

Last Week at a Glance

Global equities fell last week as stronger-than-expected US payrolls data pushed Treasury yields higher and investors increased rate-hike expectations. The MSCI ACWI declined 1.8% in local currency terms, while the tech-heavy Nasdaq sold off more sharply as equity issuance expectations grew, piercing recent exuberance.

- US non-farm payrolls for May rose by 172,000, well above consensus expectations of 85,000. The upside surprise reinforced the view that US growth remains resilient and saw expectations rise that the Fed would increase rates by year-end. Two-year Treasury yields rose 19 bps to 4.17%.
- Markets expect the ECB to hike rates next week, supported by last week's price data release showing core inflation rose to 2.5% in May, ahead of expectations. While GDP was shown to have contracted by 0.2 ppts in 1Q, this was driven by volatile Irish data resulting from the activity of large multi-national firms. Excluding Ireland, euro area growth was 0.2%
- Markets also faced pressure from prospective equity issuance linked to the AI boom. In addition to Anthropic following in the footsteps of Space X by filing for its IPO, Alphabet announced an \$85 billion issuance to support AI investment, while Meta is reportedly also considering a multi-billion-dollar stock sale. The sell-off was also likely exacerbated by stretched positioning after a prolonged rally in AI-related growth stocks.

Market Performance

As of June 07, 2026 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	-1.8	-1.8	10.2
Developed Markets	-1.9	-1.9	8.3
United States	-2.5	-2.5	8.1
Euro Area	0.0	0.0	8.0
United Kingdom	-0.3	-0.3	6.5
Japan	0.2	0.2	18.2
Emerging Markets	-1.1	-1.1	25.4
Fixed Income			
US Aggregate	-0.5	-0.5	-0.2
US Treasuries	-0.5	-0.5	-0.5
US Corporate IG	-0.6	-0.6	0.1
US Corporate HY	-0.4	-0.4	1.3
Real Assets			
Global Equity REITs	0.6	0.6	12.0
Global Natural Resources	-1.0	-1.0	19.9
Gold Bullion	-5.2	-5.2	0.7
Currencies			
EUR/USD	-0.9	-0.9	-1.6
GBP/USD	-0.7	-0.7	-0.5
USD/JPY	0.7	0.7	2.2

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 June 07, 2026, and it reviews developments of the prior week. 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. Currency performance is based on Reuters data.