

ECB action and progress in peace talks

European equities finished the week in positive territory, although trading remained cautious as investors balanced central bank policy decisions against ongoing geopolitical uncertainty. The ECB delivered its first interest rate increase since September 2023, raising its three key policy rates by 25 basis points. Policymakers recognized that the conflict in the Middle East is adding to inflationary pressures. They cautioned that the outlook remains uncertain, with inflation risks elevated and economic growth under pressure, prompting them to lower their growth forecast for this year.

In the US, major equity indices ended the week higher despite considerable volatility. Falling oil prices, optimism surrounding a potential diplomatic agreement between Washington and Tehran, and broader market participation beyond large-cap technology stocks helped support sentiment. Inflation data released during the week presented a mixed picture. Consumer prices rose 4.2% year-on-year in May, the highest annual reading since April 2023, driven largely by higher energy costs. However, monthly inflation moderated slightly, with the CPI increasing 0.5%, compared with 0.6% in April. Core CPI, which excludes food and energy prices, rose 0.2% month-on-month, down from 0.4% previously, suggesting some easing in underlying inflationary pressures. Wholesale inflation remained elevated. The Producer Price Index (PPI) increased 6.5% year-on-year in May. Core PPI rose 0.4%, a slower pace than April's 0.7% increase which indicates some moderation in underlying cost pressures. The reports arrive at a sensitive time for markets as the Federal Reserve contemplates its next move on interest rates.

Developments in the Middle East continued to influence global markets throughout the week. Initial concerns over escalating tensions between the US and Iran weighed on investor confidence. Sentiment improved later in the week following reports of progress towards a possible agreement and President Donald Trump's decision to cancel planned military strikes.

Japanese equities experienced a volatile week and finished lower overall, although a strong rally on the final trading day helped reduce losses. Investors are now focused on the Bank of Japan, which is widely expected to raise interest rates by 25 basis points to 1.0%, its first increase since December 2025, as policymakers respond to rising inflation and continued weakness in the yen.



Fact of the week

SpaceX made history on Friday with the world's largest IPO, raising \$75 billion. Shares surged 19% on their debut, briefly pushing the company's valuation above \$2 trillion and making Elon Musk the world's first trillionaire.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Copper



- Gold
- Oil

The week ahead

16 June	BoJ makes its interest rate decision.
17 June	The Fed makes its latest rate decision, and Eurozone CPI data goes to print.
19 June	Japanese CPI data is released.



	1 Week Return 05.06.26 to 12.06.26		Year to Date Return 31.12.25 to 12.06.26	
	Local Currency	Euro	Local Currency	Euro
World	0.7%	0.6%	8.8%	10.4%
U.S.	0.6%	0.4%	8.7%	10.3%
Europe	1.9%	1.9%	8.9%	8.9%
Ireland	2.9%	2.9%	3.3%	3.3%
U.K.	1.0%	1.1%	7.6%	8.8%
Japan	-1.6%	-1.7%	16.3%	15.5%
Hong Kong	-0.4%	-0.6%	3.5%	4.3%
Corporate Bonds	0.2%	0.2%	0.0%	0.0%
Sovereign Bonds	0.3%	0.3%	0.4%	0.4%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
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Equities

- Global stocks finished up 0.6% in euro terms and up 0.7% in local terms last week.
- Year-to-date global markets are up by 10.4% in euro terms and up by 8.8% in local terms.
- The U.S. market, the largest in the world, finished up at 0.4% in euro terms and up at 0.6% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% last week. The German equivalent finished at 3.0%. The Irish 10-year bond yield finished at 3.2%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$85 per barrel and is up 50.1% year-to-date in euro terms.
- Gold finished the week at \$4,219 per troy ounce and down -0.8% year-to-date in euro terms.
- Copper finished the week at \$13,645 per tonne and is up 11.3% year-to-date in euro terms.