Irish Life

A **Better** Decision

June 2026

Global Markets Review

June at a glance

- Markets navigated a changing landscape during June as easing geopolitical tensions shifted investors' attention back towards central bank policy. Lower energy prices, resilient economic data and improving market breadth helped support investor sentiment, despite a pause in AI-led market leadership.

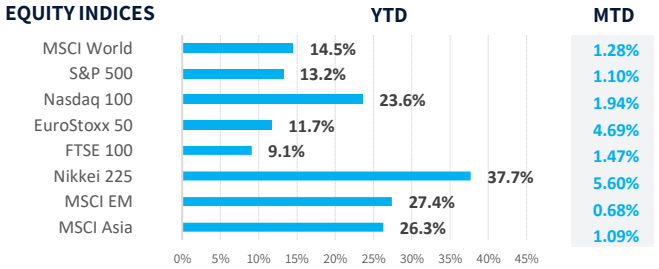
Macro

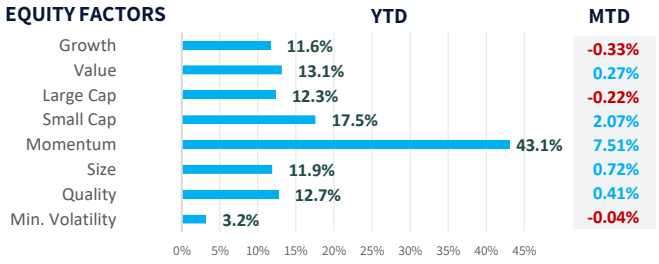
- **The US-Iran Memorandum of Understanding** (MoU) marked June's defining macro event, easing geopolitical tensions, reopening the Strait of Hormuz and driving a sharp decline in oil prices.
- **Market focus shifted back towards monetary policy**, with central bank expectations replacing oil prices as the principal driver of financial markets.
- **The Federal Reserve adopted a more hawkish tone** under Chairman Kevin Warsh. Markets increasingly priced the possibility of a rate increase by September or October, as resilient growth reinforced the shift from rate-cut expectations.
- In Europe, the **ECB raised its deposit rate by 25 basis points to 2.25%,** its first hike in three years, warning inflation was spreading beyond energy. Falling oil prices saw guidance shift toward a pause.
- **Economic data remained resilient**, particularly in the US where payroll growth, consumer spending and GDP exceeded expectations, whilst European sentiment improved as energy prices retreated.

Markets

- **Global equities finished little changed** (-0.03% in local currency; +1.3% in euro terms), as US dollar strength more than offset subdued underlying market performance for euro-based investors.
- **Government bonds delivered mixed returns**, with US Treasury yields edging higher whilst German Bund yields fell as easing energy prices tempered inflation expectations.
- **The US dollar strengthened 2.0% against the euro**, reflecting Kevin Warsh's hawkish policy stance and a repricing of US interest-rate expectations.
- **Falling oil prices improved investor confidence**, allowing markets to refocus on central bank policy and the underlying economic outlook.
- **SpaceX's landmark IPO became the largest in history**, highlighting continued investor appetite for innovation despite broader market rotation away from mega-cap technology.

Market Dashboard





BONDS	2Y		10Y	
US	4.09	▼	4.37	▼
Germany	2.51	▼	2.85	▼
France	2.69	▼	3.63	▼
Italy	2.69	▼	3.59	▼
UK	4.12	▼	4.73	▼
Japan	1.40	▲	2.61	▼

ALTS	Gold USD/oz	Crude Oil USD/barrel	EUR-USD
	4,088	72.92	1.14
	-11.8%	-20.8%	-2.0%

Sources: FE, Bloomberg, Amundi, data between 26 June – 1 July 2026.
Bond yield trends represent 1-wk changes.

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Equities

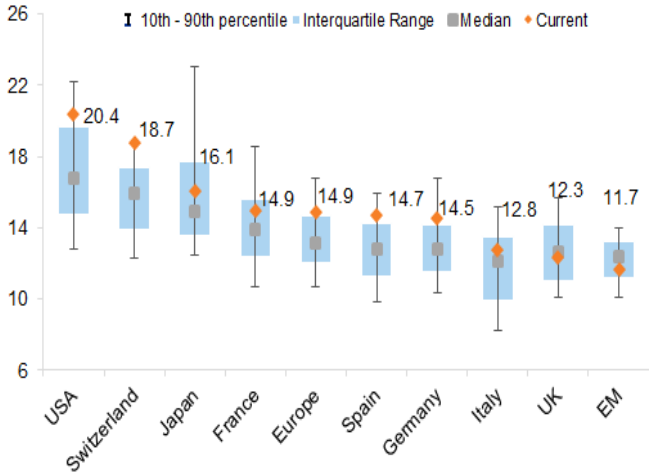
- **European equities outperformed, with the Euro Stoxx 50 rising 4.69%**, as the US-Iran MoU reduced energy prices, easing stagflation concerns and supporting economically sensitive sectors, particularly financials and industrials.
- **Japanese equities led major developed markets, with the Nikkei 225 advancing 5.39%**, supported by continued strength in semiconductor-related companies and improving global risk appetite as geopolitical tensions eased.
- **US equities were mixed, with the S&P 500 declining 0.95% and the Nasdaq 100 slipping 0.12%**, as investors rotated away from mega-cap technology despite continued strength across parts of the AI ecosystem. Euro investors were cushioned by a stronger US dollar.
- **Emerging markets (-0.03%) and Asia Pacific (+0.60%) consolidated recent gains**, following a strong first half of the year as investors locked in profits across semiconductor and AI-related holdings.
- **Market leadership broadened meaningfully during June.** Value outperformed growth, equal-weight indices outpaced market-cap weighted benchmarks and smaller companies outperformed larger peers, signalling a healthier and more diversified equity rally.

Fixed Income

- **Government bonds delivered mixed returns**, with US Treasury yields ending June **2bps higher at 4.46%**, whilst German Bund yields fell **11bps to 2.88%** as inflation concerns eased.
- **Euro government bonds (+0.5%) and investment-grade corporate bonds (+0.5%)** benefited from lower Bund yields and resilient economic fundamentals.
- **Global high-yield bonds returned +0.4%, while emerging market debt remained resilient**, supported by improving investor sentiment and easing geopolitical risks.
- **As geopolitical risks receded, investors increasingly refocused on interest-rate expectations**, reinforcing the importance of active duration and credit positioning.

Figure 1: Global valuation range

12m fwd P/E multiple. Data since 2000



Source: Datastream, Goldman Sachs Global Investment Research, June 2026.

Alternatives

- **Commodity markets weakened sharply during June**, with the **S&P GSCI Index declining 9.9% (-8.0% in euro terms)** as geopolitical risk premiums unwound following the US-Iran MoU.
- **Brent crude oil fell 20.8%**, returning towards pre-conflict levels as the reopening of the Strait of Hormuz significantly reduced concerns around global energy supplies.
- **Gold declined 11.8%**, its weakest monthly performance since June 2013, as easing geopolitical tensions, a stronger US dollar and rising real yields reduced demand for traditional safe-haven assets.
- **The sharp reversal in commodity prices highlighted how quickly geopolitical risk premiums can unwind**, reinforcing the importance of maintaining strategic diversification rather than reacting to short-term market events.

Monthly Fund Performance

- For the latest fund performance, click on the below image

Investor Insights: The Aspiration-Action Gap

Fidelity International 2026 Be Invested Global Study - 13,000 investors, 13 markets

Fidelity INTERNATIONAL

Why Advice Matters

Fidelity's 2026 *Be Invested Global Study* highlights one of the biggest challenges facing advisers today: the **aspiration-action gap**. Investors are clear about what they want to achieve, yet their portfolios often tell a different story.

The research identifies a consistent disconnect between long-term investment goals and day-to-day behaviour. Many investors seek equity-like returns while maintaining significant cash balances, favour domestic markets despite the benefits of global diversification and struggle to stay invested during periods of market volatility.

> *"Good advice is often about behaviour and portfolio structure, not forecasting."*

The findings reinforce a simple but powerful message: successful investing is driven less by predicting markets and more by building portfolios aligned to long-term objectives and helping clients remain committed through changing market conditions.

For advisers, this represents a significant opportunity. **Portfolio construction, behavioural coaching and disciplined investing remain among the most valuable services advisers can provide**.

The Cost of Cash

7.9%
Target annualised return investors expect over the next five years

22%
Average allocation to cash within investment portfolios

43%
Plan to increase cash further over the next 12 months

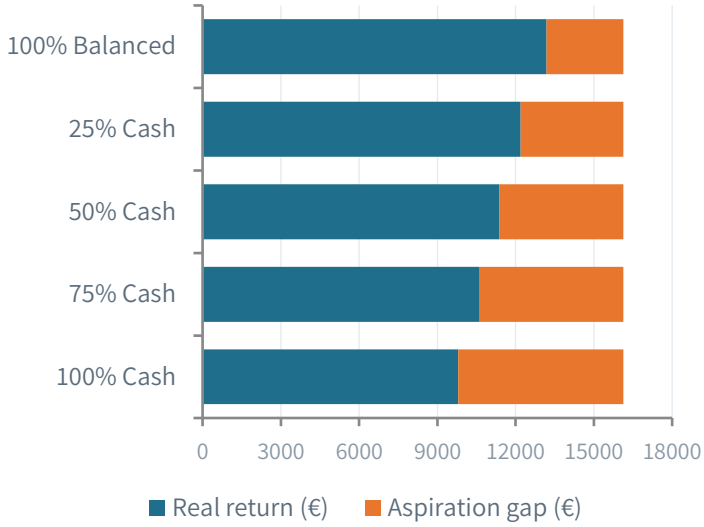
- Cash is projected to return only 3.0% p.a. (US$) over the next decade compared with 6.7% for developed market equities, creating a **significant long-term opportunity cost**
- Holding excess cash may feel prudent in the short term but can materially reduce purchasing power and long-term wealth creation once inflation is taken into account.

Home Bias

- Investors continue to allocate disproportionately to domestic markets despite the diversification benefits available through global portfolios.
- Fidelity's analysis suggests globally diversified portfolios have historically delivered stronger risk-adjusted returns, lower drawdowns and improved long-term outcomes than domestic-only strategies.

The Real Cost

Figure 1: Real return on €10,000 over 10 years vs the aspiration gap



€3,378 The projected real return shortfall over ten years for a portfolio held entirely in cash compared with a balanced portfolio.

Domestic vs global 60/40 — 20 years

	100% Domestic	100% Global
Annualised return	5.6%	**6.1%**
Annualised risk	9.6%	**8.4%**
Return/risk ratio	0.58	**0.73**
Max drawdown	-34.2%	**-29.8%**

Source: Fidelity International 2026 Be Invested Global Study, Opinium, May 2026. Capital market assumptions are illustrative only. Past performance is not a reliable indicator of future returns.

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Turning Insight into Action

Fidelity International 2026 Be Invested Global Study - 13,000 investors, 13 markets

Fidelity INTERNATIONAL

Why Advice still Matters

The value of advice becomes most evident when markets become volatile. Fidelity's research suggests long-term investment success is shaped less by market forecasts than by investor behaviour during periods of uncertainty.

> "More information has not removed the need for good advice — it has arguably increased it."

Periods of market stress typically produce three investor responses: stay invested, pause and wait, or sell immediately. While understandable, the latter two responses often result in lower long-term returns by missing subsequent market recoveries.

The research also highlights significant differences in investor confidence. Lower-risk investors are considerably less likely to feel confident making investment decisions, while higher-risk investors are more willing to remain invested during periods of uncertainty.

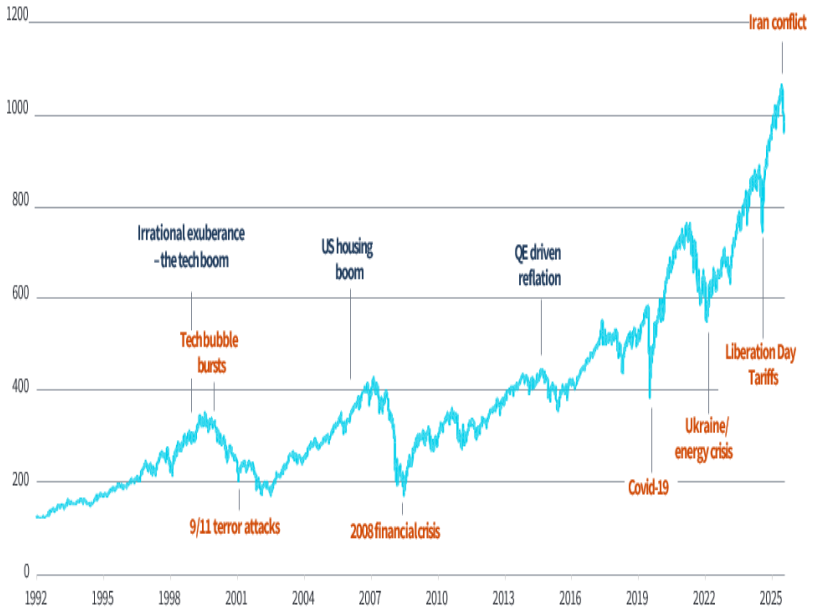
At the same time, clients face more information than ever before. **Financial advisers remain among the most trusted sources of investment guidance**, helping investors filter market noise, maintain perspective and make decisions aligned with their long-term objectives.

Key Takeaway

The aspiration-action gap isn't created by markets — it's created by behaviour. Fidelity's research reinforces that the greatest value advisers provide is helping clients build appropriate portfolios, stay invested through market cycles and remain focused on their long-term goals.

Staying Invested

Figure 2: MSCI ACWI (USD), 1992–2026 — crises are followed by new highs



Every major drawdown since 1992 has been followed by new market highs — exiting at the bottom converts volatility into permanent loss.

Stay the course — disciplined

Investors who remain invested through market cycles are best placed to participate in subsequent recoveries.

Pause & wait — costly

Even short periods out of the market can significantly reduce long-term compound returns.

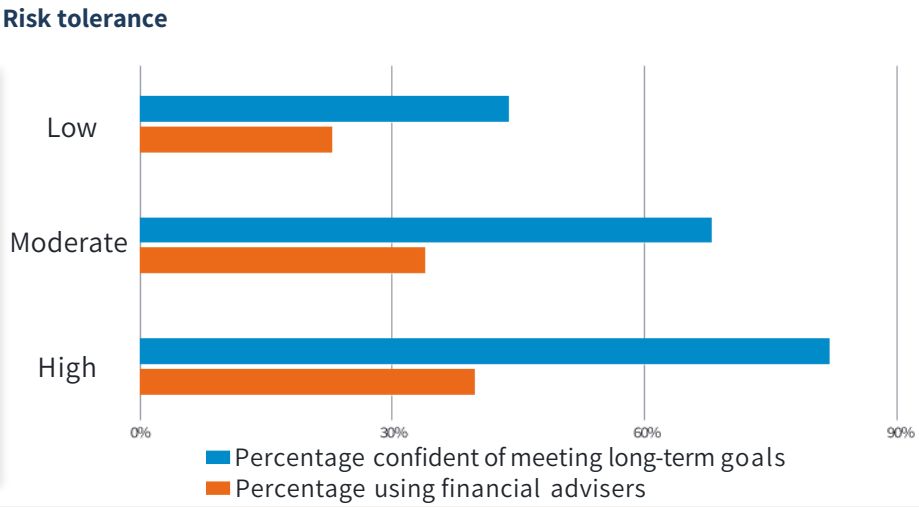
Sell immediately — emotional

Selling during periods of stress can crystallise losses and permanently impair long-term investment outcomes.

The Adviser Effect

Investors working with a financial adviser report greater confidence in achieving their long-term financial goals and demonstrate a stronger willingness to remain invested through periods of market uncertainty.

Advice extends beyond fund selection. Aligning objectives, portfolio construction, diversification and investor behaviour are all critical to achieving successful long-term outcomes.



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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: These funds may be affected by changes in currency exchange rates.

Warning: If you invest in these funds you may lose some or all of the money you invest.

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