REDWOOD WEALTH

Monthly Market Update
June 2026

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Global markets took a breather in June after a spectacular second quarter. US shares slipped back from record highs as investors reassessed sky-high AI valuations, while the FTSE 100 and European markets held up better.

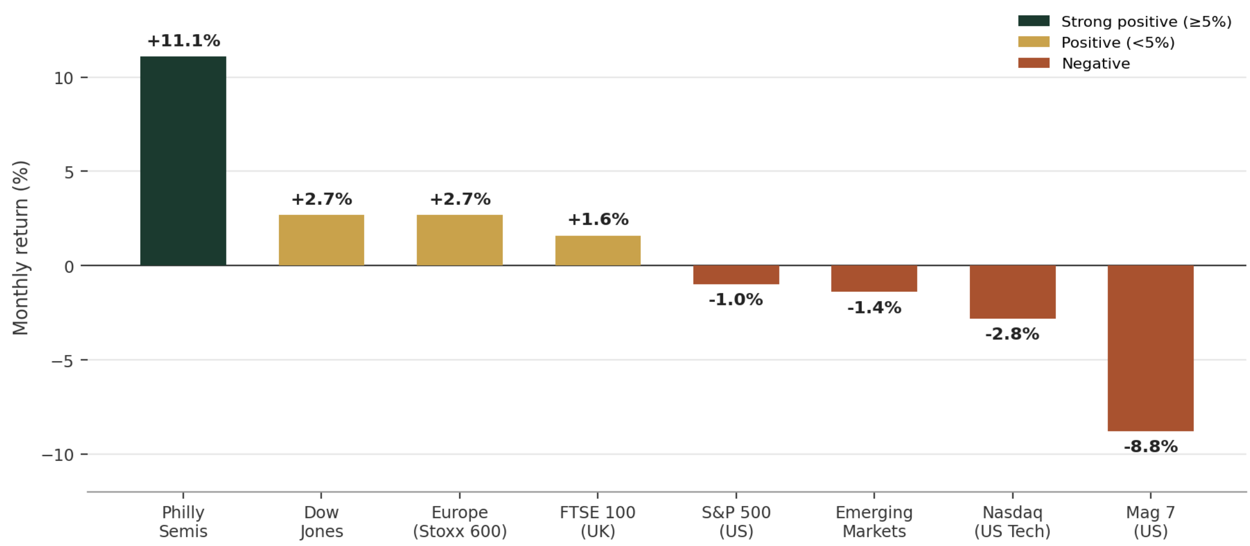
Oil prices tumbled after a US-Iran ceasefire reopened the Strait of Hormuz, and the Bank of England held interest rates steady as UK inflation eased slightly. It was also a record month for new stock market listings, headlined by Elon Musk's SpaceX, the largest IPO in history. Here is your plain-English summary of what happened and what it means for investors.

MARKET PERFORMANCE AT A GLANCE

UK (FTSE 100)	Europe (Stoxx 600)	US (S&P 500)	US (Nasdaq)
+1.6%	**+2.7%**	**−1.0%**	**−2.8%**
Sixth straight quarterly gain	*Outperformed the US and Asia*	*Snapped its record-breaking run*	*AI valuations reassessed*

Emerging Markets	Oil (Brent Crude)	Bank of England Rate	UK Gilts
−1.4%	**$110s → $73**	**3.75%**	**Broadly steady**
Gave back some Q2 AI gains	*Fell sharply on Iran ceasefire*	*Held steady (7–2 vote)*	*Yields around 4.85–4.9%*

MONTHLY RETURNS — SELECTED MARKETS (JUNE 2026)



THE STORY BEHIND THE NUMBERS

Wall Street cools after a red-hot quarter

US shares dipped in June, with the S&P 500 down 1.0% and the Nasdaq down 2.8%. That followed an exceptional second quarter (S&P 500 +14.9%, Nasdaq +21.4%, both the best since 2020), so June's pullback looks more like a pause for breath than a change in direction.

Chips still lead, "Magnificent Seven" lag

The Philadelphia Semiconductor Index jumped 11.1% in June (+88% for the quarter) as AI chip demand stayed strong, led by Micron. In an unusual twist, the giant technology names in the Magnificent Seven fell 8.8%, as investors rotated towards firms with more concrete AI earnings.

Oil tumbles on Middle East ceasefire

Brent crude had traded above $110 a barrel for much of the year on Middle East supply fears. A US–Iran ceasefire agreed on 17 June, which reopened the Strait of Hormuz, sent prices sharply lower, easing to the low-to-mid $70s by month end and offering some relief on the inflation outlook.

UK: inflation eases, Bank of England holds

UK inflation (CPI) held at 2.8% in May, slightly below expectations, with cheaper food offsetting higher transport costs. The Bank of England voted 7-2 to keep Bank Rate at 3.75% on 18 June, with two members preferring a rise, reflecting continued caution about energy-driven price pressures.

Europe holds up better than the US

European shares outperformed both the US and Asia in June. The STOXX Europe 600 gained 2.7% and the EURO STOXX 50 rose 4.7%, helped by cooling eurozone inflation (down to 2.8%) and easing energy costs. The FTSE 100 added a more modest 1.6%, extending its recent run of gains.

A record-breaking month for new listings

SpaceX listed on 12 June in the largest IPO in history, raising around $86bn, shortly followed by a near-$85bn share sale from Google parent Alphabet. Between them, US share sales topped $250bn in the first half of 2026 - a new record - as investors continued to back the AI and space technology boom.

Looking ahead: June's pullback in US tech shares came after an exceptional second quarter, and shows investors are starting to ask AI-related companies to prove their earnings match the hype. The new Federal Reserve chair, Kevin Warsh, has struck a more hawkish tone, with markets now pricing in the chance of a US rate rise later this year.

For UK investors, the fundamentals remain broadly supportive. Inflation is close to target and the Bank of England has room to be patient. The durability of the Middle East ceasefire, further high-profile stock market listings, and the Bank's next meeting on 30 July are the key things 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.

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SOURCES & DATA DISCLOSURE

This document was produced on 3 July 2026. All market data and commentary refer to the period ending 30 June 2026, unless otherwise stated. Global index figures are reported in the currency of the original source (primarily USD and EUR for global indices; GBP for UK data). Past performance is not a reliable indicator of future results.

Source 1 Bank of England	**Monetary Policy Summary and Minutes – June 2026** URL: bankofengland.co.uk/monetary-policy-summary-and-minutes/2026/june-2026 Used for: The 18 June decision to hold Bank Rate at 3.75% (7–2 vote), the two members who preferred a rise to 4.00%, and commentary on the path of energy prices and inflation following the Middle East conflict.
Source 2 Office for National Statistics	**Consumer price inflation, UK: May 2026** URL: ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/may2026 Used for: UK CPI inflation of 2.8% for the 12 months to May 2026 (published 17 June), core CPI of 2.6%, services inflation of 3.7%, and the transport/food price movements referenced in this update.
Source 3 STOXX Ltd	**Monthly Index News – June 2026** URL: stoxx.com (STOXX Monthly Newsletter, June 2026) Used for: European index performance for June 2026, including the STOXX Europe 600 (+2.7% in euros), EURO STOXX 50 (+4.7%), and the STOXX Global 1800 (−0.6% in USD).
Source 4 Trading Economics	**United Kingdom Stock Market Index (FTSE 100) & UK Government Bond Yield** URL: tradingeconomics.com/united-kingdom/stock-market and /government-bond-yield Used for: FTSE 100 index levels through June 2026 used to estimate the month's return, and UK 10-year gilt yield data.
Source 5 Janus Henderson Investors	**Market moves & themes that mattered: June 2026** URL: janushenderson.com/en-us/investor/article/market-moves-themes-that-mattered-june-2026 Used for: Context on global equity leadership broadening beyond technology stocks, the SpaceX and Alphabet share offerings, and the Federal Reserve's June policy stance under Chair Kevin Warsh.
Source 6 Goodman Financial / Moneta Group	**June 2026 Market Commentary & Monthly Recap** URL: goodmanfinancial.com/june-2026-market-commentary and team.monetagroup.com/monthly-recap-june-2026 Used for: US index returns for June (S&P 500 −1.0%, Nasdaq −2.8%, Dow Jones +2.7%), emerging market performance (−1.4%), the 17 June US–Iran ceasefire and Strait of Hormuz reopening, and detail on the SpaceX, Anthropic and OpenAI IPO plans.

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.