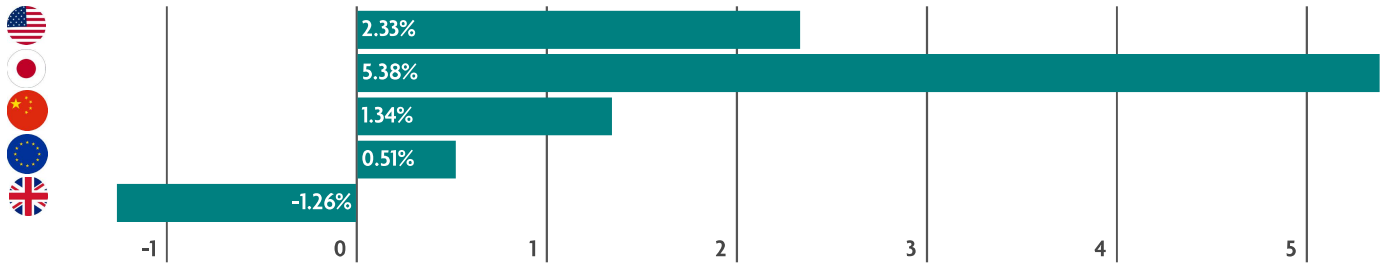
Weekly Market Update

11 May 2026

Last week's performance – major stock markets

Market Monitor (%): How did major stock markets perform last week*?



Key stories from last week

US: THE TECH SECTOR CONTINUES TO LEAD THE WAY

US equities rallied, supported by strong earnings, with around 85% of S&P 500 companies having reported and close to 85% beating expectations. The Technology sector led gains on continued optimism around AI related demand. Economic data painted a mixed picture, with jobless claims remaining low and payrolls exceeding expectations, although labour force participation fell to its lowest level since 2021. The unemployment rate remained steady at 4.3%. Productivity growth slowed in the first quarter, suggesting some loss of economic momentum. Construction spending and factory orders were stronger than expected, driven in part by demand linked to AI infrastructure. However, consumer sentiment fell to a record low, highlighting ongoing pressure from higher prices and tariff concerns.

JAPAN: STRONG GLOBAL AI DEMAND AND EASING GEOPOLITICAL TENSIONS RESULTS IN ANOTHER RECORD HIGH FOR THE NIKKEI

Japanese equities rallied strongly in a shortened trading week, with the Nikkei 225 index reaching record highs, driven by technology and semiconductor stocks. Market sentiment was supported by global AI demand and easing geopolitical concerns, which helped alleviate concerns around high energy costs. The yen remained volatile amid speculation of policy intervention. Real wages rose for a third consecutive month, suggesting improving domestic conditions and a more sustainable wage inflation cycle. This supports the case for the Bank of Japan to continue gradual policy normalisation.

CHINA: RESILIENT DOMESTIC DEMAND SEES CHINESE EQUITIES WELL SUPPORTED

Chinese equities advanced following the holiday period, led by technology and consumer sectors. Economic data pointed to resilient domestic demand, with services activity expanding faster than expected despite weaker export orders. Investor sentiment was supported by signs of stabilisation in US and China trade relations ahead of the upcoming high-level talks. However, consumer behaviour remains cautious, with holiday travel volumes rising but spending per trip declining slightly. This suggests a still uneven recovery in consumption. Overall, markets are balancing improving domestic activity with ongoing external and geopolitical uncertainty.

EUROPE: STRONG CORPORATE EARNINGS DRIVES EUROPEAN EQUITIES

European equities posted modest gains overall, supported early in the week by easing geopolitical tensions and generally solid earnings. Germany's DAX inched up 0.19%, Italy's FTSE MIB rose 2.16% and France's CAC 40 Index was little changed. Sentiment weakened later in the week following renewed US tariff threats towards the EU. Economic data was mixed, with euro area producer prices rising sharply, driven largely by energy costs. Germany saw strong factory order growth, suggesting improving industrial demand, although construction activity weakened notably. The ECB signalled a potential rate increase if inflation does not show sustained improvement, reinforcing a cautious policy stance.

UK: EQUITIES SOLD OFF TOWARDS THE END OF THE WEEK AMID RISING OIL PRICES

UK equities underperformed over the period, with the FTSE 100 declining as global trade tensions weighed on sentiment. Economic data was more encouraging, with the composite PMI rising to 52.6 in April (a figure above 50 implies expansion), indicating a return to moderate expansion across manufacturing and services. The improvement suggests some resilience in domestic activity despite external headwinds. To election results, where major losses for Labour added to uncertainty, with the prospect of political change seeing bond markets elevated.

The Omnis Investment Club

To hear more about these topics, you can listen to our latest episode on the Omnis Investment Club Podcast.

*Source: Bloomberg. All performance measured in local currency.

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