Global Monthly Outlook

July 2026 (covering June 2026)

Index	Jun (%)	YTD (%)
MSCI World	USD -0.7	10.0
S&P 500	USD -1.0	10.2
MSCI Europe	EUR 3.1	11.3
MSCI Asia Pac ex Japan	USD -1.4	24.1
Hong Kong Hang Seng	HKD -8.5	-9.2
Hang Seng China Enterprises (H-shares)	HKD -9.6	-14.1
Topix	JPY 1.0	18.6

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated. Data as of June 30, 2026. YTD refers to year-to-date.

Global Outlook

US equities underperformed global peers in June as investors grappled with rising inflation, ongoing geopolitical uncertainty and expectations that interest rates may remain higher for longer. S&P 500 and NASDAQ index dropped by 1.0% and 2.7% respectively within the month.

European equities delivered another month of gains, reaching record highs as easing geopolitical tensions, industrials, financials, and consumer sectors supported markets.

Asian equities declined as oil-price volatility, geopolitical tensions and concerns about global growth weighed on sentiment.

United States

- US equity markets were weaker in June, with performance slightly behind global peers as investors assessed continued AI-related demand, mixed economic data and ongoing geopolitical uncertainty.
- Headline CPI rose again from 3.8% to 4.2% in May, as expected. This marked the highest reading since April 2023 and continued the recent acceleration in inflation. The Fed maintained the interest rates at 3.50%-3.75%.

Europe (including UK)

- European equities delivered another solid month of performance in June, with the low-single digit rise helping indices end the quarter at record highs.
- European Central Bank raises interest rates to 2.25%, the first rise since September 2023, in a bid to contain inflationary pressures.

Asia Pacific (ex Hong Kong ex China ex Japan)

- Asian equities declined during June as oil-price volatility, geopolitical tensions and concerns about global growth weighed on sentiment.
- Taiwan was among the region's strongest-performing markets as continued demand for semiconductors and AI-related technology supported returns. South Korea's KOSPI was nearly flat, after suffered from a brutal mid-June sell-off, dropping over 8% in a single day as investors aggressively unwound crowded AI and semiconductor positions.

Hong Kong and Mainland China (H-shares)

- Hang Seng China Enterprises index is down by 9.6% in June, as investors consolidated gains following the strong rally earlier in the year. Major constituents such as Tencent Holdings Ltd. and Alibaba Group Holding Ltd. weighed heavily on the gauge.
- In Hong Kong, the market broadly mirrored mainland China and Hang Seng Index declined 8.5% during the month.

Japan

- Japan market advanced with exporters and technology-related companies leading gains.
- Expectations that inflation would remain relatively persistent, supported by ongoing policy normalisation from the Bank of Japan and higher energy prices, remained an important market theme.

Fixed Income

- Global sovereign bond markets delivered mixed performance during June as investors reassessed the policy outlook across major economies, and U.K. Gilts and German Bunds were the outperformers.
- UK gilts returned 0.65% over the month, followed by German bunds (+0.58%) and US Treasuries (+0.31%).

Emerging Markets

- Emerging market equities declined in June as investors weighed developments in the Middle East and shifting expectations for US interest rates.
- India remained resilient, supported by strong domestic growth and infrastructure investment. In ASEAN, returns were mixed. Singapore and Thailand advanced on resilient economic activity and export demand, while Indonesia lagged as currency weakness and capital outflows heightened concerns over external financing conditions.

From the perspective of Hong Kong pension investing. All data are sourced from Invesco dated July 17, 2026, unless otherwise stated.

Global Monthly Outlook

July 2026 (covering June 2026)

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange-rate fluctuations), and investors may not get back the full amount invested.

Important Information

This document is intended only for investors in Hong Kong for informational purposes only.
This document is not an offering of a financial product and should not be distributed to retail clients who are resident in jurisdiction where its distribution is not authorized or is unlawful. Circulation, disclosure, or dissemination of all or any part of this document to any unauthorized person is prohibited.

This document may contain statements that are not purely historical in nature but are "forward-looking statements," which are based on certain assumptions of future events. Forward-looking statements are based on information available on the date hereof, and Invesco does not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. Investment involves risk. Please review all financial material carefully before investing. The opinions expressed are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.
The distribution and offering of this document in certain jurisdictions may be restricted by law. Persons into whose possession this marketing material may come are required to inform themselves about and to comply with any relevant restrictions. This does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

All data as of July 17, 2026, unless otherwise stated. This document is issued in:

Hong Kong

This document is issued in Hong Kong by Invesco Hong Kong Limited景順投資管理有限公司, 45/F, Jardine House, 1 Connaught Place, Central, Hong Kong.

This document has not been reviewed by the Securities and Futures Commission.