



**THROGMORTON**  
PRIVATE CAPITAL

# Monthly Market Update



## June 2026

Independent Advice. Bespoke Solutions.

### May 2026 Commentary

“Markets advanced in May as easing geopolitical and inflation concerns supported bonds, while AI drove equities higher”

Global markets delivered strong returns in May, supported by resilient corporate earnings and continued enthusiasm surrounding artificial intelligence (AI). Demand for technology infrastructure and semiconductors relating to AI technology, remained a key driver of investor confidence. Sentiment also improved as concerns over disruption from tensions in the Middle East eased. Falling oil prices towards month-end helped improve the inflation outlook and reinforced expectations that interest rates may not need to remain elevated for an extended period. Emerging market equities outperformed developed markets, while corporate bonds delivered stronger returns than government bonds.

#### **United Kingdom**

FTSE All Share: 1.17%

UK equities delivered positive returns in May but lagged most major global markets. Large multinational companies were held back by weakness in the energy and healthcare sectors, while consumer and materials businesses performed more strongly. Mid-sized UK companies outperformed larger firms, reflecting improving confidence in the domestic economy. Inflation fell during the month, helped by lower household energy costs, while labour market data pointed to a slowing



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employment backdrop. Together, these developments reduced concerns about further interest rate rises and supported investor confidence in the UK outlook.

### United States

S&P 500: 6.08%

US equities produced strong gains in May, supported by confidence that economic growth would remain resilient and company

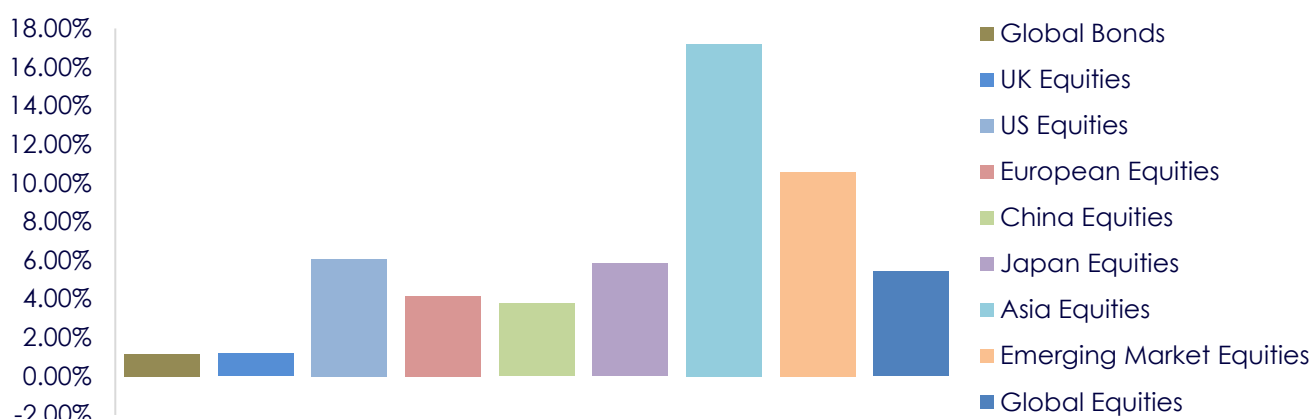
due to higher energy costs, while economic surveys suggested growth across the region was slowing. Despite signs of slower economic growth, strong company profits and continued optimism around technology businesses helped support investor confidence.

### China

CSI 300: 3.75%

Chinese equities delivered positive returns in

Discrete Monthly Performance as at 30/05/2026



earnings would continue to exceed expectations. Technology companies led the market higher, driven by investment in AI infrastructure and strong results from major technology firms. Investors also became more optimistic that inflation pressures could ease, increasing confidence that interest rates may fall over time. Meanwhile, energy stocks lagged as oil prices declined, while traditionally defensive sectors such as utilities and consumer staples underperformed as investors favoured higher-growth opportunities.

### Europe

FTSE Developed Europe ex UK: 4.15%

European equities delivered strong positive returns during May, supported by strong performance from technology companies and growing optimism around investment in AI. Consumer-focused businesses also performed well, while energy and utility companies lagged behind. Inflation rose during the month, mainly

May but lagged many other markets across Asia and the broader emerging market universe. Investor confidence remained subdued as economic data delivered mixed signals and internet-related companies faced renewed weakness. Unlike several neighbouring markets, China benefited less directly from the AI-driven rally that supported global equities, as investors focused more heavily on countries linked to advanced technology and chip production. While returns were positive, concerns around economic growth limited performance relative to many regional peers.

### Japan

MSCI Japan: 5.82%

Japanese equities enjoyed a particularly strong month, supported by improving sentiment around the potential easing of geopolitical tensions. Company earnings highlighted significant differences between

businesses and sectors, with stronger companies outperforming those delivering weaker results. Technology and semiconductor-related businesses led the market higher, benefiting from robust demand for AI-related products and services. However, gains remained concentrated among a relatively small group of companies with the strongest growth prospects.

## Emerging Markets

MSCI Emerging Markets: 10.57%

Emerging market equities outperformed developed markets in May, led by strong gains in technology-focused economies such as South Korea and Taiwan. Continued global demand for semiconductors and AI-related hardware supported company earnings and investor confidence. Performance elsewhere was more mixed, with India facing pressure from concerns over higher oil prices, while some Middle Eastern markets declined as energy-related sectors weakened. Political uncertainty weighed on Brazil, and Indonesia

faced challenges from currency weakness and rising interest rates. Overall, technology-driven markets remained the strongest performers within the asset class.

## Global Bonds

Bloomberg Barclays Global Agg: 1.15%

Global bond markets delivered positive returns overall, although price movements remained volatile throughout the month. Expectations for future interest rates shifted sharply as tensions in the Middle East drove concerns about inflation, pushing bond yields higher and bond prices lower. However, these concerns eased by month-end, helping bond yields fall and bond prices recover, which supported returns across bond markets. Corporate bonds outperformed government bonds, while UK and European bond markets benefited from expectations that interest rates would remain stable.

**All investment involves risk. It is important you understand that past performance is not a guarantee of future performance. The value of investments and any income derived from them may go down as well as up and you might not get back the full amount you invested.**

## Cumulative Performance and Annualised Volatility as at 30/05/2026

	5 Years %	3 Years %	1 Year %	Volatility %
Global Bonds	-2.63	2.40	3.30	5.04
UK Equities	66.98	53.55	21.64	10.40
US Equities	99.48	71.55	29.37	12.99
European Equities	56.39	49.13	19.58	12.18
Japan Equities	66.00	59.74	31.80	12.82
Asia Equities	120.06	126.78	97.61	20.37
China Equities	3.39	35.40	38.81	19.05
Emerging Market Equities	51.67	80.25	54.38	15.87
Global Equities	85.55	66.52	27.54	11.68

Data source FE Analytics 30.05.2026. Indices used: Global Bonds: Bloomberg Barclays Global Aggregate, UK Equities: FTSE All Share, US Equities S&P500, European Equities: FTSE Developed Europe (Ex UK), Japan Equities: MSCI Japan, Asia Equities: FTSE World Asia Pacific (Ex Japan), China: CSI 300, Emerging Markets Equities: MSCI Emerging Markets, Global Equities: MSCI World. Volatility annualised over 5 years.

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