NORMAN K.

WEALTH DESIGNERS

MONTHLY NEWSLETTER – July 2026

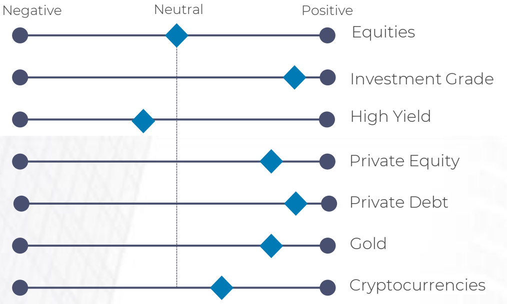
In June, markets closed the first half of the year on a firmly positive note, as the de-escalation in the Middle East gathered pace and a memorandum of understanding between the United States and Iran paved the way for a gradual reopening of the Strait of Hormuz. With geopolitical risk receding, investor attention rotated decisively back towards the artificial-intelligence theme, which powered technology stocks and lifted risk appetite worldwide.
Commodities remained under pressure. Oil extended its decline as the conflict eased and export routes began to normalise, with prices retreating well below their April peak and pump prices expected to follow with the usual lag. Gold and precious metals also gave ground as the currency-debasement trade lost momentum, while industrial metals firmed on technology- and infrastructure-related demand.

Olivier LIOT
Founder –
Head of Corporate
& Private banking

Equity markets set fresh highs and proved remarkably resilient, underpinned by an exceptional earnings season and sharp upgrades to 2026 profit expectations, now firmly centred on the technology sector. Developed markets advanced strongly over the quarter, while emerging markets posted their best quarterly performance in over a decade, helped by their large weighting in semiconductors and AI-related hardware.

In fixed income, central banks moved to the foreground. The European Central Bank raised rates for the first time in eleven months, and, now under a new Chair, the Federal Reserve kept policy on hold while striking a notably cautious tone on inflation. With energy-driven price pressures still working through the system, most major central banks are expected to keep rates steady through the second half of the year.
The mid-point of the year reinforces our preference for well-diversified, resilient portfolios. With a great deal of good news already priced in, we stay constructive on risk assets while remaining alert to any setback in negotiations. Geographic diversification together with disciplined sector selectivity remain, in our view, the most relevant portfolio-construction themes.

OUR MARKET VIEWS



POTENTIAL MARKET CATALYSTS

- **Confirmation of de-escalation in the Middle East and the gradual reopening of the Strait of Hormuz**
- **A degree of market resilience driven by the tech sector**
- **Falling energy prices allowing inflation to peak and gradually roll over**
- **Central banks reassessing their monetary path: a potential pivot towards easing**

KEY INDICATORS

Equities	Level	May	June	YTD 2026
S&P 500	7,499	5.1	-1.06	**9.32**
Nasdaq 100	30,276	10.5	-0.19	**16.16**
Eurostoxx 50	6,328	2.9	4.59	**10.25**
FTSE 100	10,497	0.3	0.84	**6.90**
China SI 300	4,979	1.8	1.78	**4.58**
Emerging markets	1,723	9.5	-1.67	**19.92**

Bonds (rate spreads)	Level	May	June	YTD 2026
		Spread change level		
10 year government bonds				
US	4.47	0.06	0.03	**7.59**
Europe	2.86	-0.10	-0.18	**2.49**
Corporate – 5 years spread (change level)				
Investment Grade US	51	-3.93	0.59	**0.73**
Investment Grade Europe	93	-5.73	-0.50	**1.32**
High Yield US	306	-30.0	5.66	**-4.58**
High Yield Europe	245	-33.6	14.28	**-0.74**

Currencies	Level	May	June	YTD 2026
EUR / USD	1.1422	-0.6	-2.03	**-2.59**
GPB / USD	1.3262	-1.1	-1.44	**-0.93**
CHF / USD	1.2370	0.0	-3.39	**1.33**

Commodities	Level	April	May	YTD 2026
Gold	4,008	-1.7	-11.72	**-3.32**
Brent	73	-19.3	-20.78	**18.14**
Copper	625	6.8	-3.02	**6.63**
Aluminium	3,076	5.2	-17.27	**3.67**

Volatility	Level	May	June	YTD 2026
Euro Stoxx 50	17	-14.6	-14.11	**7.87**
Nasdaq 100	16	-9.3	7.38	**6.56**

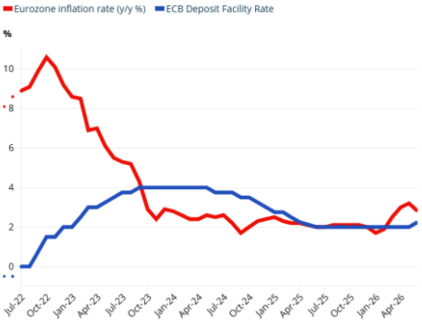
Cryptos	Level	May	June	YTD 2026
Bitcoin	58 642	-3.7	-20.36	**-29.6**
Etherum	1 574	-11.4	-21.49	**-41.9**

Sources: Bloomberg, Norman K. - Data as of June 30, 2026. Past performance is not a reliable indication of future performance. Non-contractual information.

CHART OF THE MONTH

The ECB hiked rates in June, but inflation is now heading lower

Eurozone inflation cooled more than expected in June, with the annual rate falling to 2.8% from May's 3.2%, suggesting the energy-driven spike from the Middle East conflict may be fading.



Source: Eurostat

June: Markets end the first half at new highs as de-escalation and the AI trade take hold

The confirmation of de-escalation in the Middle East marked a decisive turning point for markets. A memorandum of understanding between the United States and Iran opened the way to a **gradual reopening of the Strait of Hormuz**, sending **oil prices sharply lower,** back towards their pre-conflict levels and easing inflation expectations across asset classes.

On the macro front, **inflation remained elevated** but is showing signs of peaking. In the United States, consumer prices were still driven **largely by energy**, though the recent pullback in oil should feed through to lower pump prices in the coming weeks. The **labour market** stayed on a "Goldilocks" footing: hiring cooled from its earlier pace, yet unemployment edged lower and wage growth held steady, **keeping underlying inflation contained**. Central banks finally moved: the **ECB delivered its first hike in almost a year**, the **Bank of Japan** lifted rates further, and **the Federal Reserve** (now under a new Chair) **held steady** while signalling that **price stability remains its priority**, with the committee visibly split on the path from here.

Against this backdrop, the priority is to prepare portfolios for a **possible shift in sentiment**, given that a benign resolution is already partly priced in. This argues for **broad diversification**, **avoiding over-concentration** in any single theme or region and retaining a meaningful allocation to stabilising assets such as **investment-grade bonds and real assets**.

Because so much good news is already reflected in prices, **any setback in negotiations** could trigger a **rapid repricing**. **Selectivity and discipline** therefore remain as important as ever as we move into the second half of the year.

NK VIEWS

The first half of the year has been shaped by **exceptional corporate earnings** and a marked **improvement in the geopolitical backdrop**, even as **inflation remains the key variable to watch**. Against this environment, our positioning stays balanced, with a continued **emphasis on resilience and diversification** across asset classes.

Within **equities,** we maintain a **neutral stance**. Earnings momentum is strong, but **market leadership remains highly concentrated** in a handful of technology names, which argues for broader exposure across regions, sectors and styles and a continued preference for **high-quality companies**. In this context, a selective tilt towards value stocks can help cushion the portfolio should market leadership broaden or sentiment turn.

In fixed income, persistent **volatility,** especially at the long end, and **uncertainty** over the timing of any policy easing support a **selective approach**. We continue to **favour investment-grade bonds and a strict control of duration.**

Selective exposure to energy and real assets can provide **diversification and decorrelation** and act as a hedge should inflationary pressures resurface. Gold, meanwhile, remains a strategic allocation, underpinned by continued central-bank demand despite its recent consolidation.

RISKS AND OPPORTUNITIES

Middle-East de-escalation still fragile

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- Anticipate impacts on portfolios
- Geographical and currency diversification

Inflation risks & interest rate policies

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- Alternative investments
- Pre-IPO segment / private debt
- Real estate opportunities

Potential market concentration

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- In-depth analysis and selectivity
- Focus on assets with reasonable valuations

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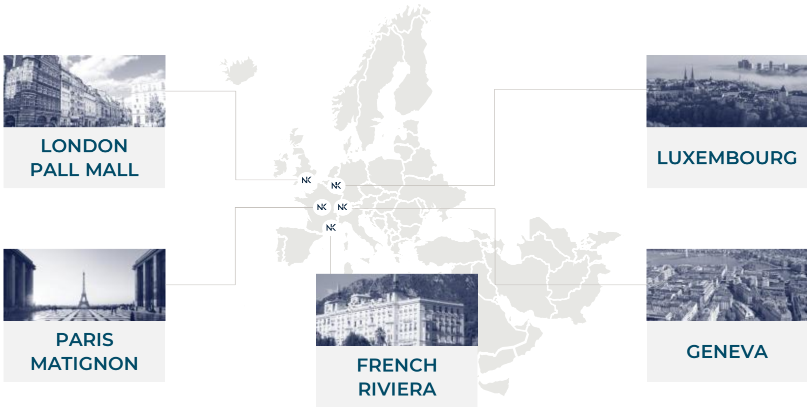
LOCATIONS



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