Marketing Material

MONTHLY HOUSE VIEW

JULY 2026

The new Era of Investment

Architects of Wealth

01 EDITORIAL

The new Era of Investment

Jérôme
VAN DER BRUGGEN
Chief Market Strategist

Dear Reader,

For years, the dominant narrative in macroeconomics revolved around secular stagnation: a world rich in ideas but poor in investment. Innovation surged, yet capital spending lagged, leaving productivity growth anaemic and, in some regions, even declining. That paradox defined the post-global financial crisis era. Today, however, the narrative has shifted. We are witnessing an acceleration in global capital expenditure (CapEx), reigniting hopes of a sustained productivity revival.

What explains this reversal? The answer lies in a confluence of powerful forces reshaping corporate incentives.

First, the technological frontier—most notably artificial intelligence (AI)—is transforming the economics of investment. AI offers not only automation gains, but also new avenues for product development and business models. Many companies are using this as an opportunity to rethink their processes. The expected returns on investment in digital infrastructure, data ecosystems and compute capacity have risen significantly. In such an environment, deferring investment risks obsolescence.

Second, the geopolitical landscape has altered corporate decision-making. Since the COVID-19 pandemic, firms have been confronted with repeated shocks: supply chain disruptions, trade frictions, and the growing use of economic tools as instruments of geopolitical leverage. The result is a heightened focus on resilience and strategic autonomy. Efficiency, long pursued through global optimisation, is now balanced against security of supply and operational continuity. This shift is inherently CapEx-intensive, as it requires re-shoring, duplication of production lines, and investment in alternative logistics and sourcing networks.

Our Focus article (page 8) illustrates this dynamic through the lens of the shipping industry's response to the Hormuz episode. The vulnerabilities in chokepoints can no longer be treated as tail risks. Instead, they require proactive mitigation through infrastructure investment and strategic diversification.

Financing this wave of CapEx is a key aspect of the new era. As explored in our Market Views (page 10), an increasing number of companies are turning to equity markets rather than relying on cash flows or debt. This trend reflects the scale of investment needs.

At the same time, central banks remain a stabilising force. Their actions since 2022 have demonstrated a clear commitment to price stability and institutional independence. As inflationary pressures re-emerged this year, they have signalled their readiness to act decisively. In our view, this credibility anchors inflation expectations and helps contain the risk that the current investment boom translates into sustained price pressures.

Taken together, these elements point to a structural shift rather than a cyclical uptick. The alignment of technological opportunity, geopolitical necessity and financial adaptability is driving a broad-based and durable CapEx cycle. Unlike in previous decades, investment is no longer constrained by a lack of demand or confidence; it is propelled by the imperative to adapt.

Our investment strategy reflects this new reality. We remain constructive on equities, as companies positioned to benefit from this CapEx wave—and to deploy it effectively—are likely to deliver superior returns. At the same time, the complexity of the environment calls for robust diversification across sectors and geographies.

After years of hesitation, the global economy appears to have rediscovered the power of investment. If sustained, this CapEx cycle could mark the beginning of a new era of productivity growth — and a decisive end to the stagnation narrative that once seemed so entrenched.

We hope you find reading this month's publication pleasant and insightful.

02 MACROECONOMICS & INVESTMENT STRATEGY

Resilience, Risks, and Rate Hikes

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Chief Strategist

Despite oil price uncertainty, markets have gained steadily since March, buoyed by hopes for a Trump-Iran peace deal and the Strait of Hormuz reopening. Strong corporate earnings and easing inflation post-energy shock support a positive equity outlook, encouraging investors to remain invested and, look through the noise. Meanwhile, the new Federal Reserve (Fed) chair's firm stance on inflation reinforces policy confidence amid ongoing inflation shocks.

MACROECONOMIC SCENARIO

US: DEFYING GRAVITY—GROWTH HOLDS AS INFLATION BITES

The US economy remains robust, with our GDP growth forecast unchanged at 2.1% for 2026 and 2.0% for 2027, with the consensus recently catching up to these figures. Recent Q1 and Q2 data confirm continued US *momentum*, with consumption supported by tax refunds and corporate front-loading in inventories in anticipation of potential supply chain disruptions. These supports are expected to fade, and higher energy prices are projected to moderate sequential consumption growth to 1.5%-2%.

Inflation remains a central concern. The 2026 inflation forecast has been revised up to 3.6% (+20 basis points (bps)), while 2027 is now expected at 2.4% (+10 bps). This reflects recent upside surprises, notably from software and artificial intelligence (AI)-related services. Short-term inflation drivers include tariffs, AI investment, and higher commodity prices, particularly as Middle East supply chain disruptions are expected to take time to normalise. Despite these pressures, the outlook remains that US inflation will converge towards the Fed's 2% target by 2027. Housing prices continue to decline, wage indicators are no longer accelerating, and long-term inflation expectations are anchored near 2.3% mid-June. The labour market, while improved, is expected to normalise, with consumer surveys pointing to a modest upside risk for the unemployment rate, currently at 4.1%.

Financial markets continue to assign a higher probability to a rate hike in 2026. However, we maintain our view that the Fed will reduce rates by 25 bps in 2027 — postponed from our earlier expectation of the second half of 2026—as inflation normalises and policy rates move towards the more neutral level of 3.5%.

EURO AREA: ECB ON THE TIGHTROPE

The Euro Area economy contracted by 0.2% quarter-on-quarter (QoQ) in Q1 2026, mainly due to Ireland's GDP plunging 12.1% and a smaller decline in France (-0.1%), which has become the region's laggard. This lowered our 2026 average growth forecast from 0.8% to 0.4%. Ireland's GDP volatility, driven by multinational pharmaceutical stockpiling ahead of US tariffs in 2025,

BANK OF JAPAN
lifts policy rate to
HIGHEST SINCE 1995

had a historically pronounced impact. Despite this, the region as a whole showed some resilience: private consumption rose 0.2% QoQ, government consumption 0.5%, while Euro Area retail sales grew 1% year-on-year (YoY) in April. Exports rebounded by +5% YoY in May, after sharp declines in the last three months. Private business investment is expected to be more resilient than historical norms, especially in defence, AI, and electrification.

Energy prices are easing, while EU natural gas storage is on track to reach 80% by the end of summer — sufficient to ensure winter supply. Producer prices rose 4.9% YoY in May, while consumer prices rose 3.2% with a peak expected in Q4 2026. There remains a risk of inflationary spillover from energy to food prices, particularly given the potential impact of the Super El Niño phenomenon. In this context, the European Central Bank (ECB) hiked rates as expected by 25 bps in June and is likely to do so again in July, unless oil prices surprise significantly to the downside.

ASIA: BANK OF JAPAN BREAKS THE SILENCE

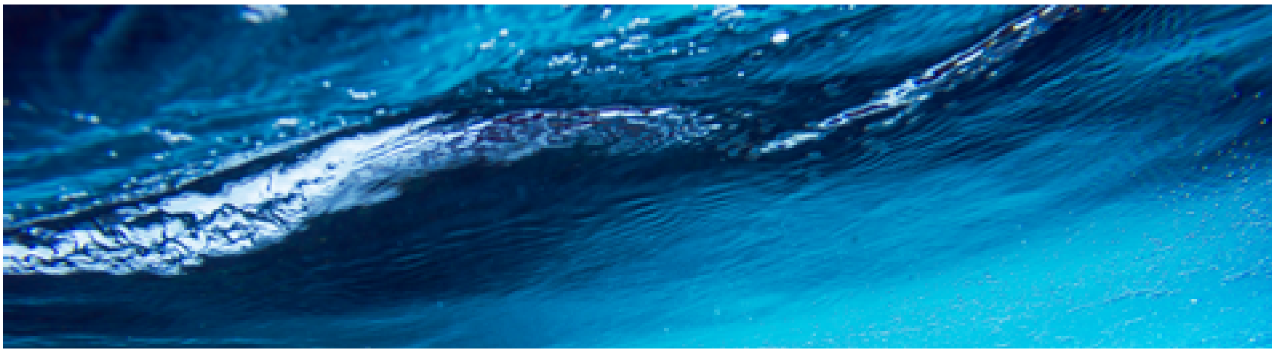
Asian inflation continued to rise in May, with several economies now above target. South Korea and New Zealand kept rates steady but struck a hawkish tone, while Indonesia hiked by 100 bps to support the rupiah. Industrial and retail growth in China softened in April, yet exports have been redirected, sustaining trade *momentum* (Chinese exports surged +19% YoY in May). Surveys are stable in manufacturing (with the Purchasing Managers' Index (PMI) at 51.8 in May) while accelerating in private sector services (from 52.6 to 54.4). Nevertheless, Chinese producer prices are rising (up 3.9% YoY), but consumer price pass-through remains limited (with the inflation rate unchanged at 1.2% in May). Finally, the Bank of Japan raised its policy rate by 25 bps to 1% — the highest level since 1995 — responding to 2.7% YoY inflation and a yen down almost 10% year-to-date. This move is likely to prompt further tightening in the region and supports our below-consensus outlook for Japan in 2026. Nevertheless, the region is expected to be a major beneficiary of the reopening of the Strait of Hormuz and should continue to gain from the ongoing expansion and diversification of supply chains driven by the AI boom.

TABLE 1: MACROECONOMIC FORECAST 2025-2027, %

● Downward forecasts since last edition ● Upward forecasts since last edition

	GDP %			INFLATION %		
	2025	2026	2027	2025	2026	2027
United States	2.2%	2.1%	2.0%	2.7%	3.6%	2.4%
Euro Area	1.6%	0.4%	1.0%	2.1%	3.5%	2.4%
China	4.9%	4.6%	4.3%	0.2%	0.8%	1.3%
Japan	1.2%	0.5%	1.0%	3.2%	2.0%	2.3%

Source: Indosuez Wealth Management.



Jean-Marc TURIN, CFA
Head of Patrimonial Funds

ASSET ALLOCATION CONVICTIONS

Markets continued their upward *momentum* since the end of March in anticipation of the interim peace deal between President Trump and Iran. The planned reopening of the Strait of Hormuz should reduce pressure on oil prices and inflation, which is good news for the global economy. The combination of a constructive macro scenario and very strong corporate earnings justify our positive view on equities. On rates, the new Fed chair used his debut press conference to make clear that the central bank will not tolerate inflation. This message, more hawkish than expected, will probably alleviate some concerns regarding the Fed's independence and credibility.

EQUITIES

Within equities, emerging markets and the United States led gains, driven largely by continued enthusiasm for artificial intelligence (AI) and semiconductor themes, with returns increasingly concentrated in a handful of mega-cap names. Japan also performed well, while Europe lagged. The strong returns in the tech sector—particularly for semiconductors—are supported by robust demand combined with supply shortages, resulting in significant price increases. Thus, despite some pockets of exuberance, this move is justified by strong fundamentals. It is difficult to know exactly how long this concentration can continue, but at some point, a broadening out of performance would be healthy. The reopening of the Strait of Hormuz, if confirmed, could trigger some rotation.

In the United States, retail investors remain a key force supporting markets, as illustrated by the recent IPO[1] of SpaceX, where extreme valuations did not dampen investor appetite. Markets experienced a few weeks of volatility in early June due to uncertainty around the Iran conflict and the Fed's policy stance. As geopolitical tensions eased, markets recovered, but this episode was a good reminder of the importance of diversification.

In emerging markets, market concentration is even more pronounced, with three stocks accounting for 30% of the index. The divergence in performance between countries is striking, Korea is showing stellar performance driven by memory stocks, while China and India are down year-to-date.

Europe has underperformed since the start of the conflict, so the reopening should be positive for the region, which remains more sensitive to energy prices. However, the growth outlook remains unexciting, and the recent rate hike by the ECB will not help to boost it.

Overall, the United States and emerging markets remain our preferred regions within equities. Valuations are higher in the US, but earnings *momentum* is very strong—thanks to AI—and has even outpaced market returns, meaning valuations have improved since the start of the year. Emerging markets offer an attractive combination of valuations and strong earnings growth. However, as the index is increasingly dominated by Taiwanese and Korean

[1] Initial Public Offering.

DISCIPLINE and STAYING INVESTED outlast short-lived shock

stocks, emerging markets are also a play on AI. In this context, Europe remains interesting for portfolio diversification, as it is clearly less exposed to that theme.

Geopolitical developments once again proved to have only a limited and short-lived impact on markets. Maintaining a disciplined approach and staying invested has been the right decision and continues to be rewarded. Despite episodes of volatility, it is important to stay the course.

FIXED INCOME AND CREDIT MARKETS

Rates have been under pressure in recent months, with higher energy prices pushing inflation upward. In this context, bond markets were volatile and have not contributed much to performance recently. We maintain a cautious stance on sovereign debt and keep interest rate sensitivity low, given ongoing fiscal uncertainties and energy-driven inflation. However, our base-case view is that inflation is probably close to its peak; hence, if our forecasts hold true, rates should not move much higher if the reopening of the Strait of Hormuz is confirmed. We recently took advantage of higher rates to lock in attractive yields for portfolios, while remaining underweight duration overall.

Investment grade credit remains the core segment that we favour within fixed income in this environment, as it offers an attractive carry while company fundamentals are relatively strong. High yield is also interesting with a selective approach. Finally, emerging market debt in local currency remains a strong conviction, as the very high yields compensate for foreign exchange volatility.

CURRENCIES

The US dollar has strengthened over the last months, maintaining its safe-haven status but showing signs of renewed weakness as risk appetite returns. The medium-term outlook remains for a gradual decline, with a target for EUR/USD at 1.23 by 2026. As equity markets stabilise and energy prices moderate, the dollar is likely to face renewed downward pressure, driven by global central banks and investors seeking diversification. Gold remains supported by structural factors—central bank diversification, geopolitical risks, and high developed market debt—despite intermittent profit-taking by some emerging market central banks.

KEY CONVICTIONS – TACTICAL VIEW

● 13.05.2026

	-	-/=	=	+/=	+
EQUITIES				●	
Europe		●			
USA				●	
Japan		●			
Emerging Markets				●	
STYLE PREFERENCES					
Small Caps US				●	
Value Europe				●	
BONDS		●			
Government bonds (EUR)	●				
Corporate IG bonds (EUR)				●	
High Yield (EUR)			●		
Government bonds (USD)		●			
Corporate IG bonds (USD)			●		
High Yield (USD)			●		
Emerging Market bonds (Local Currency)					●
USD VS. EUR	●				
YEN				●	
GOLD					●

Source: Indosuez Wealth Management.

FOCUS

03 Hormuz: Lessons from Global Shipping

Hugo CORDUAN
Investment Advisor

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Investment Advisor

As negotiations continue in the coming months, markets remain focused on whether the Strait of Hormuz will fully reopen or stay partially restricted. More importantly, this episode highlights key lessons from global shipping: geopolitics is now a central variable—and an increasingly significant source of inflation—while strategic autonomy is becoming an ever more important driver of investment.

FIVE LESSONS RESHAPING GLOBAL SHIPPING

Shipping remains the backbone of the world economy. Around 90% of global trade by volume moves by sea. In 2024 alone, 12.7 billion tonnes of goods were transported across the world's oceans. Yet, maritime transport rarely attracts attention until a disruption occurs. Hormuz has reminded investors that shipping is not simply a logistics industry; it is a critical transmission mechanism between geopolitics, inflation and economic growth.

The first lesson is that geography still matters. Global trade does not move freely across oceans. It passes through a handful of strategic chokepoints such as the Strait of Hormuz, the Strait of Malacca, the Taiwan Strait, the Suez Canal and the Panama Canal (Chart 1, page 9). These narrow passages function as the arteries of global commerce.

The importance of Hormuz lies not only in the volume of trade that passes through it, but also in the absence of alternatives. While vessels can bypass the Suez Canal by sailing around the Cape of Good Hope, there is effectively no maritime detour around Hormuz for Gulf exports. This vulnerability extends well beyond the Middle East. The Taiwan Strait carries roughly 41% of China's maritime trade, while the Strait of Malacca handles around a quarter of global maritime commerce and remains the principal energy corridor for much of Asia. According to a United Nations Conference on Trade and Development (UNCTAD) 2025 report, the estimated cost of potential chokepoint disruptions worldwide, resulting from either geopolitics or climate risk, amasses to 192 billion per year. Investors will increasingly view these chokepoints as critical infrastructure for the global economy.

The second lesson is that freight rates may remain structurally higher than many expect. One of the most important concepts in shipping is ton-mile demand. Freight demand depends not only on the volume of cargo transported but also on the distance travelled. This distinction has become increasingly important. In 2024, global maritime trade volumes increased by around 2%, yet ton-mile demand grew by almost 6%. The reason is simple: ships are travelling longer routes. Average voyage distances have increased from around 9'000 kilometres in 2018 to nearly 10'000 kilometres today. Every additional day spent at sea reduces the availability of vessels elsewhere, effectively tightening supply. As recent disruptions have shown, shipping capacity can become scarce even when the global fleet continues to expand.

The third lesson concerns insurance. Historically, war-risk insurance represented a relatively small and predictable component of shipping costs. That assumption no longer holds. The succession of disruptions in the Black Sea, the Red Sea and now the Gulf has fundamentally altered the perception of maritime risk. Insurance premiums can rise sharply within days, coverage can be restricted, and routes that appear commercially viable can suddenly become uneconomic. Even if tensions ease, insurance markets rarely return fully to previous conditions after a major geopolitical shock. The cost of securing global trade is therefore likely to remain structurally higher than before, adding another layer of inflationary pressure throughout supply chains.

The era of
FRICTIONLESS GLOBALISATION
is over

The fourth lesson is that inventories and redundancy have regained strategic value. For decades, global supply chains were designed around efficiency and "just-in-time" delivery. The pandemic exposed the fragility of this model; Hormuz reinforced the message. Governments and corporations increasingly recognise the importance of maintaining larger inventories of energy, industrial commodities and critical components. The same logic applies to shipping itself. Container fleet capacity grew by roughly 10% across 2024 and 2025, while underlying trade demand expanded by only around 5%. On paper, this suggests overcapacity. In reality, recent disruptions have shown that spare capacity is often what prevents supply chains from breaking down when routes lengthen or chokepoints become inaccessible. What appears inefficient in normal times can prove invaluable during periods of geopolitical stress.

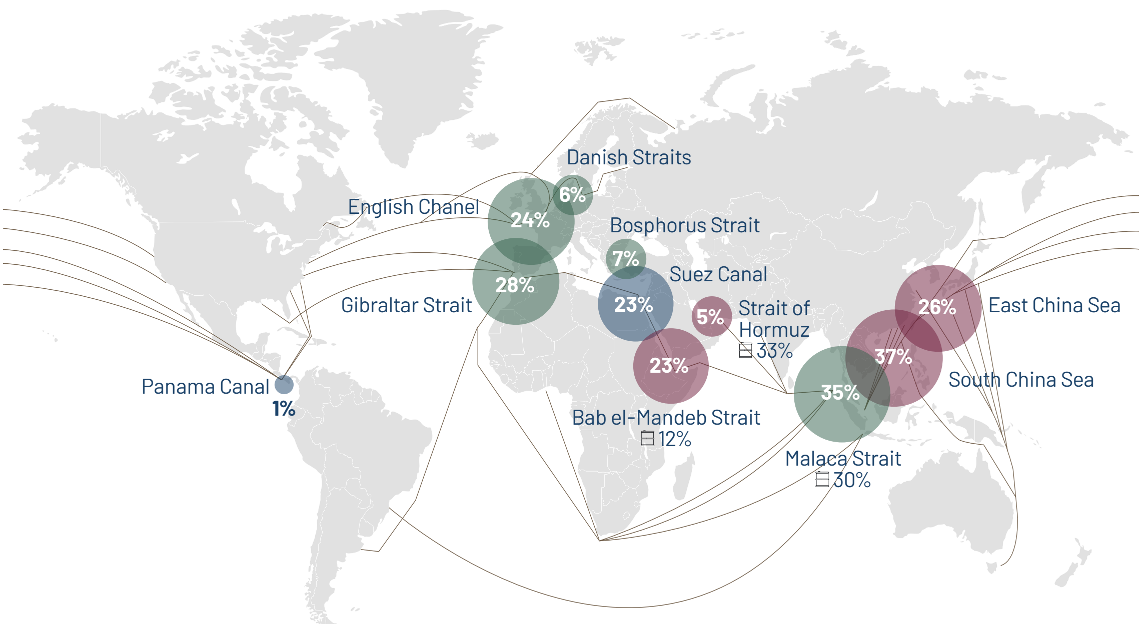
The final lesson is that geopolitics has become a core shipping variable – and an increasingly important source of inflation. Freight markets were once driven primarily by trade growth, fuel costs and fleet supply. Today, geopolitical developments influence all three. The attacks in the Red Sea, drought-related restrictions at the Panama Canal, tensions around Taiwan, the return of tariffs and the Hormuz crisis all point to the same conclusion: the era of frictionless globalisation is over.

INVESTMENT IMPLICATIONS

For investors, inflation risks are now more asymmetric. While globalisation and efficient supply chains once kept prices low, today's geopolitical fragmentation, trade barriers, and supply disruptions are making inflation more volatile. The lesson from Hormuz is clear: shipping underpins global trade, and maritime risks now have broader economic implications. As resilience replaces efficiency in global supply chains – through larger inventories, diversified routes, and greater energy security – costs rise, leading to a world of less predictable (and potentially higher) inflation. In response to Hormuz, infrastructure investment is becoming increasingly attractive worldwide – not only for economic gains, but also as a means of enhancing strategic autonomy.

CHART 1: CURRENT GEOPOLITICAL AND CLIMATE RISKS TO GLOBAL TRADE

Chokepoints Geopolitical Risk Climate Risk – Shipping Lanes
% Share of Goods Shipped by 'Weight'. Percentage totals exceed 100% due to ships traversing more than one chokepoint.
% Share of Maritime Oil Traded



Source: Global Guardian (2026), Indosuez Wealth Management.

MARKET VIEWS

04 AI CapEx: Why Equity Funding Makes Sense

Jérôme
VAN DER BRUGGEN
Chief Market Strategist

A new wave of IPOs —around 225 billion dollars expected in 2026—alongside rising secondary placings in the US has revived an old fear: is fresh equity supply a signal that the bull market is nearing exhaustion? Two key questions emerge: is de-equitisation ending, and will the investment boom deliver adequate returns?

The backdrop to rising equity issuance is the global CapEx cycle. Pimco estimates cumulative spending at around 14 trillion dollars over five years, with more than half directed toward infrastructure. A significant portion is tied to artificial intelligence (AI)-driven investments — data centres, semiconductors, and energy systems supporting digital infrastructure.

Until 2024, hyperscalers largely funded this expansion through internal cash flows. By 2025, however, the scale and acceleration of investment needs led them to tap debt markets. Now, in 2026, equity issuance—IPOs and secondary offerings—is becoming an increasingly important funding channel. This shift has raised concerns among investors conditioned by a decade of declining net equity supply.

IS THIS THE END OF DE-EQUITISATION?

The first concern is whether the re-emergence of equity issuance marks the end of a powerful structural tailwind. As shown in chart 2 (page 11), since 2005, net equity supply has consistently declined, with buybacks, dividends, and mergers and acquisitions (M&A) exceeding issuance by roughly 1.2% per year. This reduction in share count has meaningfully boosted realised equity returns, amplifying earnings-per-share (EPS) growth.

At first glance, the reopening of equity capital markets could suggest that this era is ending.

However, the data does not support such a conclusion. Market observers expect approximately 1.2 trillion dollars of share buybacks in 2026 — vastly exceeding the 225 billion dollars anticipated from IPOs. Notably, around a quarter of that buyback total had already been executed by the end of the first quarter earnings season, underscoring continued excess capital generation. According to us, this imbalance implies that net equity supply is likely to remain negative. In other words, while issuance is rising, it is being more than offset by continued buybacks. The structural support from de-equitisation therefore persists, even if marginally less powerful than at its peak. Rather than a reversal, we are witnessing a normalisation within a still supportive framework for equity markets.

WILL THE INVESTMENT WAVE GENERATE ADEQUATE RETURNS?

The second — and arguably more important — question is whether this unprecedented investment cycle will ultimately prove value-accretive.

In our view, several factors suggest that the answer is yes. First, end-demand appears robust and expanding. The commercialisation of large language models (LLMs) is progressing at a pace unmatched by previous technological revolutions. Monetisation is occurring far more rapidly than for earlier innovations such as the internet or cloud computing.

A striking illustration is Anthropic, whose revenues are expected to have risen eighteenfold between June 2025 and June 2026, reaching approximately 58 billion dollars — just under twice the revenues of ASML, one of the most established players in the semiconductor ecosystem. Such rapid scaling indicates strong willingness to pay and a broadening base of enterprise and consumer adoption.

Second, fears of overcapacity look premature. We estimate the replacement value of AI-enabled data infrastructure in the US currently at around 2 trillion dollars[2]. As a point of comparison, the replacement cost of US electrical infrastructure is estimated at roughly 6 trillion dollars[3]. In other words, the installed base of AI infrastructure is only about one-third of the power system it depends on. Rather than signalling excess, this underscores the parallel growth potential of both ecosystems: expanding digital capacity together with a commensurate build-out of energy infrastructure, with ample room for both to scale together.

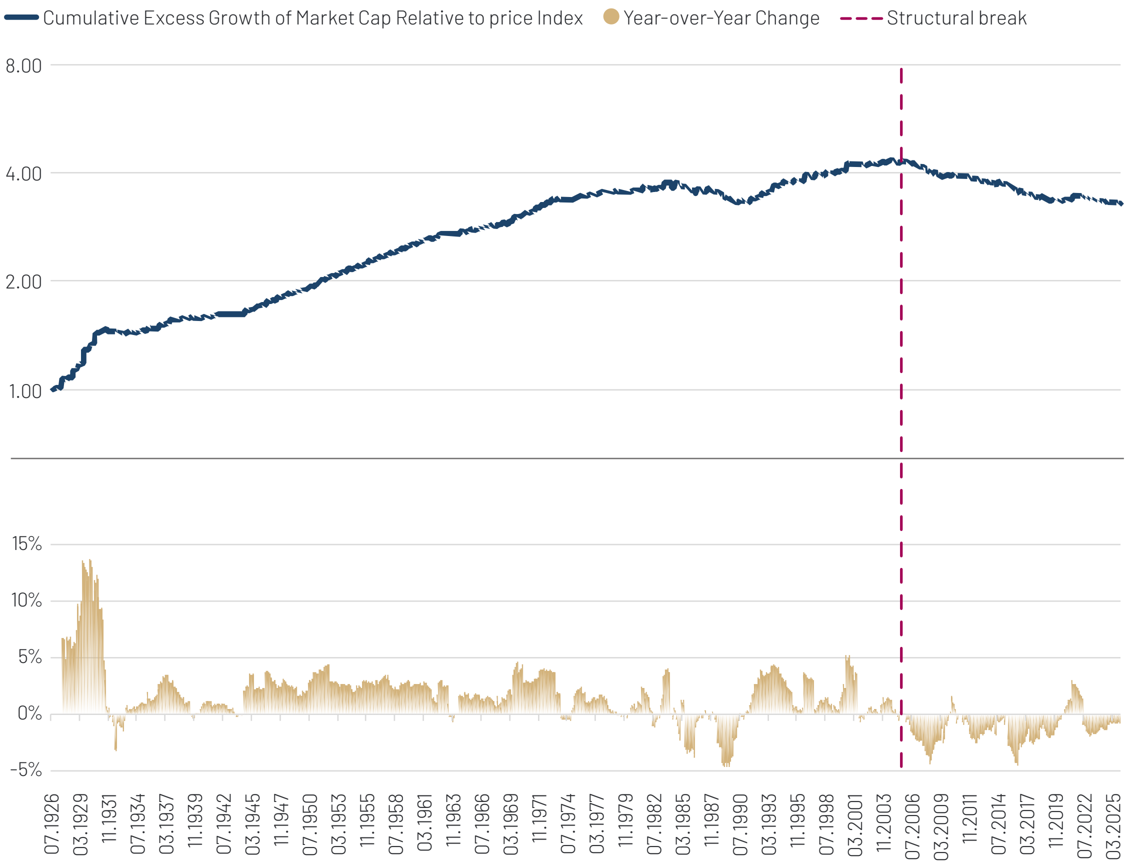
AI backbone now a THIRD OF US GRID value

A third, often overlooked, effect of the IPO wave is the recycling of capital. Equity issuance does not merely fund new investment — it also releases capital that has long been locked within private markets. Founders, early employees, and venture investors convert illiquid holdings into tradable assets, crystallising wealth that can be redeployed. Historically, such liquidity events have not led to a withdrawal from markets, but rather to a reallocation within them: proceeds are reinvested across public equities, new ventures, and financial assets.

Together, these elements suggest that the current CapEx cycle is not speculative excess, but rather a rational response to structural demand. Companies are investing aggressively because the economic incentives are strong — and increasingly visible.

The resurgence of IPOs and secondary issuance reflects the scale of today's investment opportunity rather than a late-cycle warning signal. De-equitisation remains intact, supported by dominant buyback activity, while the CapEx boom is underpinned by demand, infrastructure needs, and capital recycling.

CHART 2: US STOCK MARKET: NET EQUITY ISSUANCE INDEX



Source: Kenneth R. French - Data Library, Indosuez Wealth Management.

[2] The estimate is realised adding and inflating cumulative investments made in 2024 (260 billion dollars) and 2025 (450 billion dollars) with those expected in 2026 (800 billion dollars). The figures are taken from results announcements and aggregated by Morgan Stanley.
[3] The estimate id realised inflating the 4.8 trillion dollars estimate made by Josha D. Rhodes and cited by the Edison Electric Institute in 2017 at the time of the discussions around the US infrastructure spending bill.

05

MARKET MONITOR (LOCAL CURRENCIES)

Overview of Selected Markets

DATA AS OF 18.06.2026

GOVERNMENT BONDS	YIELD	4 WEEKS CHANGE (BPS)	YTD CHANGE (BPS)
US Treasury 10-year	4.45%	-11.63	28.63
France 10-year	3.68%	-4.90	11.50
Germany 10-year	2.93%	-17.00	7.40
Spain 10-year	3.35%	-18.20	6.20
Switzerland 10-year	0.35%	-25.00	2.70
Japan 10-year	2.61%	-15.30	54.90

BONDS	LAST	4 WEEKS CHANGE	YTD CHANGE
Government Bonds Emerging Markets	42.42	1.65%	2.04%
Euro Government Bonds	215.21	0.89%	0.61%
Corporate EUR high yield	245.68	0.91%	1.43%
Corporate USD high yield	400.30	0.69%	1.73%
US Government Bonds	336.06	0.30%	0.01%
Corporate Emerging Markets	45.74	0.48%	-0.28%

CURRENCIES	LAST SPOT	4 WEEKS CHANGE	YTD CHANGE
EUR/CHF	0.9215	0.84%	-0.99%
GBP/USD	1.3206	-1.68%	-2.00%
USD/CHF	0.8047	2.29%	1.53%
EUR/USD	1.1458	-1.39%	-2.45%
USD/JPY	161.38	1.51%	2.98%

VOLATILITY INDEX	LAST	4 WEEKS CHANGE (POINTS)	YTD CHANGE (POINTS)
VIX	16.40	-0.36	1.45

EQUITY INDICES	LAST PRICE	4 WEEKS CHANGE	YTD CHANGE
S&P 500 (United States)	7'500.58	0.74%	9.57%
FTSE 100 (United Kingdom)	10'399.70	-0.42%	4.72%
STOXX 600	637.14	2.67%	7.59%
Topix	4'068.18	5.56%	19.34%
MSCI World	4'834.43	1.19%	9.12%
Shanghai SE Composite	4'941.60	3.31%	6.73%
MSCI Emerging Markets	1'790.05	6.84%	27.46%
MSCI Latam (Latin America)	2'966.10	-3.40%	9.48%
MSCI EMEA (Europe. Middle East. Africa)	270.73	3.21%	4.44%
MSCI Asia Ex Japan	1'188.21	7.30%	30.08%
CAC 40 (France)	8'467.98	4.72%	3.91%
DAX (Germany)	25'026.80	1.71%	2.19%
MIB (Italy)	52'688.22	7.16%	17.23%
IBEX (Spain)	19'404.10	7.95%	12.11%
SMI (Switzerland)	13'765.83	2.38%	3.76%

COMMODITIES	LAST PRICE	4 WEEKS CHANGE	YTD CHANGE
Steel Rebar (CNY/Tonne)	3'171.00	0.63%	2.13%
Gold (USD/Oz)	4'209.97	-7.33%	-2.53%
Crude Oil WTI (USD/Bbl)	76.60	-20.50%	33.40%
Silver (USD/Oz)	66.32	-13.21%	-6.07%
Copper (USD/Tonne)	13'690.50	1.29%	10.20%
Natural Gas (USD/MMBtu)	3.23	7.12%	-12.29%

Source: Bloomberg. Indosuez Wealth Management.
Past performance does not guarantee future performance.

MONTHLY INVESTMENT RETURNS, PRICE INDEX

FTSE 100 · Topix · MSCI World · MSCI EMEA · MSCI Emerging Markets
STOXX 600 · S&P 500 · Shanghai SE Composite · MSCI Latam · MSCI Asia Ex Japan

BEST PERFORMING +

MARCH 2026	APRIL 2026	MAY 2026	4 WEEKS CHANGE	YTD (18.06.2026)
-1.66%	16.19%	11.04%	7.30%	30.08%
-3.72%	14.53%	9.50%	6.84%	27.46%
-4.76%	10.42%	6.17%	5.56%	19.34%
-4.89%	9.45%	5.15%	3.31%	9.57%
-5.30%	8.03%	4.37%	3.21%	9.48%
-5.57%	6.56%	2.41%	2.67%	9.12%
-6.30%	4.83%	1.76%	1.19%	7.59%
-6.67%	3.36%	0.98%	0.74%	6.73%
-7.61%	2.82%	0.29%	-0.42%	4.72%
-9.43%	1.99%	-4.67%	-3.40%	4.44%

− WORST PERFORMING

Source: Bloomberg, Indosuez Wealth Management.
Past performance does not guarantee future performance.

06 MEET THE TEAM

Meet the global editorial team at Indosuez Wealth Management, devoted to effectively communicating the investment strategies developed by our experts worldwide, all with the aim of providing exceptional service to our clients.

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Investment Officer

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VAN DER BRUGGEN
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Bénédicte KUKLA
Chief Strategist

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TABLE OF CONTENTS

07 GLOSSARY

Basis point (bps): 1 basis point = 0.01%.

Blockchain: A technology for storing and transmitting information. It takes the form of a database which has the particularity of being shared simultaneously with all its users and generally does not depend on any central body.

BLS: Bureau of Labor Statistics.

Brent: A type of sweet crude oil, often used as a benchmark for the price of crude oil in Europe.

CPI (Consumer Price Index): The CPI estimates the general price level faced by a typical household based on an average consumption basket of goods and services. The CPI tends to be the most commonly used measure of price inflation.

Cyclicals: Cyclicals refers to companies that are dependent on the changes in the overall economy. These stocks represent the companies whose profit is higher when the economy is prospering.

Defensives: Defensives refers to companies that are more or less immune to the changes in the economic conditions.

Deflation: Deflation is the opposite of inflation. Contrary to inflation, it is characterised by a sustained decrease in general price levels over an extended period.

Duration: Reflects the sensitivity of a bond or bond fund to changes in interest rates. This value is expressed in years. The longer the duration of a bond, the more sensitive its price is to interest rate changes.

EBIT (Earnings Before Interest and Taxes): Refers to earnings generated before any financial interest and taxes are taken into account. It takes earnings and subtracts operating expenses and thus also corresponds to non-operating expenses.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): EBITDA takes net income and adds interest, taxes, depreciation and amortisation expenses back to it. It is used to measure a company's operating profitability before non-operating expenses and non-cash charges.

Economic Surprises Index: Measures the degree of variation in macro-economic data published versus forecasters' expectations.

EPS: Earnings per share.

ESG: Non-financial corporate rating system based on environmental, social and governance criteria. It is used to evaluate the sustainability and ethical impact of an investment in a company.

FDIC: The Federal Deposit Insurance Corporation is an independent agency of the United States government that insures individual deposits in banks and other financial institutions up to 250'000 dollars in the event of a bank failure.

Fed: The US Federal Reserve, i.e. the central bank of the United States.

FOMC (Federal Open Market Committee): The US Federal Reserve's monetary policy body.

GDP (Gross Domestic Product): GDP measures a country's yearly production of goods and services by operators residing within the national territory.

GENIUS Act: The Guiding and Establishing National Innovation for US Stablecoins Act is a federal law passed in July 2025 that establishes a regulatory framework for stablecoins, cryptocurrencies whose value is pegged to a fiat currency such as the US dollar.

Growth: Growth style refers to companies expected to grow sales and earnings at a faster rate than the market average. As such, growth stocks are generally characterised by a higher valuation than the market as a whole.

High yield bonds: High yield bonds are of lower quality compared to investment grade bonds, although, like the latter — and in most cases — they are rated by specialised agencies.

IMF: The International Monetary Fund.

Inflation breakeven: Level of inflation where nominal bonds have the same return as inflation-linked bonds (of the same maturity and grade). In other words, it is the level of inflation at which it makes no difference if an investor owns a nominal bond or an inflation-linked bond. It therefore represents inflation expectations in a geographic region for a specific maturity.

Inflation swap rate 5-Year: A market measure of what 5-Year inflation expectations will be in five years' time. It provides a window into how inflation expectations may change in the future.

IPPC: The Intergovernmental Panel on Climate Change.

IRENA: International Renewable Energy Agency.

ISM: Institute for Supply Management.

Nearshoring (regionalisation): Described by the OECD as the decision to relocate previously offshored activities, not necessarily back to the company's home country, but rather to a neighbouring country.

OECD: Organisation for Economic Co-operation and Development.

"One Big Beautiful Bill Act": Is the name given to a sweeping budget reconciliation bill passed by the United States Congress and signed into law by President Trump on 4 July 2025. It is a significant and complex piece of legislation that includes numerous provisions affecting various aspects of American life, such as taxes, healthcare, energy policy, and more.

OPEC: Organization of the Petroleum Exporting Countries; 14 members.

OPEC+: OPEC plus 10 additional countries, notably Russia, Mexico, and Kazakhstan.

PMI: Purchasing Managers' Index.

Quality: Quality stocks refers to companies with higher and more reliable profits, low debt and other measures of stable earnings and strong governance. Common characteristics of Quality stocks are high return to equity, debt to equity and earnings variability.

Quantitative easing (QE): A monetary policy tool by which the central bank acquires assets such as bonds, in order to inject liquidity into the economy.

Ratings: Bond ratings generally range from AAA (highest quality) to C (lowest quality) in descending order: AAA — AA — A — BBB — BB — B — CCC — CC — C.

SAFE (Security Action for Europe): The programme, backed by 150 billion euros in funding, is a European initiative designed to streamline and enhance joint arms procurement among EU Member States. It is a key component of a broader rearmament strategy for the continent, unveiled by the European Commission, with an ambitious goal of mobilising up to 800 billion euros.

SEC (Securities and Exchange Commission): The SEC is an independent federal agency with responsibility for the orderly functioning of US securities markets.

Spread (or credit spread): A spread is the difference between two assets, typically between interest rates, such as those of corporate bonds over a government bond.

SRI: Sustainable and Responsible Investments.

Stagflation: Stagflation refers to an economy that is experiencing simultaneously an increase in inflation and stagnation of economic output.

Value: Value style refers to companies that appear to trade at a lower price relative to its fundamentals. Common characteristics of value stocks include high dividend yield, low price-to-book ratio, and a low price-to-earnings ratio.

VIX: The index of implied volatility in the S&P 500 Index. It measures market operators' expectations of 30-day volatility, based on index options.

WTO: World Trade Organization.

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