

Last Month at a Glance

Global equities rose in May, boosted by artificial intelligence (AI) earnings momentum and hopes for an extension of the US-Iran ceasefire. Oil prices fell sharply, though consumer inflation data continued to reflect the earlier rise in energy prices, with overall price levels still elevated.

- Equities built on the prior month's rally, driven largely by the outperformance of large-cap technology firms, which outpaced other sectors by double digits. This trend was reinforced by US Q1 earnings results, where headline growth of 28.6% masked heavy concentration in a handful of mega-cap technology and communications services names.
- An improving initial public offering (IPO) backdrop added to the constructive equity market tone. SpaceX filed its S-1 in late May ahead of an expected June listing, which is part of a broader 2026 pipeline that includes OpenAI and Anthropic and represents the most AI-concentrated new issuance cycle on record.
- Headline inflation rose sharply across major advanced economies in April, driven primarily by energy price pass-through. US CPI reached 3.8% and Eurozone HICP hit 3.0%. Underlying pressures also firmed, with US core PCE edging up to 3.3% year-over-year, reinforcing the persistence of underlying price pressures and pushing futures markets to price in a higher probability of policy tightening over the next 12 months.

Market Performance

As of May 31, 2026 • Local Currency • Percent (%)

Equities	Last Month	This Year	Last Year
Global	5.3	12.2	19.7
Developed Markets	4.7	10.4	18.4
United States	5.2	10.9	17.3
Euro Area	4.1	8.0	23.8
United Kingdom	0.5	6.8	25.8
Japan	6.6	18.0	24.3
Emerging Markets	9.7	26.8	31.2
Fixed Income			
US Aggregate	0.3	0.4	7.3
US Treasuries	0.1	0.0	6.3
US Corporate IG	0.8	0.7	7.8
US Corporate HY	0.5	1.7	8.6
Real Assets			
Global Equity REITs	-0.5	11.3	2.6
Global Natural Resources	-1.5	21.0	27.2
Gold Bullion	-1.2	5.4	64.5
Currencies			
EUR/USD	-0.5	-0.6	13.4
GBP/USD	-0.8	0.2	7.4
USD/JPY	1.6	1.6	-0.3

Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: This edition was prepared on May 31, 2026, and it reviews developments of the prior month. The equity data are total returns net of dividend taxes of MSCI indexes in local currency. Global natural resources equities are represented by the MSCI All Country World Commodity Producers Index. The fixed income data are total returns for Bloomberg indexes. Gold Bullion uses near-month gold futures contracts, as traded on the COMEX, to determine performance. Currency performance is based on Reuters data.