

# Memorandum of understanding sparks market momentum

Global equity markets delivered a positive performance this week, supported by easing geopolitical tensions and resilient investor confidence. US stocks advanced across most major indexes after diplomatic progress in the Middle East helped reduce concerns surrounding global energy supplies. The signing of a memorandum of understanding between the United States and Iran paved the way for the reopening of the Strait of Hormuz, a critical shipping route for global oil exports. As a result, crude oil prices moved lower, providing a tailwind for risk assets and helping ease inflation concerns.

Monetary policy remained a central focus. As expected, the Federal Reserve left interest rates unchanged, maintaining the federal funds target range at 3.50% to 3.75%. While the decision itself was widely anticipated, market attention quickly shifted to Federal Reserve Chair Kevin Warsh's comments following the meeting. His remarks were viewed as relatively hawkish, reinforcing the possibility that rates could remain elevated for longer than previously expected. This led to a brief bout of volatility, with equities retreating and short-term Treasury yields moving higher following the announcement.

European markets also finished the week in positive territory. Investor sentiment benefited from the reduction in geopolitical risks and the prospect of improved stability in energy markets. However, inflation data remained a point of concern. Annual inflation across the euro area accelerated to 3.2% in May from 3.0% in April, marking its highest level since late 2023. Rising energy costs were the primary driver, highlighting the ongoing challenge policymakers face in balancing economic growth with price stability.

In Asia, Japanese equities were among the strongest performers globally. The Nikkei continued its record-breaking run, supported by robust demand for technology and semiconductor-related companies tied to the global expansion of artificial intelligence investment. Meanwhile, the Bank of Japan raised its benchmark short-term interest rate by 25 basis points to 1.0%, bringing borrowing costs to their highest level in three decades. The move reflects policymakers' efforts to contain inflationary pressures and address the prolonged weakness of the Japanese yen.



## Fact of the week

This Monday morning, Kier Starmer announced his resignation as prime minister. As Britain marks 10 years since Brexit this week, he becomes the 6th UK prime minister to resign since the 2016 referendum.

Our regular market information continues on the next page.

## Snapshot



- World Equities
- Sovereign Bonds



- Corporate Bonds
- Gold
- Oil
- Copper

## The week ahead

<b>23 June</b>	US and Eurozone PMI data is released.
<b>25 June</b>	US PCE data goes to print.
<b>26 June</b>	Tokyo CPI data is reported.



	1 Week Return 12.06.26 to 19.06.26		Year to Date Return 31.12.25 to 19.06.26	
	Local Currency	Euro	Local Currency	Euro
World	0.8%	1.8%	9.7%	12.3%
U.S.	1.0%	1.9%	9.8%	12.5%
Europe	1.1%	1.1%	10.1%	10.1%
Ireland	2.5%	2.5%	5.9%	5.9%
U.K.	-1.2%	-1.6%	6.3%	7.1%
Japan	5.3%	5.6%	22.5%	21.9%
Hong Kong	-1.2%	-0.3%	2.2%	4.0%
Corporate Bonds	-0.7%	-0.7%	-0.6%	-0.6%
Sovereign Bonds	0.3%	0.3%	0.7%	0.7%

**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.**  
**Warning: If you invest in this product, you may lose some or all of the money you invest.**

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#### Equities

- Global stocks finished up 1.8% in euro terms and up 0.8% in local terms last week.
- Year-to-date global markets are up by 12.3% in euro terms and up by 9.7% in local terms.
- The U.S. market, the largest in the world, finished up at 1.9% in euro terms and up at 1.0% 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 1.15, whilst Euro/GBP finished at 0.87.

#### Commodities

- Oil finished the week at \$77 per barrel and is up 36.6% year-to-date in euro terms.
- Gold finished the week at \$4,156 per troy ounce and down -1.5% year-to-date in euro terms.
- Copper finished the week at \$13,527 per tonne and is up 11.2% year-to-date in euro terms.