GLOBAL MARKETS ANALYSIS
Monetary and Capital Markets

Global Markets Monitor

FRIDAY, JUNE 12, 2026
LEAD EDITOR: JEFFREY WILLIAMS

- **Markets confront giant SpaceX IPO** (link)
- **Monthly UK GDP declines in line with expectations** (link)
- **Positive sentiment lifts Japanese assets, but haven-dollar unwinding faded quickly** (link)
- **S&P upgrades Argentina's sovereign rating to B- from CCC+** (link)
- **Chinese yuan and equities rise, but liquidity tightening may continue to pressure bonds** (link)
- **Peru keeps its policy rate unchanged at 4.25%, in line with expectations** (link)

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Markets Seek a Break from the "Peace: Imminent" Loop

It has been another week of sentiment dominated by the now-familiar loop of geopolitical escalation followed by renewed hopes of de-escalation. After a re-escalation of hostilities earlier in the week, investors are again leaning into the possibility that a peace deal can be reached in the coming days. Yesterday, President Trump initially warned that the US would hit Iran "very hard" on Thursday, but later softened that message and said a deal was close. Reports this morning cite unnamed officials that a new two-month cease-fire agreement, including the re-opening of the Strait of Hormuz, could be signed as soon as Sunday. The latest turn in headlines leaves global equities higher on the week and sovereign bond yields mostly lower, as breakeven inflation continues to fall on expectations of reduced pressure on oil prices. The spot price of Brent crude is 3% lower this morning, falling to below 90 dollars per barrel. Beyond geopolitics, markets will be closely watching SpaceX's trading debut after yesterday's record-setting IPO.

Key Global Financial Indicators

Last updated: 6/12/26 8:12 AM	Level		Change from Market Close				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
Equities					%		%
S&P 500		7267	-1.6	-4	-2	21	6
Eurostoxx 50		6072	1.0	-1	3	13	5
Nikkei 225		64217	0.1	-5	2	68	28
MSCI EM		65	-1.8	-8	-5	35	18
Yields and Spreads					bps		
US 10y Yield		4.53	-2.4	6	12	11	36
Germany 10y Yield		3.06	-2.0	3	2	52	20
EMBIG Sovereign Spread		236	0	3	-1	-80	-17
FX / Commodities / Volatility					%		
EM FX vs. USD, (+) = appreciation		47.1	0.1	-1	-1	2	1
Dollar index, (+) = $ appreciation		100.1	0.1	1	2	1	2
Brent Crude Oil ($/barrel)		91.9	-1.3	-3	-12	32	51
VIX Index (%, change in pp)		20.8	-1.5	5	2	3	6

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Key Global Inflation and Energy Indicators

Last updated: 6/12/26 8:12 AM	Level		Change from Market Close				YTD
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	
Oil and Gas			%				%
Brent Crude Oil ($/barrel)		92	-1.3	-3	-12	32	51
WTI Crude Oil ($/barrel)		89	-1.2	-4	-9	31	55
Natural Gas (Netherlands TTF)		50	-1	4	9	41	88
Breakeven Inflation		%	bps				
USD: 2Y		2.7	-4.0	-11	-30	1	43
USD: 5Y		2.5	-2.0	-6	-23	5	19
USD: 5Y5Y		2.4	-1	-3	-6	-6	-6
EUR: 2Y		2.6	-1.7	-1	-36	89	88
EUR: 5Y		2.3	-1	0	-15	48	49
EUR: 5Y5Y		2.1	-1	0	-1	6	8

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

Mature Markets

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United States

The giant size and expensive valuation of the SpaceX IPO is causing some nervousness in financial markets. The order book was four times oversubscribed, and the stock will begin trading today. Stocks in general and technology stocks in particular have been jittery all week, volatility is elevated and the VIX hit 23 on Tuesday, close to the highest level in two months. At $1.8 bn, the SpaceX IPO is priced at nearly 100x last year's sales, which is the second highest level among the biggest recent technology IPOs. The Rivian deal that was launched at the height of the stock market frenzy of 2021 is the only one with a more expensive valuation and it turned into a disaster for its investors, as were the Snap and Alibaba launches next on the list in valuation terms. On a more optimistic note, the Tesla launch from the SpaceX founder was much more successful.

Tech IPO Valuation Comps

SpaceX's multiple is historically elevated but not unprecedented

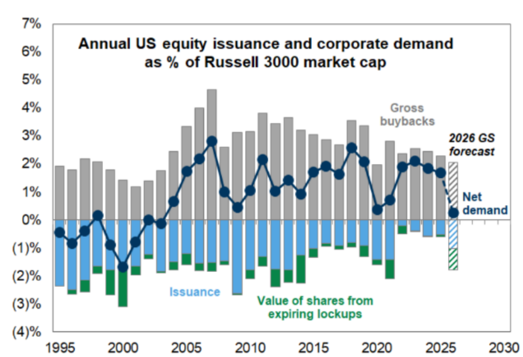
Company	IPO Date	Market Value at IPO	Last Year's Revenue at IPO	Multiple
Rivian	November 2021	$76.4B	+$0.1B	1,273.3
SpaceX	**June 2026**	**$1,800B**	**+$18.7B**	**96.4**
Snap	March 2017	$23.6B	+$0.4B	58.4
Alibaba	September 2014	$231.4B	+$5.6B	41.7
Robinhood	July 2021	$32B	+$1B	33.3
Affirm	January 2021	$15B	+$0.5B	29.4
Meta (Facebook)	May 2012	$104.2B	+$3.7B	28.1
Twitter	November 2013	$14B	+$0.5B	26.4
ARM Holdings	September 2023	$54.5B	+$2.7B	20.4
DoorDash	December 2020	$38B	+$1.9B	20
Tesla	June 2010	$1.5B	+$0.1B	16.7
Lyft	March 2019	$22.4B	+$2.2B	10.2
Airbnb	December 2020	$47B	+$4.8B	9.8
Uber	May 2019	$75.5B	+$11.3B	6.7

Note: Multiple calculated as market value at IPO divided by prior year's reported revenue
Source: Bloomberg, company filings, news reports

Bloomberg

US equity demand in 2026 is expected to exceed supply in 2026, according to Goldman estimates. They believe that the new supply of equity will be easily absorbed because there will be $1 tn of equity buybacks, which will exceed the new shares being sold this year. If so, that would ameliorate some of the worries about the giant IPO pipeline and the $85 bn new equity issuance from Alphabet. In addition, the number of IPOs will be much fewer than recent years, as the analysts forecast that there will be approximately 100 new IPOs in 2026, close to the 25-year average and well below the 250+ IPOs in 2021 and almost 400 in 1999, just before the technology bubble burst. However, given the size of some of these IPOs, 2027 could be more challenging as insider lockups expire, and more supply comes into the market. Meanwhile, Goldman has raised its year-end target for the S&P 500 to 8,000 based on expectations of continued strong profit growth, with AI infrastructure stocks leading the way with projected 34% earnings growth in 2026.

Exhibit 3: Corporate equity demand should exceed corporate equity supply this year



Source: Goldman Sachs Global Investment Research

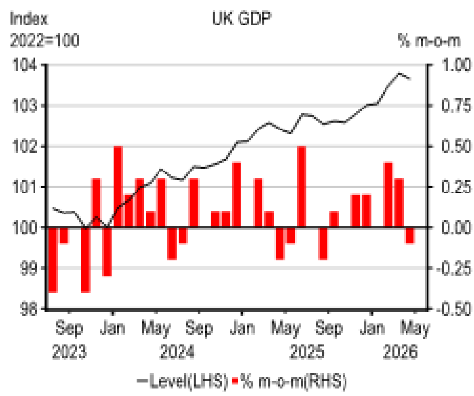
Euro area

European equities and bonds are trading higher on mounting expectations of a US-Iran peace deal. The Stoxx 600 was around +1.7% higher at the open with most sectors in positive territory except energy and utilities. The banking sector index was also trading higher at +3.8% with regional bourses all in the green. European government bond yields were around 3–7bp lower across the curve with the 10Y bund yield at 2.98% and the 2Y at 2.60% while Brent crude oil prices fell to $88/bbl—the lowest since mid-April. The euro remained rangebound against the dollar at 1.1576.

United Kingdom

UK April monthly GDP declined in line with expectations, while household inflation expectations rose in May. Analysts at JP Morgan note that some of the decline in monthly activity across the services sector was attributed to the conflict in the Middle East with the cancellation of sporting events affecting the output of UK-based businesses while manufacturing industries, accommodation and travel agencies said that the conflict had led to lower turnover in April. JP Morgan expects growth to slow further in Q2 as the impact of higher inflation from the energy price shock lowers real incomes. Morgan Stanley analysts argue that while near-term developments in the Middle East will be important for the tone of next week's MPC minutes, today's GDP data should provide some reassurance to those MPC members in favor of keeping rates on hold. Separate data released today showed UK May household inflation expectations climbed to 4.0%, up from 3.2% in the prior month. Gilts were rallying and outperforming global peers as expectations of a US-Iran peace deal rose after comments by President Trump late yesterday suggested a deal was imminent. The 10Y gilt yield was around 10bp lower at 4.80% while the 2Y gilt yield was 12bp lower at 4.21%. Money markets also scaled back BoE rate hike expectations and now expect around 35bp of hikes, down from 47bp priced yesterday.

1. GDP fell in April, for the first time this year

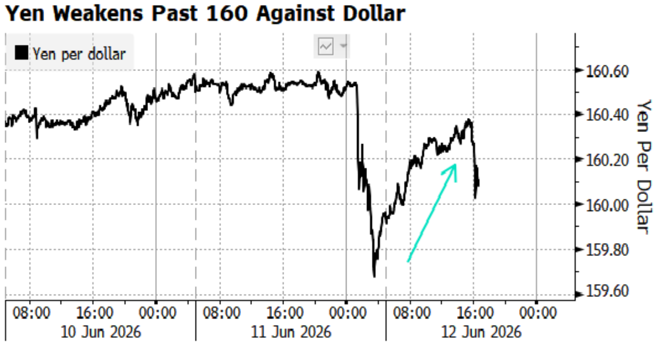


Source: Macrobond, ONS, HSBC

Japan

Japanese asset markets staged a broad risk-on rebound as hopes for a US-Iran deal lowered oil and supply-chain risks. Equities led the move, with the Nikkei 225 up 2.8%—its strongest gain since late May—and the TOPIX rising 1.4%, supported by electronics, banks, and sharp rebounds in chip-related names. Kioxia Holdings surged (+7.6%) today, becoming Japan's largest company by market value (JPY44 trn, $274 bn), replacing Toyota Motor. JGBs also rallied sharply (10-yr -6bp to 2.62%; 30-yr -7bp to 3.79%). However, the yen gave back overnight gains, depreciating (-0.1%) today to 160.10/$, as haven-dollar unwinding faded and investors saw limited catalysts for further yen buying. Looking ahead, markets broadly expect the Bank of Japan to hike to 1% and pause further JGB purchase tapering next week. Bloomberg analysts argue that, with the hawkish moves already priced in, Deputy Governor Uchida's press conference could trigger a "sell-the-fact" yen reaction and possible intervention concerns.

Yen Weakens Past 160 Against Dollar



Source: Bloomberg

Emerging Markets

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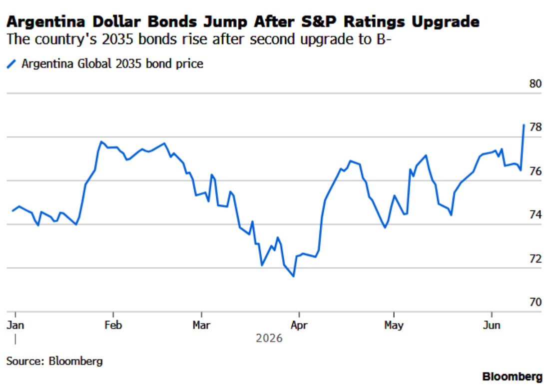
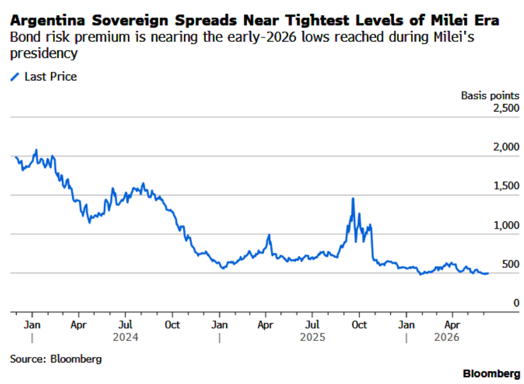
Asian currencies strengthened (EM Asia: +0.4%) on potential de-escalation in middle east tensions. Currencies of net oil importers appreciated sharply: Thai baht (+0.8%), Indian rupee (+0.8%) and Indonesia rupiah (+0.7%). Asian equities sharply rebounded (EM Asia: +3.5%) on another tech rally. Korea KOSPI's rose as much as 8.6% mid-day, before closing 4.6% higher after media reported that global banks are curbing hedge funds' leveraged bets on SK Hynix and Samsung Electronics. **EMEA risk assets advanced this morning**. While most Middle Eastern markets were closed for Friday, UAE equities gained 2.8%. Following yesterday's stronger-than-expected current-account data, South African markets extended gains, with stocks rising 2.4% today. The Q1 current-account surplus widened to 2.4% of GDP—the largest since 2022—supported by higher gold exports and lower imports. EMEA bond yields declined across the board, tracking global moves as fears of sustained energy-driven inflation eased, while CEE currencies strengthened against a broadly weaker US dollar. **Latin American markets rallied yesterday**. Major currencies strengthened against the dollar, with gains of 0.6% or more across the region. The Brazilian real (+1.8%) led the advance, followed by the Colombian peso (+1.6%) and Chilean peso (+1.3%). Equities also moved higher, with Argentina (+6.3%), Colombia (+3.9%), Mexico (+3.3%), Chile (+2.8%), and Brazil (+1.7%) posting notable gains.

Argentina

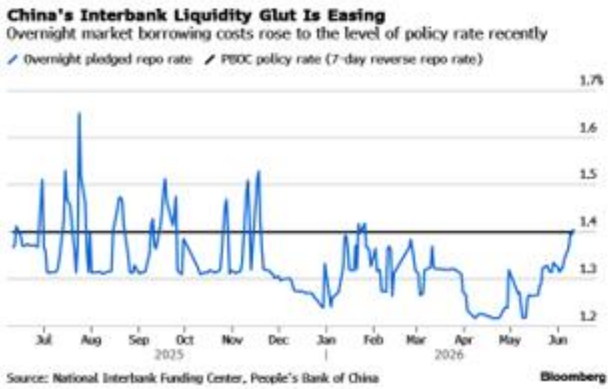
S&P upgraded Argentina's sovereign credit rating to B- from CCC+, maintaining a stable outlook. The move marks the second upgrade by a major rating agency this year, following Fitch Ratings in May. S&P cited Argentina's strengthened debt servicing capacity, supported by sustained fiscal surpluses and continued accumulation of foreign-exchange reserves, as key factors behind the upgrade. Argentina's dollar denominated bonds rallied across the curve in response to the announcement. According to Bloomberg, bonds maturing in 2035 rose by as much as 2.9 cents to 79.4 cents on the dollar (left chart). The rally extends a broader trend of improving investor sentiment, with the country's sovereign spreads narrowing steadily in recent months and approaching the lows reached earlier this year (right chart).

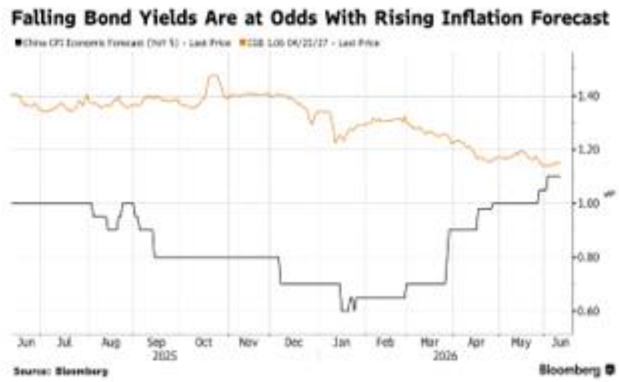




China

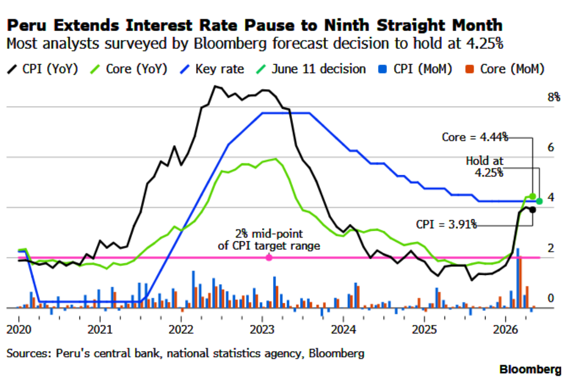
The yuan strengthened while equities rebounded. Today, both onshore CNY (+0.2%) and offshore CNH (+0.1%) strengthened, as the yuan was fixed stronger again at 6.8109/$. Equity sentiment improved (CSI 300: +1.2%) on a potential US-Iran peace agreement. Government bond yields dropped (10-yr -1bp to 1.74%; 30-yr -1bp to 2.23%) after a 5-day rising streak that began last Friday. However, overnight (+1bp) and 7-day (+1bp) repo rates continued to rise, now 20 and 16 basis points above their respective 2026 lows set in April and May. The tightening of money market conditions may reflect People's Bank of China's guidance towards state-owned banks to curb excessive interbank lending. According to a Bloomberg report, the move is part of an effort to prevent borrowing costs from drifting too far below the policy interest rate. This policy stance has contributed to declining repo volumes and signs of unwinding leveraged carry trades, alongside rising bond fund redemptions. The tightening comes against a backdrop of previously abundant liquidity driven by weak credit demand, which had anchored yields at low levels despite rising inflation forecast. Seasonal factors—including tax payments and quarter-end regulatory checks—are expected to keep funding conditions firm, leaving the bond market under pressure despite still ample system liquidity.

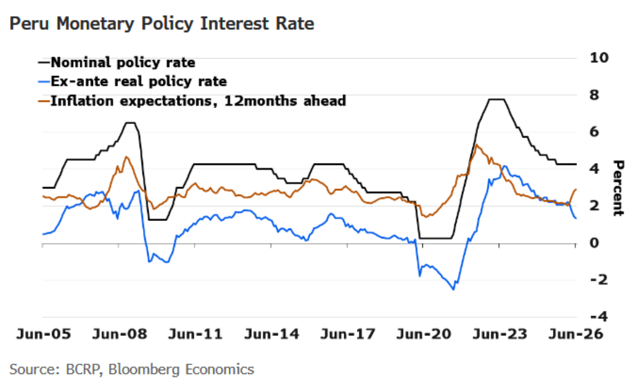




Peru

Peru kept its policy rate unchanged at 4.25%, in line with expectations. The central bank left interest rates on hold for a ninth consecutive month after annual inflation eased to 3.91% in May from 4.01% in April, marking the first decline since October (left chart). The decision was widely anticipated, with 13 of 14 economists surveyed by Bloomberg forecasting no change, while only one expected a 25bp increase. Headline inflation remained within the central bank's target range from April 2024 through February 2026 before accelerating past the upper bound in March. Bloomberg analysts attribute the recent pickup in inflation to a domestic natural gas shortage, higher global oil prices, and adverse weather conditions. While inflation moderated in May, analysts argue that additional tightening is needed since higher inflation expectations have pushed the real policy rate lower at a time when the economy is operating above potential (right chart). Policymakers reiterated future decisions will remain data dependent, at a time when risks surrounding El Niño and the Middle East conflict could add upward pressure.

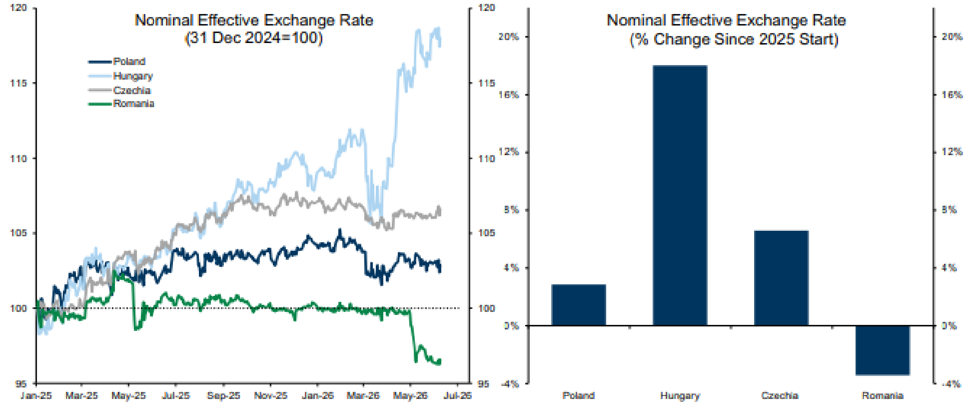




Hungary

Forint strength is supporting expectations of an earlier rate cut in Hungary and reinforcing confidence in the country's euro convergence path. Goldman Sachs (GS) now expects the MNB to ease policy in June, with currency appreciation and weak underlying inflation offsetting higher oil prices, while the release of EU funds and the government's commitment to meet Maastricht criteria by 2030 have further improved the medium-term outlook. The forint outperformed other CEE currencies today, strengthening by 0.3% versus the US dollar and 0.2% versus the euro.

Exhibit 11: CEE-4: We Expect FX Appreciation to Contribute to Lower Inflation, Especially in Hungary and Czechia
CEE-4 Nominal Effective Exchange Rates Since 2025



Source: Haver Analytics, Goldman Sachs Global Investment Research

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Global Financial Indicators

Last updated: 6/12/26 8:13 AM	Level: Last 12m	Level: Latest	Change: 1 Day	Change: 7 Days	Change: 30 Days	Change: 12 M	YTD
Equities					%		%
United States		7,291	-1.6	-3.9	-1.6	21.1	7
Europe		6,072	1.0	-0.5	3.0	12.6	5
Japan		64,217	0.1	-4.8	2.4	68.2	28
China		4,722	-0.6	-3.7	-4.6	21.3	2
Asia Ex Japan		112	-1.9	-8.1	-4.6	37.1	21
Emerging Markets		65	-1.8	-7.5	-4.8	35.3	18
Interest Rates					basis points		
US 10y Yield		4.5	-2	6	12	11	36
Germany 10y Yield		3.1	-2	3	2	52	20
Japan 10y Yield		2.7	0	2	17	122	62
UK 10y Yield		4.9	0	3	-7	38	45
Credit Spreads					basis points		
US Investment Grade		107	0	1	-4	-21	0
US High Yield		319	0	3	0	-30	-17
Exchange Rates					%		
USD/Majors		100.1	0.1	0.7	2.2	1.5	2
EUR/USD		1.15	-0.1	-0.8	-2.2	0.3	-2
USD/JPY		160.6	0.0	0.3	2.2	11.1	2
EM/USD		47.1	0.1	-0.5	-1.2	2.3	1
Commodities					%		
Brent Crude Oil ($/barrel)		91.9	-1.3	-3.3	-8.4	38.0	53
Industrials Metals (index)		178.4	-0.2	-4.7	-3.6	24.0	9
Agriculture (index)		54.4	0.0	-1.4	-8.6	-2.7	2
Gold ($/ounce)		4065.1	-0.2	-9.2	-14.2	21.2	-6
Bitcoin ($/coin)		62683.0	1.5	3.3	-23.4	-42.5	-28
Implied Volatility					%		
VIX Index (%, change in pp)		20.8	-1.5	5.4	2.4	3.5	5.8
Global FX Volatility		6.7	0.0	0.3	0.1	-1.4	-0.2
EA Sovereign Spreads					10-Year spread vs. Germany (bps)		
Greece		72	-1	2	2	0	13
Italy		76	-1	2	3	-15	7
France		77	-1	12	15	8	6
Spain		44	-1	1	2	-14	1

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations.
Data source: Bloomberg.

Emerging Market Financial Indicators

6/12/2026 8:13 AM	Exchange Rates: Level		Change (in %)					Local Currency Bond Yields (GBI EM): Level		Change (in basis points)				
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD
		vs. USD	(+) = EM appreciation						% p.a.					
China		6.78	0.0	0.0	0.3	6.1	3.1		1.8	1	3	-2	9	-11
Korea*		1532	-0.7	0.0	-3.9	-10.7	-5.7		4.3	1	16	44	154	99
Indonesia		17989	-0.3	0.3	-3.2	-9.6	-7.3		7.4	14	64	80	72	138
India		96	-0.5	0.0	-0.5	-10.7	-6.1		7.6	-1	-20	-35	76	53
Philippines		61	0.1	0.4	-0.4	-8.9	-3.9		6.1	0	4	25	121	146
Thailand		33	0.0	-1.0	-2.1	-1.1	-4.5		2.3	-3	1	8	47	58
Malaysia		4.07	0.1	-1.4	-3.5	4.2	-0.2		3.6	-2	2	2	3	8
Argentina		1433	0.6	0.4	-2.8	-17.1	1.3		0.0	0	0	0	-2923	-3237
Brazil		5.18	0.2	-2.2	-5.5	7.0	6.2		14.9	-2	40	115	81	130
Chile		914	0.3	-2.0	-1.8	2.9	-1.4		5.5	-1	0	4	-9	17
Colombia		3552	0.6	0.5	5.7	18.5	6.3		12.6	-15	-12	-142	14	-30
Mexico		17.42	0.0	-0.8	-1.3	8.6	3.4		9.1	2	2	2	-18	9
Peru		3.4	-0.5	0.2	0.6	6.6	-1.4		6.0	0	1	-68	-82	24
Uruguay		41	-0.2	-0.6	-2.2	2.1	-3.7		7.5	-4	3	3	-154	-7
Hungary		309	0.1	-1.2	-2.2	12.8	6.0		5.4	-2	-4	-25	-131	-116
Poland		3.69	-0.2	-1.2	-2.5	0.3	-2.8		5.2	-3	0	7	4	62
Romania		4.5	-0.2	-0.4	-2.8	-3.8	-4.7		6.7	1	1	3	-65	7
Russia		72.0	-0.3	1.9	2.6	10.4	9.4							
South Africa		16.5	0.2	-1.4	-0.7	7.1	0.1		8.9	1	14	0	-144	34
Türkiye		46.16	0.0	-0.3	-1.7	-15.1	-6.9		35.8	8	61	174	250	619
US (DXY; 5y UST)		100	0.1	0.7	2.2	1.5	1.8		4.26	-2	8	19	24	54

	Equity Markets: Level		Change (in %)					Bond Spreads on USD Debt (EMBIG): Level		Change (in basis points)			
	Last 12m	Latest	1 Day	7 Days	30 Days	12 M	YTD	Last 12m	Latest	7 Days	30 Days	12 M	YTD
								basis points					
China		4,722	1.2	-3.7	-4.6	21.3	2.0		82	0	-7	-19	7
Korea*		7,764	4.6	-10.1	1.6	165.9	84.2		23	0	-2	-3	1
Indonesia		5,886	2.1	0.8	-14.2	-18.3	-31.9		104	6	9	12	18
India		73,833	2.1	-0.7	-1.0	-9.6	-13.4		83	5	3	-18	-7
Philippines		5,910	0.0	0.0	-1.1	-7.6	-2.4		85	-1	1	10	10
Thailand		1,572	1.3	-1.4	6.0	39.3	24.8						
Malaysia		1,680	0.2	-0.2	-4.1	10.0	0.0		49	4	1	-24	-10
Argentina		3,153,150	0.1	-0.3	11.3	45.2	3.3		509	9	-12	-153	-60
Brazil		168,619	1.7	-3.2	-7.3	23.0	4.7		189	7	9	-23	-14
Chile		10,453	2.8	1.5	-2.3	25.6	-0.3		92	3	4	-20	1
Colombia		2,263	3.9	1.1	7.3	36.4	9.4		210	-6	-42	-137	-67
Mexico		64,822	-0.9	-5.1	-7.7	12.2	0.8		199	0	3	-85	-18
Peru		3,129	-0.8	-4.8	-3.8	61.8	21.1		88	-1	-8	-42	-21
Hungary		133,771	1.1	0.1	-0.4	39.6	20.5		107	-3	-2	-40	-32
Poland		135,424	2.2	-1.0	2.8	33.2	15.5		89	-2	-2	-18	-2
Romania		30,070	0.8	0.8	0.2	62.5	23.0		178	-5	-14	-49	2
South Africa		110,304	2.1	-1.9	-6.9	14.4	-4.8		205	-5	-22	-89	-13
Türkiye		13,773	2.3	-0.7	-9.0	42.2	22.3		262	2	1	-36	28
EM total		65	3.2	-7.5	-4.8	35.3	18.2		260	2	7	-107	-11

Colors denote tightening/easing financial conditions for observations greater than ±1.5 standard deviations. Data source: Bloomberg.

*Not an EM Under IMF Classification.

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