a major risk premium, sending energy prices sharply lower and easing inflation concerns. Global bonds gained 0.4%, whilst UK gilts rose 0.6% as softer inflation data reinforced expectations of interest rate cuts.

Europe ex-UK led developed markets, returning 3.0%. As a large net energy importer, the region was the clearest beneficiary of lower oil prices, which improved both the growth outlook and corporate margins, while easing geopolitical tension lifted sentiment.

Japan gained 1.2%, continuing to benefit from supportive domestic policy. The UK returned 1.0%, as its heavy weighting to energy and mining companies capped returns just as falling oil and commodity prices weighed on those sectors.

US large cap equities posted a 0.6% gain, whilst US technology large cap equities lagged, falling 1.2%. A clear rotation emerged in June, as investors took profits in crowded, richly valued trades around artificial intelligence and rotated towards cheaper, more cyclical areas of the market.

Emerging markets were broadly flat, up 0.1%, as strength elsewhere was offset by China, which fell 4.8%. Renewed concerns over weak domestic demand and ongoing property-sector strains weighed on sentiment.

Commodities fell sharply. Brent crude dropped 18.7% as supply fears evaporated with Hormuz reopening. Gold declined 9.9% and silver fell 21.2% as safe-haven demand unwound and real yields held firm.