Weekly Market Update

8 June 2026

Last week's performance – major stock markets

Omnis INVESTMENTS

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

Key stories from last week

US: EQUITIES DECLINE AS AI OPTIMISM FADES AND JOBS DATA SURPRISES TO THE UPSIDE

Major U.S. stock indices ended the week lower, led by a 4.68% drop in the Nasdaq, with declines also in the Russell 2000 and S&P 500, the latter posting its first weekly loss since March. Early gains driven by artificial intelligence (AI) optimism faded as investors weighed oil price volatility, high AI-related earnings expectations, increased equity issuance, and a stronger-than-expected May payrolls report that reinforced expectations that the Federal Reserve may keep policy restrictive. The U.S. added 172,000 jobs in May, far exceeding forecasts, with April figures revised higher, while the unemployment rate held at 4.3%, signalling resilience despite mixed indicators such as rising jobless claims and increased layoffs linked partly to AI. Economic data, including Purchasing Manager Index (PMI) readings, pointed to solid activity alongside persistent inflation pressures, with both manufacturing and services expanding and prices continuing to rise. Bond yields climbed, with the 10-year reaching about 4.55%.

JAPAN: EQUITIES MIXED AS ELEVATED ENERGY PRICES KEEPS THE OUTLOOK FOR RATES FIRMLY IN FOCUS

Japan's equity market was mixed, with the Nikkei 225 up 0.39% and TOPIX down 0.20% as investors stayed cautious amid geopolitical tensions and rising energy prices. Expectations of a June rate hike grew after hawkish comments from BoJ Governor Kazuo Ueda, while stronger than expected wage growth contrasted with weak consumer spending, which fell for a fifth straight month. Meanwhile, the yen weakened toward JPY 160 per dollar, prompting fresh warnings of possible intervention from authorities.

CHINA: EQUITIES MIXED AS SIGNS OF UNEVEN ECONOMIC RECOVERY SHOW

China's equities fell over the week, with the CSI 300 down 1.54%, Shanghai Composite off 1.00%, and Hang Seng slipping 0.88%, as investors weighed uneven economic signals. PMI data showed mixed momentum. Official manufacturing stalled, while private sector activity remained stronger, supporting expectations for targeted policy support. Meanwhile, AI developments, including Tencent's WeChat initiatives and DeepSeek's potential fundraising, provided a bright spot.

EUROPE: EQUITIES WEAKER AS GEOPOLITICAL CONCERNS CONTINUE

European equities were mixed as markets lacked clear direction amid geopolitical developments and trade concerns, including potential U.S.–Iran negotiations, a possible Israel–Lebanon ceasefire, and plans by the U.S. administration to impose new tariffs of 10% to 12.5% on many countries. Among major indices, Germany's DAX declined 1.38%, Italy's FTSE MIB fell 0.29%, and France's CAC 40 rose 0.43%. Economic data showed the eurozone economy contracted by 0.2% in the first quarter, revised down from earlier growth estimates, with Ireland experiencing a sharp 12.1% decline. Retail sales in the eurozone dropped 0.4% in April, driven by weaker non-food sales, although France saw a modest increase. France's industrial production edged up slightly and its trade deficit narrowed due to stronger exports.

UK: EQUITIES DECLINE MODESTLY ON GEOPOLITICAL UNCERTAINTY

The UK market saw modest declines during the week, with the FTSE 100 Index slipping 0.40% amid broader investor caution driven Despite the subdued equity performance, domestic economic data showed some strength, particularly in the automotive sector, where new car sales rose 7.1% year over year in May, the highest level for the month since 2019. This growth was driven by strong demand for electrified vehicles, with plug-in hybrid sales increasing by 23.9% and battery electric vehicle registrations surging 34.2%, even as traditional petrol and diesel car sales declined.

The Omnis Investment Club

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

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