SIB Standard Investment Bank | Mansa X Special Fund

15TH - 19TH JUNE 2026

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. equities ended the shortened trading week in the green, supported by news that Washington and Tehran signed a memorandum of understanding that could lead to the reopening of the Strait of Hormuz, easing concerns over global energy supplies and helping oil prices decline. The technology-focused Nasdaq Composite led major indexes higher, up 2.60% in the week while the S&P 500 added 0.93% in the week. Markets were closed Friday in observance of Juneteenth. As expected, the Federal Reserve left its benchmark interest rate unchanged at 3.50%–3.75%. However, investors interpreted the updated economic projections and comments from Fed Chair Kevin Warsh as more restrictive than anticipated. Markets reacted with a temporary sell-off in equities and higher short-term Treasury yields. The Fed's latest forecasts now suggest policymakers expect modest policy tightening by the end of the year, a sharp shift from March projections that indicated potential rate cuts. Warsh emphasized the Fed's commitment to controlling inflation and indicated that forward guidance is less useful in the current environment. On the data front, retail sales rose 0.9% in May, exceeding expectations and improving from April's revised increase. However, housing indicators painted a less favourable picture. The NAHB Housing Market Index unexpectedly fell to 35 in June, reflecting affordability concerns, elevated mortgage rates, and rising construction costs. Over in Europe, the pan-European Euro STOXX 600 Index gained 1.37% over the four-day trading week. Investor confidence improved following the U.S.-Iran agreement, although economic data across the region remained mixed. The eurozone recorded a EUR 1 billion trade deficit in April, surprising economists who had expected a surplus. The deterioration was largely driven by a wider energy deficit and weaker performance in machinery and vehicle exports. Separately, the Bank of England left interest rates unchanged at 3.75%, noting uncertainty surrounding the inflation impact of the Iran conflict. UK inflation held steady at 2.8% in May. Similarly, the Swiss National Bank maintained its policy rate at 0%, while Norway's central bank kept rates unchanged but hinted that future increases may be necessary. In Asia, the bullish tone remained the same in the week as Japanese equities surged, with the Nikkei 225 rising 7.92% and the TOPIX gaining 4.20%. Technology and semiconductor-related stocks led gains as investors continued to favour companies benefiting from global AI investment trends. The Bank of Japan increased its short-term policy rate by 25 basis points to 1.0%, marking its first rate hike since late 2025 and pushing borrowing costs to their highest level in three decades. The move reflects concerns about inflation driven by higher energy costs and ongoing yen weakness. The central bank also announced further reductions in its purchases of Japanese government bonds as it continues its gradual exit from ultra-loose monetary policy. The yen weakened slightly to around JPY 160.8 per U.S. dollar, prompting speculation that authorities could intervene again in currency markets. In China, equities delivered mixed performance during the holiday-shortened week. Mainland markets advanced, while Hong Kong stocks declined. May economic data highlighted continued strength in manufacturing and exports but persistent weakness in domestic consumption while China's real estate market remained a drag on the economy. People's Bank of China Governor Pan Gongsheng announced a series of initiatives aimed at improving financial market efficiency, supporting offshore use of the renminbi, and strengthening Shanghai's role as a financial hub.

Data highlights: USD Fed Interest Rate stayed the same at 3.75%, in line with consensus. CAD BoC Interest Rate remained at 2.25%. CAD PPI YoY (May) rose less than expected, +250bps, from 11.1% to 13.6%, lower than the expected increase to 14%. GBP Inflation Rate YoY (May) stayed the same at 2.8%, against a stronger expected +20bps increase to 3%. GBP Core Inflation Rate YoY (May) rose +10bps, from 2.5% to 2.6%, softer than the expected increase to 2.7%. CHF SNB Interest Rate Decision stayed the same, at 0%, matching analysts' expectations. GBP BoE Interest Rate stayed the same, at 3.75%, in line with expectations. EUR Inflation Rate YoY (May) rose +20bps, from 3% to 3.2%, as expected. EUR Core Inflation Rate YoY (May) rose more than expected, +40bps, from 2.2% to 2.6%, against the expected increase to 2.5%. JPY BoJ Interest Rate rose +25bps, from 0.75% to 1%, in line with consensus. CNY Unemployment Rate (May) fell -10bps, from 5.2% to 5.1%, against a flat expectation. AUD RBA Interest Rate stayed the same at 4.35%, in line with consensus. NZD GDP Growth Rate YoY (Q1) stayed the same, at 1.5%, against the expected drop to 1.1%.

Week ahead: CAD Inflation Rate YoY (May), CAD Core Inflation Rate YoY (May), AUD CPI (May) - Monday | JPY Unemployment Rate (May), GBP GDP Growth Rate YoY (Q1), EUR Inflation Rate YoY (Jun) - Tuesday | EUR Inflation Rate YoY (Jun), EUR Core Inflation Rate YoY (Jun), -Wednesday | CHF Inflation Rate YoY (Jun), EUR Unemployment Rate (May) - Thursday

Global Markets Overview

Treasury yields: The US 10-year Treasury yield eased to 4.45% by the end of the week, as investors absorbed the latest Federal Reserve decision and evaluated the potential policy direction under incoming Fed Chair Kevin Warsh. While the Fed left interest rates unchanged as expected, policymakers signalled that additional tightening may still be required to contain inflation. Approximately half of FOMC members now anticipate at least one rate hike in 2026, while the central bank significantly upgraded its forecasts for both headline and core PCE inflation. Warsh reinforced his inflation-fighting stance, emphasizing the Fed's commitment to restoring price stability. In the UK, the 10-year gilt yield rose to 4.84%, extending its recovery from recent lows as investors balanced domestic political developments against a shifting global macro backdrop. On the policy front, the Bank of England kept rates unchanged at 3.75% and maintained a cautious stance, while lowering its peak inflation forecast for late 2026 to 3.25% from 3.6%.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.45	-0.57	6.87
Bund 10Y	2.99	-0.33	4.55
Gilt 10Y	4.84	0.12	8.10
Japan 10Y	2.66	1.14	28.56

Equities: US equities ended the week on a strong note, supported by gains in technology stocks and growing optimism surrounding the interim US-Iran peace agreement. The S&P 500 rose 0.93%, the Nasdaq 100 surged 2.60%, and the Dow Jones advanced by 988.5 points. Investor sentiment improved after the agreement, which included the reopening of the Strait of Hormuz, eased concerns over energy supply disruptions and volatile oil prices. Markets also looked past a relatively hawkish Federal Reserve stance after policymakers left interest rates unchanged while indicating that at least half of officials still see scope for a rate hike later this year. In the UK, the FTSE 100 declined 1.04% for the week as commodity-linked sectors weighed on performance amid fluctuating oil prices and lingering uncertainty surrounding US-Iran negotiations and renewed Israel-Lebanon tensions. Mining stocks led the losses, with Rio Tinto falling 5.0%, Glencore losing 5.42%, Anglo American declining 2.8%, and Antofagasta dropping 3.26%.

Indices	Close	% W/W	% YTD
S&P 500	7501	0.93	9.57
EU Stoxx 600	671	1.37	9.65
FTSE 100	10363	-1.04	4.35
Nikkei 225	71250	7.92	41.54

Currencies: The US dollar index held firm near one-year highs at 100.85, supported by a more hawkish Federal Reserve outlook and growing expectations that interest rates could move higher later this year. Markets are currently pricing in roughly a 50% probability of a 25-basis-point rate hike in September. The greenback ended the week up 1.1%. The British pound recovered some of its early-week losses but still finished the week down 1.30% against the dollar at $1.3232, hovering near a two-month low. Sterling remained under pressure from a combination of political uncertainty, shifting risk sentiment, and a stronger US dollar, despite encouraging domestic economic data. Political attention intensified after Greater Manchester Mayor Andy Burnham secured victory in the Makerfield by-election, strengthening speculation about a future challenge to Prime Minister Keir Starmer. Meanwhile, the abrupt cancellation of planned US-Iran peace talks in Switzerland reignited concerns over the durability of the fragile Middle East ceasefire reached earlier in the week.

Currencies	Close	% W/W	% YTD
EURUSD	1.1471	-0.84	-2.34
GBPUSD	1.3232	-1.30	-1.80
USDJPY	161.30	0.66	2.93
USD Index	100.85	1.10	2.57

Commodities: Crude oil prices fell 9.75% to $76.60 per barrel, marking a sharp weekly decline as Israel and Hezbollah agreed to a ceasefire scheduled to take effect on Friday, raising hopes for broader regional de-escalation and a potential path toward renewed US-Iran negotiations. The prospect of easing geopolitical tensions reduced some of the risk premium embedded in oil markets, although uncertainty persisted after planned US-Iran talks in Switzerland were cancelled. Meanwhile, Gold extended its recent decline, falling to $4,156 per ounce, its lowest level since June 11 and marking a third consecutive weekly loss. The precious metal came under pressure from a stronger US dollar and rising expectations of tighter monetary policy after the Federal Reserve maintained interest rates while signalling a more hawkish outlook. Additional pressure followed Goldman Sachs' decision to lower its year-end gold price forecast from $5,400 to $4,900 per ounce.

Commodities	Close	% W/W	% YTD
Gold	4156	-1.51	-3.79
Copper	638.55	-0.92	12.38
WTI Crude	76.60	-9.75	33.40
Wheat	614.00	3.06	12.51

Performance of Major Global Financial Assets

% Change.

	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				
	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	-0.6	-0.3	0.1	1.1	0.0	-0.7	0.9	2.6	1.7	1.4	-1.0	7.9	-3.2	1.1	-0.8	-1.3	0.7	0.1	1.0	-9.8	-1.5	-0.9	5.7	3.1
MTD	0.4	1.6	0.6	-0.4	-0.4	1.2	-1.0	0.2	4.0	-0.5	-0.4	7.4	-5.0	1.9	-1.6	-1.7	1.3	0.0	1.4	-12.3	-8.5	-0.1	3.5	-1.5
YTD	6.9	4.6	8.1	28.6	1.5	4.1	9.6	20.4	8.7	2.0	4.3	41.5	-6.7	2.6	-2.3	-1.8	2.9	-3.1	-0.7	33.4	-3.8	12.4	-16.4	12.5

KEY: -100% +100%

Data Sources: Bloomberg, Investing.com, Trading Economics, T. Rowe Price, Standard Investment Bank

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