

RESEARCH UPDATE

MARKET watch

JUNE 2026



Global equity markets rallied in May as the US–Iran ceasefire held and media reported progress in peace negotiations. Artificial intelligence (AI) optimism continued to drive semiconductor, data centre and other technology shares higher. The S&P 500 and the Nasdaq Composite gained 5.1% and 8.4% respectively, driven by a 15.3% return by the Information Technology sector. The Hang Seng Index closed a volatile month 2.3% lower, as Hong Kong’s trade deficit widened, while the Nikkei 225 broke 66,000 points for the first time, driven by AI and semiconductor chip shares. The S&P/ASX 200 underperformed most international markets, posting a monthly gain of 0.8%, as the Reserve Bank of Australia made another 0.25% increase to lift the cash rate to 4.35%.

S&P/ASX 200 Sector Performance

Materials was the best-performing sector in May, rising 10.5%, driven by a rally in commodity prices. IperionX Limited led gains with a 39.5% return after announcing it was commissioning an advanced 300-tonne six-axis powder metallurgy press at its manufacturing campus. The new press will triple IperionX Limited’s manufacturing capacity and increase the range of products that can be produced. Capstone Copper Corporation (32.5%) tracked copper prices higher as demand for the metal grows due to its use in data centre infrastructure and clean energy systems. Meanwhile, major producer Chile has also highlighted near-term supply constraints. Sims Limited rallied 29.5% over the month, also set to benefit from the rollout of data centres via its IT asset disposal services and recycled metals business.

Other strong performers in the sector include IGO Limited (26.6%), Capricorn Metals Limited (19.6%) and Mineral Resources Limited (18.7%).

The next best-performing sector was Consumer Discretionary, up 4.6% for the month, with weaker than expected inflation data improving the outlook for the sector. Domino’s Pizza Enterprises Limited and Wesfarmers Limited drove gains, up 10.8% and 10.3% respectively. Aristocrat Leisure Limited rose 6.9% after publishing its first-half results, recording a 6% increase in revenue on a constant currency basis and a 9% increase in net profit after tax. The company’s share price is supported by its ongoing on-market share buy-back program, which has been increased to \$2.5 billion worth of shares and extended to mid-May 2027. Flight Centre Travel

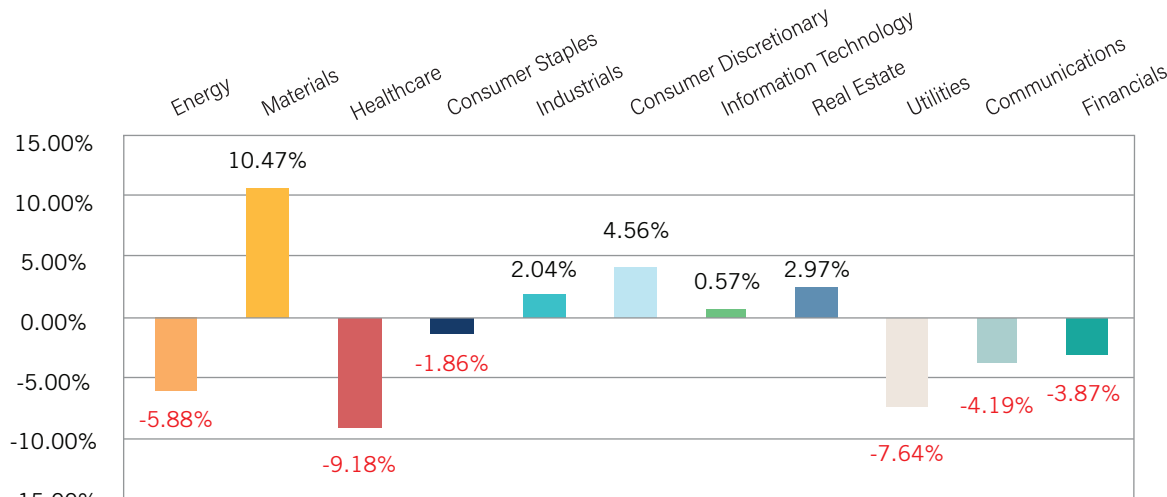
Group Limited recovered 6.5% as the conflict in the Middle East appeared to be approaching a resolution.

Healthcare was once again the main laggard of the index, falling 9.2%. The main detractor was CSL Limited, which retreated 23.9% after downgrading their revenue and profit guidance due to normalisation of inventory for US immunoglobulin lower pricing of albumin in China and the impact of the conflict in the Middle East, which revised expectations for its Hemgenix therapy. CSL Limited increased expected impairments to \$5 billion, writing off Vifor's intangible assets, and under-

utilised property, plant and equipment. Other key detractors included Telix Pharmaceuticals Limited (-13.1%) and 4DMedical Limited (-6.4%).

Utilities declined 7.6% over May, with all constituents down for the month. AGL Energy Limited lost 9.7%, with management noting that the energy market was 'currently experiencing lower volatility and lower average spot pricing'. Despite this, AGL Energy Limited narrowed its financial year 2026 earnings and profit guidance to the upper end of its previous range.

S&P/ASX 200 Sector Performance



Data Source: Desktop Broker, 1 June 2026

Highlights

Australia: The Australian Bureau of Statistics published the statistics from their latest General Social Survey conducted in 2025, the first since 2020 during the pandemic. Australians aged 15 years and over rated their overall life satisfaction at an average of 7.1 out of 10, slightly down from the 7.2 score during 2020. Women (7.3) had a slightly higher satisfaction than men (7.1). In addition, 23% of people surveyed did unpaid voluntary work and 53% had weekly in-person contact with family or friends outside their household. And 75% of participants believed that

it was good for society to be comprised of different cultures, while 50% agreed that most people can be trusted.

The Clean Energy Australia 2026 report has revealed Australia's rapid growth in batteries and renewables over the last year. A 233% increase in battery capacity has seen Australia become the third biggest battery market in the world. Renewable energy also accounted for 43% of Australia's electricity in 2025, and more than half in the final quarter. The higher level of renewables and batteries is expected to ease

electricity prices by 3.4% to 10.7%.

US: President Trump executed a new green card policy, which specifies that any immigrant needing a green card will need to leave the country and apply at an embassy or consulate abroad. A green card permits permanent residence in the US. The Trump administration has enforced this policy to limit any illegal immigration loopholes allowing visa holders and visitors to apply for a green card while still in the US. The new method makes it difficult, or impossible, for some immigrants to obtain a green card.

Canada: Canada has signed a landmark long-term LNG agreement with Germany, marking its first major gas exports to Europe. The deal will see up to one million tonnes of LNG per year shipped from British Columbia to Germany's state-owned energy utility company for up to 20 years. The agreement supports Europe's search for reliable energy supplies following Russia's invasion of Ukraine and helps Canada diversify trade away from the US.

United Kingdom: The UK has been exploring closer trade relationships with Europe, including single market deals for goods, with talks focused on food, agriculture and energy. The move signals greater ambition for closer ties post-Brexit ahead of a summit provisionally scheduled for 13 July. The UK and EU have yet to agree on an agenda for the summit, but both sides hope to announce progress on three key areas: a veterinary deal to ease trade in food, drink and animal products, a link between emissions trading schemes, and the youth mobility program. These measures were first pledged at the 2025 EU-UK summit.

Chile: Chilean copper commission Cochilco raised its average copper price forecast for 2026 to \$5.55 per pound and expects prices to remain elevated in

2027 at \$5.10 per pound, citing firm global demand and tight supply. Cochilco expects global refined copper demand to rise 1.5% in 2026 and 2.3% in 2027, reaching 28.2 million metric tonnes and 28.8 million tonnes, respectively. On the supply side, global mined copper output is forecast to reach 23.3 million metric tonnes in 2026 before rising 4.7% to 24.39 million tonnes in 2027. Chile is expected to retain about 22% of global copper output, though its own production is forecast to fall 2.0% in 2026 to 5.3 million tonnes before recovering 4.0% in 2027 to 5.5 million tonnes.

South Korea: The South Korean share market has overtaken Canada's to become the world's seventh largest share market. South Korea's total market capitalisation has risen by more than 70% this year, driven by Samsung, which recently broke US\$1 trillion in market capitalisation and SK Hynix, a semiconductor manufacturer. Together, the two companies make up around 45% of the South Korean index.

China: China had their nationwide five-day labour holiday – the second-longest break in the first half of the year after the Spring Festival. Transportation, tourism and leisure emerged as the biggest beneficiaries of this holiday as travel surged. The transport ministry calculated an estimate of a record 1.53 billion cross-regional trips during the holiday, a 4% rise from the same period last year. The five-day break also provided a valuable window for outbound and inbound tourism. The National Immigration Administration recorded 11.28 million inbound and outbound passenger trips during the holiday, up 3.5% year-on-year.

Taiwan: Taiwan's share market has overtaken India's to become the fifth largest share market in the world. Its market cap surpassed \$4.95 trillion, driven by Taiwan Semiconductor Manufacturing Company (TSMC), which now makes up 42% of the index.

Japan: Honda has recorded its first annual operating loss (¥423 billion) in 70 years, driven by weaker-than-forecast demand for electric vehicles (EVs), including from the US, where EV tax credits were ceased. Honda will be abandoning its EV production targets and will focus on its motorcycle, financial services and hybrid vehicle businesses.

What to watch out for

Spaceflight, satellite telecommunications and AI company SpaceX is expected to list on the Nasdaq on 12 June. Its initial public offering is expected to be the largest ever, with a target valuation of around US\$1.8 trillion.

Conclusion



Global equity markets continued to rally in May, with optimism that the Middle East conflict was nearing its end. Strong AI sentiment saw semiconductor and other AI-related shares drive market gains globally. High oil prices are expected to accelerate inflation globally as its effects flow through to other parts of the economy. Most Central Banks are shifting towards a more hawkish stance as they await the impacts of the conflict on inflation.

During periods of uncertainty, clients should:

- **Stick to the plan:** Focus on your long-term goals. Our investment approach is focused on the long term and designed so that your portfolio can ride out any downturns – including this one. Staying the course, despite how uncomfortable it may feel right now, will prove to be the better option when looking back five years from now.

Investors who stayed the course while equity markets declined in the depths of the COVID-19 pandemic in early 2020 have benefited from one of the fastest market turnarounds with equity markets. Investors who sold equities during the downturn and waited until economies started to show recovery before buying back into the market missed a large part of the recovery.

- **Maintain a buffer of safety:** Holding a buffer of cash and term deposits has been a key strategy to provide a cushion against market downturns and to protect capital.
- **Take advantage of the weakness:** Market downturns provide buying opportunities to invest in long-term, quality investments.
- **Focus on quality investments:** Invest in companies that generate stable cash flows to support distributions, which are not connected to the movements in asset prices, and partner with fund managers who share the same investment philosophy and objectives.
- **Diversify:** Spread investments across asset classes, industries, sectors and geographies.
- **Regularly rebalance the portfolio back to your risk profile:** Ensure the portfolio is not exposed to unwanted risks to lock in profits.
- **Remain calm and speak to your Apt adviser:** It is important that you speak to your Apt adviser before making any financial moves. Your adviser understands your long- and short-term goals and will have been planning for these types of scenarios already, so they are best placed to explain any impact and discuss the best options and opportunities for you personally.

Disclaimer

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