3D Financial Planning
Independent Financial Advisors

Newsletter
June 2026

Market Update

May saw a more positive backdrop for investors, with markets recovering as company earnings remained resilient and hopes grew that tensions in the Middle East may begin to ease.
While performance varied across regions, technology-led markets continued to perform strongly, particularly in parts of Asia and the US, helping global equities make further progress.

Global Equities

Global equity markets delivered positive returns during May, supported by encouraging company earnings and improving investor confidence. Emerging markets outperformed developed markets, helped by continued strength in technology and artificial intelligence (AI)-related sectors.

US Equities

US equities moved higher over the month, supported by generally positive company profit results.

Technology stocks led the gains once again, although investors became more selective, favouring companies that continued to demonstrate strong earnings and clear AI-related growth opportunities.

Eurozone Equities

European markets also performed well during May, with many companies reporting encouraging earnings.

Technology and consumer discretionary sectors were among the strongest performers. Inflation edged higher, largely driven by rising energy costs, although this had little impact on overall market sentiment.

UK Equities

UK equities delivered modest gains but lagged behind many other developed markets.
This was largely due to weaker performance from the energy and healthcare sectors, which make up a relatively large proportion of the UK market.

Emerging Market Equities

Emerging markets were among the strongest performers during the month, outperforming developed markets.

Improving investor confidence and continued enthusiasm for AI supported returns, with South Korea and Taiwan benefiting from strong demand for semiconductor and technology companies.

Japanese and Asia Equities

Japanese equities continued their strong run, reaching fresh record highs during May.

Investor confidence was supported by hopes of easing tensions in the Middle East, while strong corporate earnings, particularly from AI and semiconductor-related businesses, helped drive returns.

Elsewhere in Asia, markets also performed well overall. South Korea and Taiwan led the gains as demand for technology companies remained strong. Performance was more mixed in other regions, with China and India delivering weaker returns during the month.

Global Bonds

Global bond markets delivered positive returns, although volatility remained elevated during the month.

Bond yields rose temporarily as geopolitical tensions intensified before falling back as concerns eased. Corporate bonds outperformed government bonds, supported by resilient economic conditions and continued investor demand for higher-yielding assets.

Commodities

Commodities had a weaker month overall.

Energy prices fell as hopes grew that the ceasefire in the Middle East would hold, easing concerns around supply disruption. Precious metals also declined over the period.

Source: Schroder Investment Solutions (May 2026 Update)

In the Spotlight

Why Have Markets Continued to Rise?

If you've followed the news over the past few weeks, you could be forgiven for expecting investment markets to have struggled.

Conflict in the Middle East has continued to dominate headlines, political uncertainty has resurfaced closer to home, inflation remains a talking point, and questions continue to be asked about whether enthusiasm surrounding artificial intelligence has gone too far.

Yet despite all of this, many investment markets continued to move higher during May.

So, why?

The answer lies in understanding what markets actually do.

Markets Look Forward, Not Back

One of the biggest misconceptions about investing is that markets simply rise when the news is good and fall when it is bad.

In reality, markets are constantly looking ahead.

Every day, millions of investors around the world assess not just what is happening today, but what they believe is likely to happen over the months and years ahead. Those expectations are reflected in share prices long before the outcome becomes clear.

This means markets can often recover while the news still feels unsettling, or fall even when economic data appears relatively positive.

In May, hopes that tensions in the Middle East could begin to ease, together with another round of resilient company earnings, gave investors greater confidence about the future.

Whilst uncertainty certainly hasn't disappeared, markets judged that the outlook had improved compared with a few weeks earlier.

Markets Are Not the Economy

It's also important to remember that investment markets and the wider economy are not the same thing.

The economy measures what is happening today – things like employment, inflation and economic growth.

Markets, on the other hand, are trying to estimate what businesses may be worth in the future. A company can continue to grow and innovate even during periods of political uncertainty or slower economic growth, and investors will reflect those expectations in today's prices.

This helps explain why markets and headlines can sometimes appear to tell completely different stories.

Keeping Things in Perspective

None of this means current events are unimportant. Geopolitical tensions, political developments and economic policy all have the potential to influence markets over time.

However, it does reinforce an important principle of long-term investing.
Short-term headlines create uncertainty, but successful investing has never relied on predicting every headline correctly.

Instead, it relies on owning high-quality businesses, maintaining a well-diversified portfolio and allowing time to do much of the heavy lifting.

Understanding why markets behave the way they do helps put periods like these into perspective and reminds us why a long-term investment approach remains so important.

Planning in Practice

Focusing on What You Can Control

Periods of uncertainty often make us want certainty. When the headlines are unsettling, it is natural to look for answers.

- What will happen next?
- Will markets fall?
- Should something change?
- Is now the time to act?

These are understandable questions, but they are rarely easy to answer with any precision. No one can consistently predict political events, short-term market movements, interest rate decisions or the next major global development.

Good planning starts by accepting that. It then focuses attention where it is most useful: on the things you can control.

What Can Be Controlled?

While we cannot control the headlines, we can control the structure of your plan.

That includes:

- How much cash you hold for short-term needs
- How your investments are diversified
- Whether your portfolio still reflects your objectives
- How much risk you are taking
- Whether you are drawing income sustainably
- How tax-efficient your arrangements are
- Whether your estate planning remains up to date

None of these remove uncertainty.

But together, they help reduce the need to make rushed decisions when uncertainty appears.

Separating Urgent From Important

One of the difficulties with noisy periods is that everything can start to feel urgent.

- A market fall feels urgent.
- A political headline feels urgent.
- A forecast about inflation or interest rates feels urgent.

But urgency and importance are not always the same thing.

Often, the most important financial planning questions are much quieter:

- Are you still on track?
- Is your income sustainable?
- Do you have enough flexibility?
- Are your investments still aligned with your goals?
- Has anything changed in your life that means your plan should change too?

These are the questions that matter most over time.

The Role of Advice

This is where financial planning becomes most valuable.

Not because we can predict every outcome, but because we can help you make decisions in context.

Sometimes, the right answer is to do nothing.
Sometimes, it is to make small adjustments.

And sometimes, it is to revisit part of the plan because your circumstances, objectives or priorities have changed.

The key is that decisions should be driven by your plan, not by the loudest headline of the week.

Staying Flexible

A good plan should be robust, but it should not be rigid.

Life changes. Tax rules change. Markets change. Priorities change.

That is why regular reviews matter.

They allow us to check whether the plan is still doing what it needs to do and to make measured adjustments where appropriate.

In uncertain periods, flexibility is not a weakness.

It is one of the most important parts of staying on track.

Our role is to help you separate what feels urgent from what is genuinely important, so that your decisions remain calm, considered and aligned with the life you are trying to build.
