Quarterly Market Review

JUNE 2026

The June quarter highlighted the resilience of risk assets amid a complex macroeconomic backdrop. Global equities delivered strong returns over both the June quarter and financial year 2026 (FY26). The U.S. and Iran conflict, volatile energy prices and evolving monetary policy expectations contributed to periods of uncertainty. However, resilient U.S. company earnings and further upgrades to AI-related capex plans by major technology companies helped support equity markets.

Semiconductor-related businesses were a standout, with the Philadelphia Semiconductor Index recording its strongest quarterly performance since inception (1994), +88% over the quarter. This supported strong gains across semiconductor-heavy markets, including Taiwan and South Korea. While AI-related companies remained a key driver of market performance, leadership broadened as the quarter progressed, with investors increasingly looking beyond the largest U.S. technology stocks toward a wider range of sectors and businesses.

The S&P 500 Index gained 14.9% (+20.9% in FY26), while the Nasdaq Composite Index climbed 21.4% (+28.7% in FY26). The S&P/ASX 200 Accumulation Index lagged, returning 4.0% (+6.1% in FY26). The Nikkei 225 Index was the standout performer, rising 37.2% (+73.0% in FY26). Emerging market equities also posted strong returns, with the MSCI Emerging Markets Index advancing 23.3% (+40.9% in FY26).

The June U.S. Federal Open Market Committee (FOMC) meeting, the first chaired by Kevin Warsh, was a key development during the quarter. Warsh's more hawkish-than-expected tone prompted investors to reassess the outlook for interest rates, shifting toward the possibility of tightening. At the same time, investors applied greater scrutiny of the significant capex underpinning the AI investment cycle.

Commodity markets experienced significant volatility during the quarter. Oil prices reversed sharply as geopolitical tensions eased, with Brent Crude and West Texas Intermediate (WTI) falling 38.4% and 31.4% respectively. Precious metals gave back part of their exceptional gains, with gold falling 14.1%. Despite the pullback, both energy and gold remained positive over FY26.

Australia

- The Australian equity market, as measured by the S&P/ASX 200 Accumulation Index rose 4.0% (+6.1% in FY26). Information Technology was the best performing sector (+17.0%), followed by Real Estate (+11.6%) and Industrials (+7.5%). Energy (-16.5%) and Utilities (-7.6%) lagged.
- Australian GDP grew by 0.3% in the March 2026 quarter (+2.5% for the year) supported by business investment, particularly in data centre infrastructure, while subdued household consumption and adverse weather conditions weighed on mining production and exports. Seasonally adjusted unemployment increased marginally to 4.4% in May, its highest level since 2021. Employment nevertheless rebounded strongly during the month, with 40,300 jobs added.
- Australian CPI eased to 4.0% over the 12-months to May (down from 4.2% in April). Housing (+6.5%), Food and non-alcoholic beverages (+3.3%), and Transport (+3.3%) remained the largest contributors to inflation. Trimmed mean inflation (excludes volatile items) increased to 3.6% from 3.4% in April, indicating underlying price pressures remain elevated.
- The RBA increased the cash rate by 25 basis points to 4.35% in May before leaving rates unchanged in June, with the Board preferring to assess the impact of earlier rate increases and recent energy market disruptions before considering any further policy action.
- The Westpac-Melbourne Institute Consumer Sentiment Index declined 2.9% in June to 80.6, remaining at historically weak levels. Ongoing cost-of-living pressures and concerns around household finances continued to weigh on consumer confidence.
- Nationally, residential property prices fell 0.3% in June, as measured by the PropTrack Home Price Index. Sydney and Perth declined 0.5%, followed by Melbourne and Canberra (-0.4%). Despite the decline, national residential property prices remain 5.8% higher over 12-months.

International

- U.S. equities delivered strong gains in the June quarter, with the S&P 500 Index rising 14.9% (+20.9% in FY26) and the Nasdaq Composite Index advancing 21.4% (+28.7% in FY26). Sector performance within the S&P 500 Index was led by Information Technology (+31.6%), followed by Industrials (+14.5%) and Consumer Discretionary (+9.1%). Energy underperformed (-14.0%) and Utilities declined (-1.2%).
- Headline U.S. CPI increased 4.2% over the 12-months to May (3.3% in March), the highest level in three years. Core CPI (excludes volatile food and energy) was more subdued, rising 0.2% in May and 2.9% over the year.
- The FOMC left policy rates unchanged at 3.50% - 3.75% at its June meeting. In his first meeting as Chair, Kevin Warsh adopted a more hawkish tone. Updated Federal Reserve projections signalled a meaningful shift in expectations, with policymakers no longer forecasting a rate cut in 2026 and instead acknowledging the possibility of further tightening.
- Long-dated U.S. bond yields were volatile. The 10-year Treasury yield reached 4.6%, before closing the quarter 15 basis points higher at 4.47% (+24bp in FY26). The Bloomberg Global-Aggregate TR Index (AUD) also increased 1.5% (+3.2% in FY26).
- The Nikkei 225 Index delivered a strong quarterly performance, gaining 37.2% (+73.0% in FY26). Improving investor sentiment and continued strength in corporate earnings supported gains across a broad range of sectors. The Euro Stoxx 600 Index increased 10.0% (+18.5% in FY26), while the FTSE 100 Index advanced 3.2% (+19.8% in FY26).
- Emerging market equities posted a strong quarterly performance. The MSCI Emerging Markets Index (USD) rose 23.3% (+40.9% in FY26). South Korea's KOSPI Index was a notable standout, gaining 67.8% (+176.0% in FY26), supported by strong gains across semiconductor companies.
- The USD Index (the value of the U.S. dollar against a basket of widely recognised, publicly traded currencies) increased 1.2% (+4.5% in FY26). The Australian dollar closed the quarter 0.3% higher against the USD at 69.20¢, having traded as high as 72.6¢ in mid-May.

Commodities

- Commodity markets were mixed during the quarter. Brent Crude declined 38.4% to US$77.92/bbl (+7.9% in FY26), while WTI Crude fell 31.4% to US$69.50/bbl (+6.7% in FY26). Copper ($/t) climbed 8.9% (+32.8% in FY26), while Iron Ore ($/t) fell 6.7% (+7.6% in FY26).
- Precious metals weakened, reversing some gains, with Silver declining 22.0% to US$58.60/oz (+62.3% in FY26) and Gold falling 14.1% to US$4,008/oz (+21.3% in FY26).

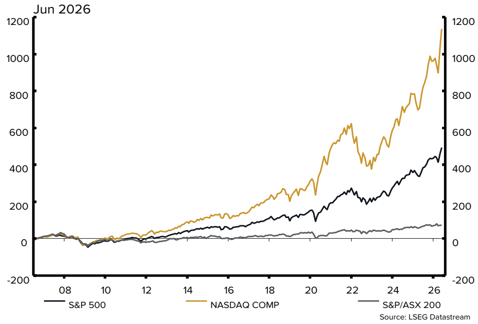
Global Markets – 30 June 2026

Equities	CYTD	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
S&P /ASX 200 Accumulation Index (AUD)	2.4%	0.7%	4.0%	6.1%	10.6%	7.8%
S&P/ASX Small Ordinaries Index (AUD)	-9.1%	-2.2%	3.0%	5.5%	7.0%	0.2%
S&P 500 Index (USD)	9.6%	-1.1%	14.9%	20.9%	19.0%	11.8%
Nasdaq Composite Index (USD)	12.8%	-2.8%	21.4%	28.7%	23.9%	12.6%
Russell 3000 Index (USD)	10.2%	-0.4%	15.1%	21.4%	18.8%	10.7%
FTSE 100 Index (GBP)	5.7%	0.8%	3.2%	19.8%	11.7%	8.3%
Euro Stoxx 600 (EUR)	8.4%	2.5%	10.0%	18.5%	11.6%	7.2%
Nikkei 225 (JPY)	39.2%	5.6%	37.2%	73.0%	28.3%	19.5%
Hang Seng (HKD)	-10.7%	-9.1%	-7.7%	-4.9%	6.5%	-4.5%
MSCI Emerging Markets Index (USD)	22.7%	-1.7%	23.3%	40.9%	20.3%	4.6%
MSCI World Ex Australia (AUD)	5.6%	3.1%	12.6%	14.9%	17.8%	13.4%
Bonds						
Bloomberg AusBond Composite Index (AUD)	2.3%	1.0%	2.6%	1.5%	4.0%	0.4%
Bloomberg Global Agg Bond Index (AUD)	1.2%	0.4%	1.5%	2.9%	3.7%	0.0%
Currency						
AUD/JPY	7.6%	-1.7%	2.7%	18.7%	5.4%	6.2%
AUD/USD	3.7%	-3.7%	0.3%	5.1%	1.3%	-1.6%

Source: Bloomberg 30 June 2026 (All returns are in local currency terms.)

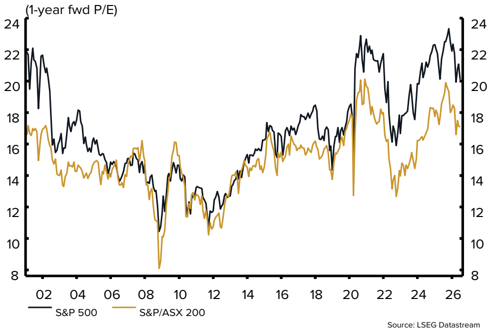
Global Equity Market Performance

Jun 2026



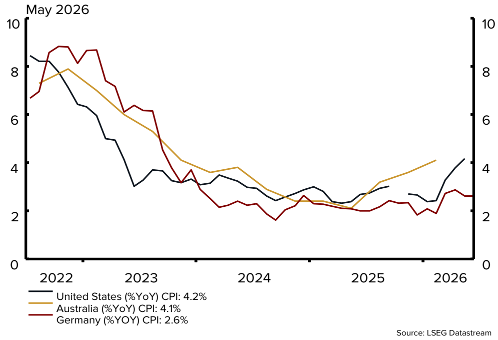
Global Equity Valuations

(1-year fwd P/E)



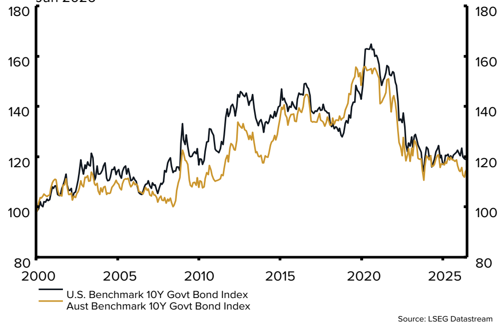
U.S., Aust & German Headline Inflation

May 2026



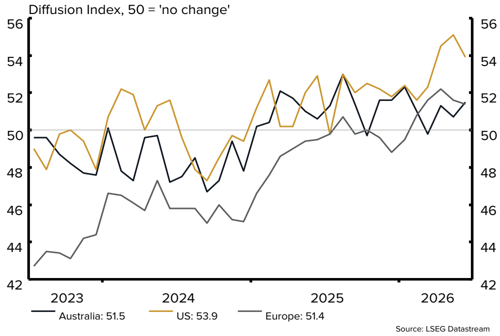
U.S. & Aust 10 Yr Government Bond Index

Jun 2026



Manufacturing PMIs

Diffusion Index, 50 = 'no change'



AUD/USD FX Rates

Jun 2026

Please contact your Advisor for further details or click here for a copy of our latest Quarterly Outlook.

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