Dear clients, Dear readers,

I hope you are all enjoying the summer.

July was a continuation of a particularly eventful first half. Despite a still-sensitive geopolitical climate and uncertainty about monetary policy developments, financial markets showed remarkable resilience. While volatility remained a feature throughout the month, investors focused on economic fundamentals and corporate earnings prospects rather than the many sources of uncertainty.

Tensions in the Middle East continue to fuel market concerns, particularly due to their potential impact on energy prices and global supply chains. However, investors seem to believe that the various parties involved are mainly seeking to avoid a prolonged escalation of the conflict, thereby limiting the most serious economic consequences. Oil price fluctuations have remained significant but have as yet not called into question the scenario of slowing global growth without a slide into recession.

In the US, economic indicators continue to send relatively reassuring signals. Economic activity remains solid, underpinned by consumer spending that is more resilient than expected and a job market that remains robust despite a slight slowdown. While inflation is still above the Federal Reserve’s target, it is showing signs of stabilising. Against this backdrop, the Fed has maintained a cautious approach, reiterating its desire to keep monetary policy restrictive as long as needed to bring inflation back to its target on a permanent basis.

In Europe, economic growth remains more moderate but is nonetheless better than expected. Several sectors are even showing signs of gradual improvement. Inflation remains fairly stable, offering investors better visibility, while the European Central Bank is maintaining a measured stance as it navigates a still-uncertain global environment.

The second-quarter earnings season is getting underway in a generally favourable environment. Expectations remain particularly high for major US tech companies, whose massive investment in artificial intelligence is a double-edged sword: they absolutely need to make the most of this technological paradigm shift, but they also need to ensure that these huge investments will pay off within a reasonable timeframe. While some observers question the scale of these investments, the medium-term growth outlook remains attractive. We are also seeing market gains spreading to other sectors, a sign of a more balanced and healthier broad-based upswing.

In this climate of geopolitical uncertainty, coupled with still solid economic fundamentals, we are maintaining a cautious yet constructive approach. We believe that portfolio diversification, rigorous stock-picking and disciplined portfolio management remain the key ingredients for approaching the second half of the year with confidence.

Performance of the main markets in 2026

	July 2026	2026 YTD
EURO STOXX 50	0.47%	9.78%
STOXX Europe 600	1.16%	9.63%
BEL 20	-1.14%	11.96%
S&P 500	-0.13%	9.41%
S&P 500 Equal Weight	1.05%	12.24%
NASDAQ 100	-6.61%	11.98%
NIKKEI 225	-8.14%	27.86%
HANG SENG	13.13%	0.99%
MSCI EMERGING	-3.31%	18.62%
MSCI WORLD	0.46%	9.42%

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