Investment Strategy

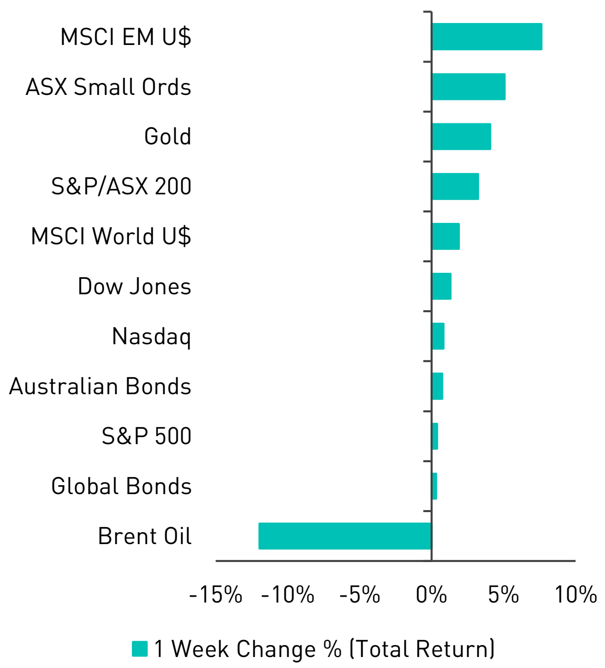
Weekly Macro & Markets

Rob Crookston – Strategist

Key Takeaways

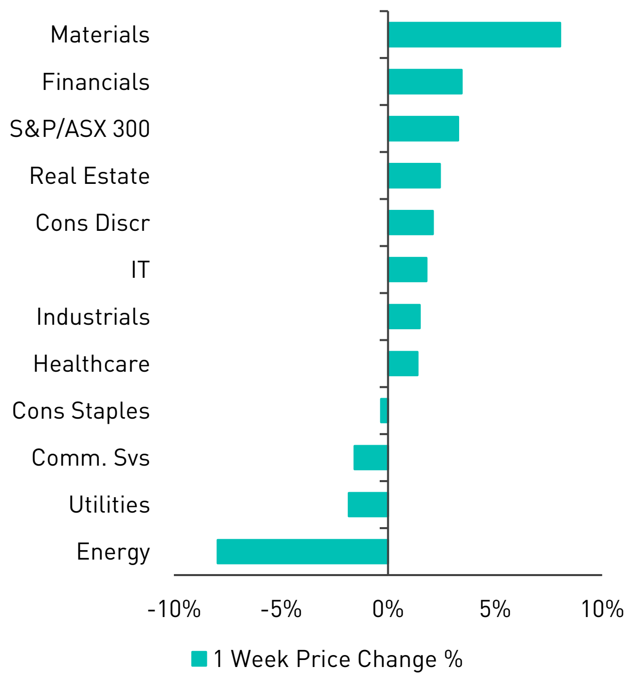
- **Taking Stock:** Markets rallied with a US/Iran peace deal. Equities were broadly higher (S&P 500 +0.4%, Nasdaq +0.8%) and gold rose +4.1%, while the US–Iran deal saw Brent slump –12.0%. The ASX 200 outperformed (+3.2%), led by gold miners, with energy and coal the worst; the A$ firmed +0.7%.
- **Week Ahead:** Australian CPI (Wednesday) and the May jobs report (Thursday) are the key tests for the RBA's hold-versus-hike debate, with US core PCE (Thursday) the offshore focus after Warsh's hawkish hold.
- **Positioning: OW US equities** – Strong, AI-driven earnings and a solid economy outweigh Fed hike risk.
  OW Emerging Markets – Cheap (~12x) with strong earnings upgrades; a hawkish-Fed-driven US$ is the key risk.
  UW Australian equities – RBA not done and the economy slowing; ASX EPS revisions (–0.2%) lag the US (+7.7%) and EM (+17.8%).

Figure 1: Asset Class Returns



Source: LSEG DataStream As at 18/06/2026

Figure 2: ASX 300 Sector Performance



Source: LSEG Refinitiv As at 18/06/2026

Figure 3: ASX 100 – Top 5 Weekly Movers

Ticker	Company Name	5D % Change
GMD	Genesis Minerals	29.6%
RRL	Regis Resources	26.9%
GGP	Greatland Resources	23.2%
CMM	Capricorn Metals	21.5%
EVN	Evolution Mining	20.6%

Source: LSEG Refinitiv As at 18/06/2026

Figure 4: ASX 100 – Bottom 5 Weekly Movers

Ticker	Company Name	5D % Change
ALD	Ampol	-9.3%
WDS	Woodside Energy	-9.2%
STO	Santos	-9.2%
WHC	Whitehaven Coal	-9.1%
RMD	ResMed	-5.3%

Source: LSEG Refinitiv As at 18/06/2026

Markets – What Happened

Markets rallied on the week with an Iran/US peace deal, while the US Fed and RBA both on hold and US data staying firm. Equities were broadly higher and gold rose, while oil slumped. The S&P 500 gained +0.4% and the Nasdaq +0.8%, while the ASX 200 outperformed at +3.2%.

Global Equities. US large caps rose modestly – the S&P 500 +0.4%, Nasdaq +0.8% and Dow +1.3; firm US data – retail sales +0.9% and University of Michigan sentiment rebounding to 48.9 – supported risk appetite; the Bank of Japan hiked to 1.00% and the Nikkei led global markets (+10.6%), with emerging markets close behind (MSCI EM +7.6%). The US–Iran deal supported equity markets but cooled oil, with Brent down –12.0% on the week.

At home, the ASX 200 outperformed offshore peers, up +3.2% on the week to 8,911 and +7.0% on 3M and +7.9% over the year; the Small Ordinaries led at +5.1%. Commodities were mixed: gold rose +4.1% and copper +2.3%, while Brent slumped –12.0% and iron ore eased –2.0%. The A$ firmed +0.7% to US$0.704 on the risk-on tone.

ASX movers – Gold up, Oil down

Gold miners topped the ASX 100 as the gold price firmed. The five best performers were all gold producers: Genesis Minerals (GMD) +29.6%, Regis Resources (RRL) +26.9%, Greatland Resources (GGP) +23.2%, Capricorn Metals (CMM) +21.5% and Evolution Mining (EVN) +20.6%.

At the other end, **the weakness was concentrated in energy as oil slumped. The five worst performers in the ASX 100 were**: Ampol (ALD) –9.3%, Woodside Energy (WDS) –9.2%, Santos (STO) –9.2% and Whitehaven Coal (WHC) –9.1%, with ResMed (RMD) –5.3% the only non-energy name among them.

US Fed – Hawkish

Kevin Warsh chaired his first FOMC meeting on 17 June, and the Fed held at 3.50–3.75% as expected. The decision itself was widely anticipated; the interest lay in Warsh's debut and speech. Sworn in as the 17th Fed chair on 22 May, with Jerome Powell staying on as a governor, Warsh used the meeting to set out his own approach and, at the margin, leaned hawkish.

The statement was overhauled, cut to roughly 130 words from more than 300, stripping out both the long-standing bias toward easing and the forward guidance that had become a fixture. Warsh called it "a bit shorter, a bit simpler" and was blunt that forward guidance "isn't the business we should be in". The economy was described only as "expanding at a solid pace" despite Middle East uncertainty, and he reiterated the Fed's commitment to bringing inflation down.

The hawkish signal came from the dot plot projections. The median dot for end-2026 moved up to 3.80%, from 3.40% in March, implying at least one hike this year; nine officials now see one or more increases, against a single policymaker expecting a cut. Warsh declined to publish his own dot and flagged task forces to overhaul how the Fed operates and communicates.

Equity markets sold off after the meeting. The front end repriced for the higher dots, with the US 2-year yield up 13bp to 4.18%, while the 10-year was unchanged at 4.46% – a bear-flattening that reflects the repricing of policy expectations rather than any concern about the economy. However, equities still gained on the week (S&P 500 +0.4%) and gold rose 4.1%, suggesting the Iran peace deal and US earnings outweigh the hawkish tilt.

Week Ahead – Inflation watch

Australian CPI is the headline (Wednesday): the May monthly indicator is due, with the prior reading at +0.4% m/m and 4.2% y/y and the trimmed mean at 3.4% y/y – a firm print would harden the case that the RBA is not done. Jobs follow on Thursday, after the prior month showed employment –18.6k and unemployment at 4.5%; further softening would complicate the hold-versus-hike debate.

Offshore, US core PCE is the focus (Thursday): the Fed's preferred inflation gauge is seen at +0.3% m/m (prior +0.2%; 3.3% y/y), the first major reading since Warsh's hawkish hold and a test of whether inflation is cooling fast enough to head off the hike now in the dot plot projections. US flash PMIs (Tuesday) and weekly jobless claims round out the week.

Our Positioning

OW US equities – No change to our view. Earnings are the anchor: US profit growth remains very strong and AI-driven, a structural tailwind we don't see fading any time soon, while activity data confirm the economy is still strong. Sticky US CPI and a more hawkish US Fed is the main risk and one we are monitoring.

OW Emerging Markets – No change. We still see strong earnings upgrades and undemanding valuations (~12x PE) relative to other regions. The watch item is the US$: a more hawkish Fed could support the US$, a headwind for EM, but for now the earnings story outweighs.

UW Australian equities – No change. The RBA isn't finished hiking, and the domestic economy remains in slowdown mode. Earnings momentum is the key headwind: ASX 200 12-month forward EPS revisions are flat-negative (-0.2% over 3M), while the US (+7.7%) and emerging markets (+17.8%) are seeing far stronger upgrades – leaving Australia a relative laggard.

Figure 5: Index Moves (1W / 1M / 3M / 1Y total return; yields are ppt change)

Asset	Price Level	1W %	1M %	3M %	1Y %
Australian Equities					
S&P/ASX 200	8911.10	3.2%	3.6%	7.0%	7.9%
S&P/ASX Small Ordinaries	3562.70	5.1%	5.3%	10.5%	12.4%
US Equities					
S&P 500	7500.58	0.4%	1.0%	13.1%	25.6%
Nasdaq Composite	26021.66	0.8%	0.7%	18.7%	33.9%
Dow Jones Industrial Average	51564.7	1.3%	4.5%	11.9%	24.2%
Global / DM Equities					
Stoxx Europe 600	637.144	2.6%	4.5%	12.4%	21.6%
Nikkei 225	71053.5	10.6%	17.3%	38.9%	86.0%
FTSE 100	10399.7	1.0%	1.0%	6.1%	21.5%
Emerging Markets					
MSCI Emerging Markets	1790.05	7.6%	9.5%	26.9%	53.6%
Commodities					
Brent Crude (US$/bbl)	79.67	-12.0%	-28.6%	-19.4%	3.8%
Gold (US$/oz)	4249.53	4.1%	-5.5%	-3.1%	25.5%
Iron Ore 62% (US$/t)	99.40	-2.0%	-9.1%	-7.5%	9.2%
Copper (US$/t)	13763.45	2.3%	3.2%	13.9%	41.0%
FX & Rates (abs. change for yields, ppt)					
AUD/USD	0.704	0.7%	-0.7%	0.6%	8.0%
AU 3-Year Yield (%)	4.43%	-0.06	-0.25	-0.39	1.06
AU 10-Year Yield (%)	4.79%	-0.11	-0.27	-0.33	0.53
US 2-Year Yield (%)	4.18%	0.13	0.07	0.33	0.25
US 10-Year Yield (%)	4.46%	0.00	-0.21	0.11	0.07

Source: LSEG DataStream
As of Thursday 18/06/2026 close

Figure 6: Index Fundamentals

Region	Price/Earnings (12M Fwd)	ROE (12M Fwd)	EPS Growth (12M Fwd)	EPS Growth CAGR (FY1-FY3)	12M Fwd EPS Rev. (3M Change %)
ASX 200	16.8x	13.8%	11.2%	9.1%	-0.2%
S&P 500	20.0x	23.0%	20.6%	16.0%	7.7%
MSCI Europe	14.5x	15.3%	13.7%	10.3%	3.0%
FTSE 100	12.1x	16.9%	12.4%	8.1%	6.1%
MSCI Japan	16.5x	11.1%	12.9%	11.8%	6.4%
MSCI Emerging Markets	11.7x	18.3%	35.0%	15.9%	17.8%

Source: LSEG DataStream
As of Thursday 18/06/2026 close

Figure 7: Macro & Data: Week Gone

Local Date	Region	Event / Release	Period	Consensus	Actual	Prior	Revised
13-Jun-26	United States	U Mich Sentiment Prelim	Jun	46.0	48.9	44.8	
16-Jun-26	Australia	RBA Cash Rate	Jun	4.35%	4.35%	4.35%	
16-Jun-26	United States	Housing Starts Number	May	1.430M	1.177M	1.465M	1.392M
16-Jun-26	Japan	JP BOJ Rate Decision	17 Jun	1.00%	1.00%	0.75%	
17-Jun-26	United Kingdom	Core CPI YY	May	2.7%	2.6%	2.5%	
17-Jun-26	Euro Zone	HICP Final YY	May	3.2%	3.2%	3.2%	
17-Jun-26	United States	Retail Sales MM	May	0.5%	0.9%	0.5%	0.4%
18-Jun-26	United Kingdom	BOE Bank Rate	Jun	3.75%	3.75%	3.75%	
18-Jun-26	United States	Initial Jobless Clm	13 Jun, w/e	225k	226k	229k	230k
18-Jun-26	United States	Philly Fed Business Indx	Jun	10.0	10.3	-0.4	
18-Jun-26	United States	Fed Funds Tgt Rate	18 Jun	3.5-3.75	3.5-3.75	3.5-3.75	
18-Jun-26	United States	Fed Int On Excess Reserves	18 Jun		3.65%	3.65%	

Source: LSEG

Figure 8: Macro & Data: Week Ahead

Local Date	Region	Event / Release	Period	Consensus	Prior	Importance
23-Jun-26	Australia	S&P Global Mfg PMI Flash	Jun		50.7	M
23-Jun-26	Australia	S&P Global Svs PMI Flash	Jun		48.7	M
23-Jun-26	Australia	S&P Global Comp PMI Flash	Jun		48.7	M
23-Jun-26	United States	S&P Global Mfg PMI Flash	Jun		55.1	M
23-Jun-26	United States	S&P Global Svcs PMI Flash	Jun		50.7	M
23-Jun-26	United States	S&P Global Comp PMI Flash	Jun		51.5	M
24-Jun-26	Australia	CPI MM	May		0.40%	H
24-Jun-26	Australia	CPI YY	May		4.20%	H
24-Jun-26	Australia	Trimmed Mean CPI MM SA	May		0.30%	H
24-Jun-26	Australia	Trimmed Mean CPI YY SA	May		3.4%	H
25-Jun-26	Australia	Employment	May		-18.6k	H
25-Jun-26	Australia	Unemployment Rate	May		4.5%	H
25-Jun-26	United States	Core PCE Price Index MM	May	0.3%	0.2%	H
25-Jun-26	United States	Core PCE Price Index YY	May		3.3%	H
25-Jun-26	United States	Initial Jobless Clm	15 Jun, w/e		226k	M

Source: LSEG

(H = market-moving, M = notable, L = context)

AUSTRALIA

Bell Potter Securities Limited

ABN 25 006 390 772
Level 29, 101 Collins Street, Melbourne
Victoria, 3000

T +61 3 9256 8700
bellpotter.com.au

HONG KONG

Bell Potter Securities (HK) Limited

Room 1601, 16/F, Prosperity Tower
39 Queens Road Central
Hong Kong, 0000

T +852 3750 8400

USA

Bell Potter Securities (US) LLC

Suite 23A
1330 Avenue of the Americas
New York, 10019

T +1 917 819 1410

UNITED KINGDOM

Bell Potter Securities (UK) Limited

16 Berkeley Street, London
England W1J 8DZ United Kingdom

T +44 7734 2929

DISCLAIMERS

This is general investment advice only and does not constitute personal advice to any person. Because this document has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited investment adviser (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this document.

This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of Bell Potter Securities Limited.

This document may contain links to published research. In the USA and the UK this research is only for institutional investors. It is not for release, publication or distribution in whole or in part to any persons in the two specified countries. In Hong Kong, this research is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. In the United States, this research is issued and distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this report from Bell Potter Securities (US) LLC and wishing to transact in any security described herein should do so with Bell Potter Securities (US) LLC.

While this document is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in the document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views opinions, or recommendations contained in this document or for correcting any error or omission which may become apparent after the document has been issued.

Except insofar as liability under any statute cannot be excluded. Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this document or any other person.

DISCLOSURES

Entities within Bell Potter Securities Limited, its employees, consultants and its associates within the meaning of Chapter 7 of the Corporations Law may receive commissions, underwriting and management fees from transactions involving securities referred to in this document (which its representatives may directly share) and may from time to time hold interests in the securities referred to in this document.