REDWOOD WEALTH

Simon Collins
Adviser & Director

simon@redwoodwealth.co.uk
07917 332119

Monthly Market Update
May 2026

Prepared for clients of Redwood Wealth Limited – June 2026

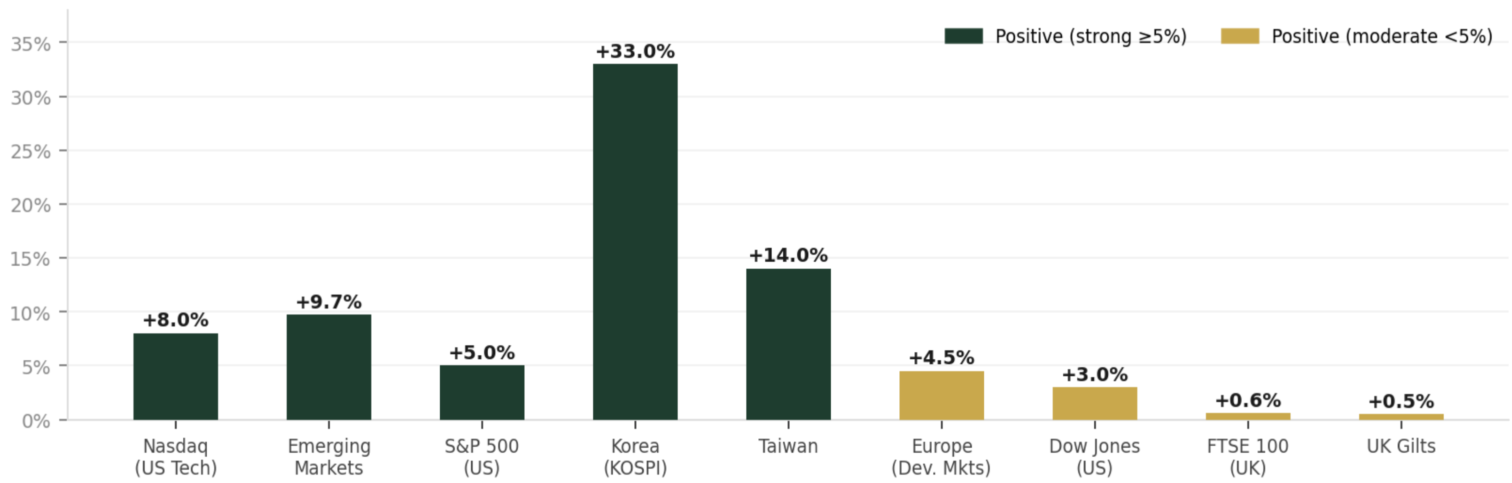
www.redwoodwealth.co.uk

Investment proverb “sell in May and go away” proved spectacularly wrong in 2026. Global markets extended April's strong gains — led by an Nvidia earnings blockbuster, the Dow crossing 51,000 for the first time ever, and growing hopes of a Middle East ceasefire. UK gilts bounced back as inflation cooled. Here is your plain-English summary of what happened and what it means for investors.

MARKET PERFORMANCE AT A GLANCE

UK (FTSE 100) **+0.6%** *Modest gain; still below pre-war levels*	Europe (Dev. Mkts) **+4–5%** *Solid gains; energy headwinds remain*	US (Nasdaq) **+8.0%** *Best Nasdaq month of 2026*	US (S&P 500) **+5.0%** *9 straight winning weeks*
Emerging Markets **+9.7%** *Korea +33%; Taiwan +14% — AI surge*	Oil (Brent Crude) **$91–$110** *Fell sharply on ceasefire news late May*	Commodities overall **+~4%** *Gold strong; energy eased at month-end*	UK Gilts **Positive** *Yields fell; inflation below forecast*

MONTHLY RETURNS — SELECTED MARKETS



REDWOOD WEALTH

THE STORY BEHIND THE NUMBERS

The AI boom continues

May's standout event was Nvidia's quarterly results: revenues up 85% year-on-year, smashing every forecast. CEO Jensen Huang called the global AI build-out "the largest infrastructure investment in human history." Dell surged 33% in a single day on record AI orders. The Nasdaq posted its best month of 2026.

Oil & the Middle East

Oil remained above $110/barrel for most of May as the Strait of Hormuz stayed disrupted. Late in the month, reports of a tentative 60-day US–Iran ceasefire extension sent prices sharply lower — below $100/barrel. While not yet formally signed, this raised genuine hope of easing inflation pressures.

UK: another quiet month

The FTSE 100 gained just 0.6% — still around 4.4% below pre-war levels, held back by limited technology exposure. Better news came from bonds: UK inflation came in below forecasts, gilt yields fell to around 4.8%, and the Bank of England looks less likely to raise rates than previously feared.

US: inflation shock mid-month

US inflation hit 3.8% in May — the highest since 2023 — pushing rate-hike odds to around 50%. New Fed chairman Kevin Warsh took over from Jerome Powell, adding uncertainty. Yet markets shrugged off the inflation data and closed at all-time highs, with the Dow crossing 51,000 for the first time ever.

Asia: powering ahead again

Emerging Asian markets surged 9.7%. South Korea rose 33% and Taiwan 14% — driven by chip manufacturers central to the AI supply chain. Asian company earnings grew ~40% year-on-year in Q1 2026, one of the strongest quarters on record.

Bonds: a welcome recovery

UK gilts had a positive May. Softer inflation and a weakening jobs market led investors to scale back rate-hike expectations, pushing gilt yields lower and bond prices higher. European bonds also performed well, supported by hopes of a Middle East resolution.

Looking ahead: May showed that investor confidence in AI earnings can absorb even serious inflation surprises. The tentative Iran ceasefire is an important near-term variable: if it holds and the Strait of Hormuz reopens, inflation and interest rates could potentially ease more quickly than expected.

For long-term investors, the fundamentals remain supportive. The June Federal Reserve meeting and the landmark SpaceX IPO are the next big events to watch. As always, staying diversified and focused on your long-term goals is likely to offer a reliable path.

If you have any questions about how recent events might affect your financial plan, please do get in touch.

KEY NUMBERS TO KNOW

Bank of England rate	UK Inflation (CPI)	Brent Crude oil	Nasdaq (month)
3.75%	**Below forecast**	**$91-105**	**+8.0%**
Held steady; rate-hike risk easing	*Cooling; jobs market softening*	*Fell on ceasefire hopes late May*	*Best Nasdaq month of 2026*

REDWOOD WEALTH

SOURCES & DATA DISCLOSURE

This document was produced on 1 June 2026. All market data and commentary refer to the period ending 31 May 2026, unless otherwise stated. Global index figures are reported in the currency of the original source (primarily USD for global indices; GBP for UK data). Past performance is not a reliable indicator of future results.

Source 1
J.P. Morgan Asset Management

Review of Markets over May 2026
URL: am.jpmorgan.com/gb/en/asset-management/per/insights/market-insights/market-updates/monthly-market-review
Accessed: 1 June 2026 | Data as at: 31 May 2026
Used for: Emerging markets return (+9.7%), South Korea (+33%) and Taiwan (+14%) monthly figures, Asian Q1 earnings growth (~40%), European earnings data, ECB rate outlook, global bond market performance, oil price movements, and the detail on Brent crude falling below $100/barrel on ceasefire hopes towards month-end.

Source 2
AlainGuillot.com

Stock Market Monthly Recap — May 2026
URL: alainguillot.com/stock-market-monthly-recap-may-2026
Published: 31 May 2026 | Accessed: 1 June 2026
Used for: Headline US index figures — Nasdaq +8.0% (best month of 2026), S&P 500 +5.0% (nine consecutive winning weeks), Dow Jones +3.0% and its first-ever close above 51,000. Also the week-by-week narrative including the CPI surprise (3.8%), Nvidia's 85% revenue growth, Dell's 33% single-day surge, PCE inflation reading, Q1 GDP revised to +1.2%, and rate-hike probability rising to ~50%.

Source 3
Trading Economics

UK Government Bond Yield
URL: tradingeconomics.com/united-kingdom/government-bond-yield
Accessed: 1 June 2026 | Data as at: 29 May 2026
Used for: UK 10-year gilt yields ending May at approximately 4.8% — a 19 basis point monthly decline — driven by optimism over a potential US–Iran agreement, softer-than-expected UK inflation, and a cooling labour market leading traders to scale back Bank of England rate-hike expectations.

Source 4
Trading Economics

United Kingdom Stock Market Index (FTSE 100)
URL: tradingeconomics.com/united-kingdom/stock-market
Accessed: 1 June 2026 | Data as at: 29 May 2026
Used for: FTSE 100 monthly return of +0.6% in May, and the index remaining approximately 4.4% below pre-conflict levels.

Source 5
Quilter Cheviot

Monthly Market Commentary — May 2026
URL: quiltercheviot.com/news-and-events/articles/monthly-market-commentary-may-2026
Published: 8 May 2026 | Accessed: 1 June 2026
Used for: Context on the US Q1 earnings season — 84% of reporting companies beating consensus expectations, strong results from major technology companies, and the broad-based nature of earnings beats. Also provided context on the US–Iran ceasefire acting as a catalyst for April's rebound, informing the framing of May's continuation.

Source 6
Crestwood Advisors

May 2026 Economic and Market Update: New Highs and Old Risks
URL: crestwoodadvisors.com/may-2026-economic-and-market-update
Published: approximately 1 May 2026 | Accessed: 1 June 2026
Used for: S&P 500 forward price-to-earnings ratio context (~20.9–21.2x, above the 5-year average of 19.9x and 10-year average of 18.9x), and supporting the assessment that Q1 earnings strength was genuine and broad-based across technology and industrial sectors.

Compliance note

All data and commentary contained in this market update have been sourced from publicly available third-party publications as listed above. Redwood Wealth Limited does not independently verify third-party data but has taken reasonable care to select reputable and current sources. Figures may differ slightly from other published sources due to differences in calculation methodology, currency, or timing of data capture. This document is intended for general information purposes only and should not be relied upon as the sole basis for any investment decision. Clients with questions about how any of the information contained herein relates to their individual financial plan should contact their adviser directly.