

# Global market review & outlook

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26**

If the old adage of 'sell in May and go away' is to hold in 2026, then it really needs to say 'sell at the end of May' because equities posted another bumper month of returns. Animal spirits are alive and kicking and IPO fervour is keeping risk assets on the front foot. We'll take that. All this whilst the US and Iran continue their posturing around the Strait of Hormuz - seemingly closer to a deal (which then doesn't get delivered) - and of course the conflict in Ukraine which is now over four years in with both sides taking huge casualties. It is estimated that more than 1,000 Russian soldiers are dying every day as the increasingly sophisticated Ukrainian drone attacks cripple both the Russian front and penetrate infrastructure deep into Russian territory. The world was also once again reminded that humanity's greatest enemy (if not itself) might be something we can't even see; a virus. Passengers aboard a Dutch cruise ship, the MV Hondius, sailing from Ushuaia in Argentina to Cape Verde, fell ill with hantavirus resulting in several fatalities. Around the same time an Ebola epidemic broke out the Democratic Republic of Congo. Whilst it has spread rapidly there and into some neighbouring countries, there appears to be limited wider international threat at this time.

Against this rather grim sounding backdrop one might expect a dose of caution to prevail in markets but far from it. Global equities added another 5% in May, under which the techier Nasdaq index gained 8.4% and growth equities 6.9%. Emerging market equities also rallied, gaining almost 10% of which the Korean Kospi index posted a 23% gain, with SK Hynix surging almost 70% over the month (and 230% YTD). There remains an insatiable appetite for all things chip related. When you throw this into the pot with the SpaceX IPO (at the time of writing it had just 'popped' 20% higher), and those of OpenAI and Anthropic in the near background, then you have a market that is on fire, open for business and receptive to risk. The only spoiler to all of this is likely to be policy related as creeping inflation and a resilient labour market in the US force the Fed's hand higher. Even President Trump's

newly (and personally) appointed Fed Chair, Kevin Warsh, is unlikely to be able to steer the collective vote lower should the Hormuz related inflation exert more upside pressure on prices. 'Project Freedom' - Trump's initiative to get maritime traffic on the move - had repeatedly fallen short of expectations, although a lasting deal is now due to be signed on 19th June and the Strait opened with immediate effect and the US naval blockade removed. The falling oil price - Brent crude was almost 20% lower in May - certainly helped buoy riskier assets during the month as expectations for a peace deal oscillated. In spite of the lower energy costs, bonds did not do well and mostly posted losses although the high yield market with its (clue's in the name) higher yield did eke out a positive total return. Also lower were Chinese equities, still largely unloved and in the shade of their Taiwanese and Korean tech peers which continue to steal the Asian equity limelight. Gold had another relatively muted monthly performance in May, losing around 1%, but it has since shed over 10%. The reasons for that are unclear, but in a world seemingly flush with liquidity, some speculative profit taking should be expected and as investors line up for the aforementioned IPOs, they will need a source of funding. Gold could be forming part of that rotation, as also might be bitcoin, down 3.7% in May and approximately 50% down on its peak reached in October peak last year.

Once again we find ourselves in literally uncharted territory as the S&P500 ended the month on another new high. As we've said before, this is driven by a narrow cohort of stocks so there is a risk of heightened volatility if and when these correlated names pause for breath. Noting that the drivers of risk in emerging markets also exhibit these characteristics and correlations, we continue to advocate a broad and diverse exposure to global equity risk and the mantra to 'diversify your diversifiers' as treasuries carry their own idiosyncratic risks and cannot be depended upon in isolation to provide the portfolio ballast they might once have afforded in the past.

# Market performance Global

as at 29 May 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
<b>Developed Markets Equities</b>						
United States	S&P 500 NR	USD	5.2%	10.4%	11.1%	29.3%
United Kingdom	MSCI UK NR	GBP	0.5%	-3.2%	6.9%	22.9%
Continental Europe	MSCI Europe ex UK NR	EUR	4.0%	0.8%	7.4%	15.9%
Japan	Topix TR	JPY	6.2%	1.5%	17.3%	44.6%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	10.0%	9.8%	25.8%	50.9%
Global	MSCI World NR	USD	4.6%	7.3%	10.5%	27.5%
<b>Emerging Markets Equities</b>						
Emerging Europe	MSCI EM Europe NR	USD	4.0%	4.9%	16.0%	42.7%
Emerging Asia	MSCI EM Asia NR	USD	12.1%	12.8%	29.7%	59.8%
Emerging Latin America	MSCI EM Latin America NR	USD	-4.2%	-5.5%	13.2%	43.1%
BRICs	MSCI BRIC NR	USD	-3.0%	-7.4%	-7.4%	2.7%
China	MSCI China NR	USD	-3.0%	-7.2%	-8.5%	6.1%
Global emerging markets	MSCI Emerging Markets NR	USD	9.7%	9.4%	25.6%	54.3%
<b>Bonds</b>						
US Treasuries	JP Morgan United States Government Bond TR	USD	0.1%	-1.6%	0.1%	3.8%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	0.3%	-0.1%	1.6%	4.9%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	0.8%	-0.8%	0.7%	6.1%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	0.5%	1.0%	1.7%	7.6%
UK Gilts	JP Morgan UK Government Bond TR	GBP	1.9%	-2.8%	-0.6%	3.4%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	1.8%	-1.3%	0.3%	5.3%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	1.1%	-1.2%	0.9%	0.7%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	0.9%	-0.4%	0.9%	2.4%
Euro High Yield	BBgBarc European HY 3% Constrained TR	EUR	1.0%	0.3%	1.3%	4.2%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	-0.5%	-3.0%	-2.8%	-5.8%
Australian Government	JP Morgan Australia GBI TR	AUD	1.7%	0.0%	1.1%	0.4%
Global Government Bonds	JP Morgan Global GBI	USD	0.0%	-2.3%	-0.4%	0.7%
Global Bonds	ICE BofAML Global Broad Market	USD	0.3%	-1.5%	0.5%	3.3%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	6.2%	11.1%	19.2%	36.4%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	0.9%	0.6%	3.1%	11.8%

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.

## Market performance Global as at 29 May 2026 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
<b>Property</b>						
US Property Securities	MSCI US REIT NR	USD	-0.2%	2.3%	13.6%	15.4%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	3.0%	-0.9%	-7.3%	-5.2%
Global Property Securities	S&P Global Property USD TR	USD	-0.9%	-2.9%	7.7%	13.8%
<b>Currencies</b>						
Euro		USD	-0.6%	-1.3%	-0.7%	2.7%
UK Pound Sterling		USD	-1.1%	-0.2%	-0.1%	0.0%
Japanese Yen		USD	-1.7%	-2.0%	-1.6%	-9.6%
Australian Dollar		USD	-0.2%	0.9%	7.7%	11.7%
South African Rand		USD	2.7%	-1.8%	2.1%	11.0%
<b>Commodities &amp; Alternatives</b>						
Commodities	RICI TR	USD	-3.6%	19.3%	33.2%	45.4%
Agricultural Commodities	RICI Agriculture TR	USD	-2.0%	5.8%	9.1%	4.4%
Oil	Brent Crude Oil	USD	-19.3%	27.0%	51.3%	43.5%
Gold	Gold Spot	USD	-1.7%	-14.0%	5.1%	38.0%
<b>Interest Rates</b>				<b>Current Rate</b>		
United States				3.75%		
United Kingdom				3.75%		
Eurozone				2.15%		
Japan				0.75%		
Australia				4.35%		
South Africa				7.00%		

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.



# Market performance UK

as at 29 May 2026 (all returns GBP)

Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
<b>Equities</b>						
UK - All Cap	MSCI UK NR	GBP	0.5%	-3.2%	6.9%	22.9%
UK - Large Cap	MSCI UK Large Cap NR	GBP	0.5%	-3.5%	7.3%	25.0%
UK - Mid Cap	MSCI UK Mid Cap NR	GBP	-0.1%	-4.6%	2.1%	8.0%
UK - Small Cap	MSCI Small Cap NR	GBP	3.5%	-2.5%	4.2%	12.4%
United States	S&P 500 NR	USD	6.1%	10.4%	11.0%	29.3%
Continental Europe	MSCI Europe ex UK NR	EUR	4.4%	-0.4%	6.7%	19.1%
Japan	Topix TR	JPY	5.3%	-0.5%	15.2%	30.6%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	10.9%	9.7%	25.6%	50.9%
Global developed markets	MSCI World NR	USD	5.4%	7.2%	10.4%	27.4%
Global emerging markets	MSCI Emerging Markets NR	USD	10.6%	9.3%	25.5%	54.2%
<b>Bonds</b>						
Gilts - All	ICE BofAML UK Gilt TR	GBP	2.0%	-2.9%	-0.7%	3.4%
Gilts - Under 5 years	ICE BofAML UK Gilt TR 0-5 years	GBP	0.9%	-0.6%	0.6%	3.4%
Gilts - 5 to 15 years	ICE BofAML UK Gilt TR 5-15 years	GBP	1.9%	-2.6%	-0.2%	3.8%
Gilts - Over 15 years	ICE BofAML UK Gilt TR 15+ years	GBP	3.4%	-5.9%	-2.7%	2.6%
Index Linked Gilts - All	ICE BofAML UK Gilt Inflation-Linked TR	GBP	1.3%	-3.6%	0.9%	5.8%
Index Linked Gilts - 5 to 15 years	ICE BofAML UK Gilt Inflation-Linked TR 5-15 years	GBP	0.7%	-1.3%	2.6%	5.7%
Index Linked Gilts - Over 15 years	ICE BofAML UK Gilt Inflation-Linked TR 15+ years	GBP	2.5%	-7.4%	-1.5%	5.9%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	1.8%	-1.3%	0.3%	5.3%
US Treasuries	JP Morgan US Government Bond TR	USD	0.9%	-1.9%	-0.2%	3.8%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	1.6%	-1.0%	0.5%	6.1%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	0.5%	1.0%	1.7%	7.6%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	1.1%	-1.2%	0.9%	0.7%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	0.9%	-0.4%	0.9%	2.4%
Euro High Yield	BBgBarc European High Yield 3% Constrained TR	EUR	1.0%	0.3%	1.3%	4.2%
Global Government Bonds	JP Morgan Global GBI	GBP	0.8%	-2.4%	-0.6%	0.7%
Global Bonds	ICE BofAML Global Broad Market	GBP	0.3%	-1.5%	0.5%	3.3%
Global Convertible Bonds	ICE BofAML Global Convertibles	GBP	6.2%	11.1%	19.2%	36.4%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	GBP	1.7%	0.6%	3.0%	11.7%

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.

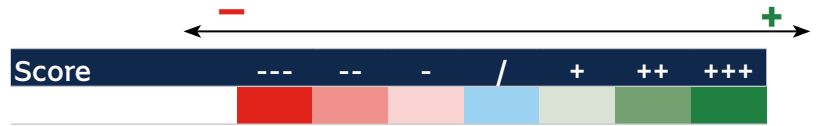
## Market performance UK as at 30 April 2026 (all returns in GBP)



Asset Class / Region	Index	Local Ccy	1 month	3 months	YTD	12 months
<b>Property</b>						
Global Property Securities	S&P Global Property TR	GBP	-0.1%	-2.9%	7.5%	13.8%
<b>Currencies</b>						
Euro		GBP	0.5%	-1.1%	-0.6%	2.8%
US Dollar		GBP	1.1%	0.2%	0.1%	0.0%
Japanese Yen		GBP	-0.6%	-1.8%	-1.5%	-9.6%
<b>Commodities &amp; Alternatives</b>						
Commodities	Rogers International Commodity (RICI) TR	GBP	-2.8%	19.3%	33.0%	45.4%
Agricultural Commodities	Rogers International Commodity (RICI) Agriculture TR	GBP	-1.2%	5.7%	9.0%	4.4%
Oil	Brent Crude Oil	GBP	-18.6%	26.9%	51.1%	43.8%
Gold	Gold Spot	GBP	-1.7%	-14.0%	5.1%	38.0%
<b>Interest Rates</b>			<b>Current Rate</b>			
United Kingdom			3.75%			

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns.

# Asset allocation views



Score	Change	---	--	-	/	+	++	+++	
<b>MAIN ASSET CLASSES</b>									
	▲/▼/—								
Equities	—								
Rates	▼								
Fixed Income	—								
Specialist / Alternatives	—								
Cash	▲								
<b>EQUITIES</b>									
Developed Equities	—								
UK Equities	—								
European Equities	—								
US Equities	—								
Japanese Equities	—								
Emerging Market Equities	▼								
<b>FIXED INCOME</b>									
Government	▼								
Index-Linked	▼								
Investment Grade Corporate	—								
High Yield Corporate	—								
Emerging Market Debt	▲								
<b>SPECIALIST ASSETS/ALTERNATIVES</b>									
Global Listed Property	—								
Global Listed Infrastructure	—								
Specialist Assets	—								
Liquid Alternatives	▲								
Gold	—								

The asset allocation views are updated at the end of each quarter unless otherwise stated.

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