

Weekly Market Update

Iran-driven energy shocks eclipsed central banks, becoming the dominant force shaping inflation, growth, and global markets.

US

Escalation in the US-Iran conflict remained the dominant geopolitical story, with renewed military exchanges around the Strait of Hormuz raising concerns about global energy supplies and economic growth.

Markets focused on the inflationary impact of higher oil prices; economists debated whether the energy shock would force the Federal Reserve into a more hawkish stance.

US equities experienced volatility as Middle East tensions pushed oil higher and weighed on risk sentiment, although AI-related technology shares continued to show resilience.

Political attention remained centred on President Donald Trump, including scrutiny over conflict diplomacy, legal controversies, and positioning ahead of the 2026 midterm election cycle.

UK

Prime Minister Keir Starmer faced political pressure as the government prepared spending decisions and defence-investment plans.

Ministers were reportedly asked to identify budget cuts to help finance a substantial increase in defence spending ahead of the NATO summit.

Debate intensified over the Makerfield by-election, with Reform UK leader Nigel Farage attracting controversy over rhetoric on immigration and policing.

Economic concerns focused on weak growth prospects, with expectations that higher energy costs and softer GDP data would weigh on activity.

Europe

EU policymakers continued discussions on competitiveness, strategic autonomy and protection of key industries from foreign competition.

Senior European political figures called for a tougher trade stance toward China, citing concerns over industrial overcapacity and widening trade imbalances.

The European automotive sector lobbied Brussels to postpone post-Brexit electric-vehicle tariff rules, arguing current supply-chain realities make compliance difficult.

Financial markets anticipated a more cautious but potentially tighter monetary stance as inflation remained elevated due to energy prices.

Global

Iran war pushing millions into hunger, The UN's World Food Programme (WFP) warned weeks ago that soaring oil prices were devastating global food security, but now, nearly three months into the conflict, "the negative scenario is unfortunately materialising", said Jean-Martin Bauer, the director of WFP's food and nutrition analysis service.

Discussion continued around China's large trade surplus and export-led growth model, which has become a focal point in global economic negotiations.

Ukraine say they are ready for peace talks with Russia, but Russia refused. UK, France, and Germany plan to meet with Zelenskyy to discuss a path to engage Russia in negotiations to end the war.

Investors focused on the prospect of further monetary tightening by the Bank of Japan amid stronger-than-expected economic data and persistent inflation concerns.



Performance

Asset Class/Region	Currency				
		Week ending 05 June 2026	Month to date	YTD 2026	12 Months
Developed Market Equities					
United States	USD	-2.6%	-2.6%	8.3%	25.4%
United Kingdom	GBP	-0.3%	-0.3%	6.5%	22.1%
Continental Europe	EUR	-0.5%	-0.5%	6.9%	14.4%
Japan	JPY	-0.2%	-0.2%	17.1%	46.6%
Asia Pacific (ex Japan)	USD	-1.8%	-1.8%	23.5%	44.7%
Australia	AUD	-1.2%	-1.2%	0.4%	4.3%
Global	USD	-2.2%	-2.2%	8.0%	23.8%
Emerging Markets Equities					
Emerging Europe	USD	-2.7%	-2.7%	12.9%	36.9%
Emerging Asia	USD	-1.6%	-1.6%	27.6%	53.6%
Emerging Latin America	USD	-4.6%	-4.6%	8.0%	34.2%
BRICs	USD	-0.6%	-0.6%	-8.0%	0.2%
China	USD	0.3%	0.3%	-8.2%	3.4%
MENA countries	USD	-0.8%	-0.8%	0.6%	1.9%
South Africa	USD	-5.5%	-5.5%	-3.9%	31.2%
India	USD	-1.3%	-1.3%	-15.4%	-14.2%
Global emerging markets	USD	-1.9%	-1.9%	23.2%	48.0%
Bonds					
US Treasuries	USD	-0.4%	-0.4%	-0.3%	3.2%
US Treasuries (inflation protected)	USD	-0.6%	-0.6%	1.0%	4.5%
US Corporate (investment grade)	USD	-0.6%	-0.6%	0.3%	5.3%
US High Yield	USD	-0.4%	-0.4%	1.2%	6.6%
UK Gilts	GBP	-0.6%	-0.6%	-1.1%	2.4%
UK Corporate (investment grade)	GBP	-0.4%	-0.4%	-0.2%	4.7%
Euro Government Bonds	EUR	-0.8%	-0.8%	0.0%	0.3%
Euro Corporate (investment grade)	EUR	-0.4%	-0.4%	0.5%	2.0%
Euro High Yield	EUR	0.0%	0.0%	1.2%	3.8%
Global Government Bonds	USD	-0.8%	-0.8%	-0.9%	-0.1%
Global Bonds	USD	-0.9%	-0.9%	-0.4%	2.5%
Global Convertible Bonds	USD	-2.3%	-2.3%	16.9%	32.7%
Emerging Market Bonds	USD	-0.3%	-0.3%	1.1%	10.2%

Performance

Asset Class/Region	Currency				
		Week ending 05 June 2026	Month to date	YTD 2026	12 Months
Property					
US Property Securities	USD	0.9%	0.9%	14.6%	16.8%
Australian Property Securities	AUD	-2.4%	-2.4%	-9.6%	-9.0%
Global Property Securities	USD	-1.2%	-1.2%	6.4%	12.3%
Currencies					
Euro	USD	-1.2%	-1.2%	-1.7%	0.7%
UK Pound Sterling	USD	-0.8%	-0.8%	-0.7%	-1.7%
Japanese Yen	USD	-0.7%	-0.7%	-2.2%	-10.4%
Australian Dollar	USD	-1.8%	-1.8%	5.8%	8.4%
South African Rand	USD	-2.0%	-2.0%	0.2%	7.3%
Swiss Franc	USD	-1.8%	-1.8%	-0.2%	3.0%
Chinese Yuan	USD	-0.3%	-0.3%	3.0%	5.7%
Commodities & Alternatives					
Commodities	USD	-1.2%	-1.2%	31.6%	39.4%
Agricultural Commodities	USD	-3.0%	-3.0%	5.8%	0.4%
Oil	USD	1.1%	1.1%	53.0%	42.5%
Gold	USD	-4.9%	-4.9%	0.5%	29.5%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.



Global Matters Weekly

08 June 2026

For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited
研富投資服務有限公司
9th Floor, Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

Tel +852 2827 1199
Fax +852 2827 0270
belvest@bis.hk
www.bis.hk

Important notes

This communication is issued by Belvest Investment Services Limited and/or Belvest related companies (collectively, and individually Belvest) solely to its clients, qualified prospective clients or institutional and professional investors. Unless stated otherwise, any opinions or views expressed in this communication do not represent those of Belvest. Opinions or views of any Belvest company expressed in this communication may differ from those of other departments or companies within Belvest, including any opinions or views expressed in any research issued by Belvest. Belvest may deal as Distributor or Agent, or have interests, in any financial product referred to in this email. Belvest has policies designed to negate conflicts of interest. Unless otherwise stated, this e-mail is solely for information purposes.

This message may contain confidential information. Any use, dissemination, distribution or reproduction of this information outside the original recipients of this message is strictly prohibited. If you receive this message by mistake, please notify the sender by reply email immediately.

Unless specifically stated, neither the information nor any opinion contained herein constitutes as an advertisement, an invitation, a solicitation, a recommendation or advise to buy or sell any products, services, securities, futures, options, other financial instruments or provide any investment advice or service by Belvest.

No representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any figures, forecasts, prospects or return (if any) contained in the message. Such figures, forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. The assumptions and parameters used by Belvest are not the only ones that might reasonably have been selected and therefor Belvest does not guarantee the sequence, accuracy, completeness or timeliness of the information provided herein. None of Belvest, its group members or any of their employees or directors shall be held liable, in any way, for any claims, mistakes, errors or otherwise arising out of or in connection with the content of this e-mail.

This e-mail and any accompanying attachments are not encrypted and cannot be guaranteed to be secure, complete or error-free as electronic communications may be intercepted, corrupted, lost, destroyed, delayed or incomplete, and/or may contain viruses. Belvest therefore does not accept any liability for any interception, corruption, loss, destruction, incompleteness, viruses, errors, omissions or delays in relation to this electronic communication. If verification is required please request a hard-copy version. Electronic communication carried within the Belvest system may be monitored.