

June 2026

Monthly Investment Insights

- Geopolitical risks remain a key source of uncertainty, particularly ongoing tensions in the Middle East and their impact on energy supply. Oil markets have stayed volatile, with prices rising at times amid supply disruptions, and global energy prices are expected to remain elevated into 2026. This continues to contribute to broader market volatility and may keep inflation pressures higher in the near term.
- The global economy remains resilient, although growth is moderating. Global growth is projected to ease to around 3.1% in 2026, according to the International Monetary Fund (IMF), while inflation remains above central bank targets in many regions. As a result, central banks are likely to remain cautious, with policy decisions becoming increasingly data-dependent.
- Bond markets have come under pressure as yields move higher. The U.S. 10-year Treasury yield has risen to around 4.6%, with longer-term yields exceeding 5%, reflecting persistent inflation, higher government borrowing, and ongoing geopolitical uncertainty. Elevated yields translate into tighter financial conditions, which could weigh on both economic activity and market sentiment.
- At the same time, structural trends continue to shape the investment landscape. Investment in artificial intelligence (AI) remains strong, while global trade and supply chains are becoming more fragmented. In this more complex environment, markets are likely to remain uneven, but long-term themes such as technological innovation and diversification continue to create opportunities for investors.

Underweight Neutral Overweight

Cash: Neutral

Remain invested, using cash to tactically deploy into long-term structural opportunities amid heightened geopolitical uncertainty.



Fixed Income: Neutral

- Maintain neutral on Investment Grade bonds, benign macro conditions offset by significant upcoming AI-related issuances.
- Tactically shift to slight OW duration, recent sharp sell-off in long-end rates, appear oversold.

Global Equities: Moderate OW

Remain invested, supported by strong earnings growth and resilient economy.

- Remain mindful of rising risks in 2H2026, including significant equity issuances and rising inflation.
- Focus on relative-value thematic opportunities: Energy Self-Sufficiency; AI Winners; Multipolar World; Reflation.

Asia Ex-Japan Equities: Moderate OW

Supported by structural growth and rising regional importance in global supply chains.

- Slightly constructive on China despite mixed macro backdrop, with weak new loans, retail sales and property, offset by recovering manufacturing PMI.
- Maintain a selective approach as market gains remain uneven and concentrated in specific sectors.

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