



MARKET COMMENTARY – June 2026

Quarter-End Commentary

Overview

- Global equities rebounded strongly over the June quarter, materially outperforming Australian equities and reversing much of the weakness experienced earlier in the year.
- Emerging markets were the standout region, led by exceptional returns from Korea and Taiwan, while technology was the dominant driver of global equity market performance.
- Australian equities generated solid gains, although sector performance remained highly dispersed, with Consumer Discretionary, Information Technology and A-REITs outperforming, while Energy and Health Care lagged.
- Fixed income markets were mostly positive for the quarter, with credit, high yield bonds and emerging market debt outperforming government bonds.
- Commodity markets weakened significantly during the quarter, particularly oil and gold, highlighting continued volatility across real asset markets.

Asset class recap to end of June 2026

Australian shares

The Australian equity market delivered a solid positive return during the June quarter, with the S&P/ASX 200 Index rising 4.05% and the broader S&P/ASX 300 Index gaining 4.14%. Mid-cap companies outperformed larger capitalisation stocks, with the S&P/ASX MidCap 50 returning 6.05%.

Performance across sectors was highly varied. Consumer Discretionary was the strongest-performing sector, gaining 18.02%, followed by Information Technology (+17.40%) and A-REITs (+13.55%). Industrials also produced strong gains of 9.05%. In contrast, Energy declined 16.72%, while Utilities (-6.61%), Health Care (-6.08%) and Telecommunications (-5.57%) finished the quarter lower.

Resource stocks produced a positive return overall, with the S&P/ASX 300 Resources Index rising 2.46%. However, returns were less favourable among smaller resource companies, with the S&P/ASX Small Resources Index declining 6.67%.

Global shares

Global equities significantly outperformed Australian equities during the quarter. The MSCI ACWI ex Australia Index returned 13.77% in Australian dollar terms.

US equities were a major contributor to performance, with both the MSCI USA Index and the S&P 500 returning approximately 15.2% over the period. European markets also delivered strong gains, particularly the Netherlands (+37.01%), Austria (+23.38%) and Spain (+16.03%), while Japan advanced 16.68%.

Market Commentary – 30 June 2026

This document is issued by Morningstar Investment Management Australia Limited (ABN 54 071 808 501, AFS Licence No. 228986) ('Morningstar'). © Copyright of this document is owned by Morningstar and any related bodies corporate that are involved in the document's creation. As such the document, or any part of it, should not be copied, reproduced, scanned or embodied in any other document or distributed to another party without the prior written consent of Morningstar. The information provided is for general use only. In compiling this document, Morningstar has relied on information and data supplied by third parties including information providers (such as Standard and Poor's, MSCI, Barclays, FTSE). Whilst all reasonable care has been taken to ensure the accuracy of information provided, neither Morningstar nor its third parties accept responsibility for any inaccuracy or for investment decisions or any other actions taken by any person on the basis or context of the information included. Past performance is not a reliable indicator of future performance. Morningstar does not guarantee the performance of any investment or the return of capital. Morningstar warns that (a) Morningstar has not considered any individual person's objectives, financial situation or particular needs, and (b) individuals should seek advice and consider whether the advice is appropriate in light of their goals, objectives and current situation. Refer to our Financial Services Guide (FSG) for more information at morningstarinvestments.com.au/fsg. Before making any decision about whether to invest in a financial product, individuals should obtain and consider the disclosure document. For a copy of the relevant disclosure document, please contact our Adviser Solutions Team on 1800 951 999.



MARKET COMMENTARY – June 2026

Emerging markets were the strongest-performing region globally. The MSCI Emerging Markets Index returned 22.64% in Australian dollar terms and 24.12% in local currency terms. Performance was led by Korea, which gained 89.74%, and Taiwan, which rose 48.33%. Conversely, Indonesia (-22.38%), Brazil (-8.92%) and China (-6.87%) produced negative returns.

Technology remained the dominant investment theme globally. The MSCI World Information Technology Index rose 33.80% during the quarter, while Emerging Markets Information Technology surged 73.92%, highlighting the continued strength of technology-oriented markets.

Bonds

Fixed income markets were generally positive during the quarter with the Bloomberg Global Aggregate TR (Hedged) returning 1.46% across the quarter. Government bonds produced modest gains, with Australian Government Bonds returning 2.71% and Global Treasuries hedged to Australian dollars returning 1.23%.

Credit markets outperformed sovereign bonds. Global investment grade credit indices returned approximately 2.0%, while Australian credit index gained 2.49%. High yield bonds were among the strongest-performing fixed income sectors, with Global High Yield returning 3.79%.

Emerging market debt also delivered strong results. USD-denominated Emerging Market Bonds gained 4.55% during the quarter, while Local Currency Emerging Market Bonds returned 4.17%.

Global property & infrastructure

Listed property delivered a strong recovery during the quarter. The S&P/ASX 300 A-REIT Index rose 13.55%, while global REIT markets generated returns slightly lower with the FTSE Nareit Composite Index returned 10.50%.

Global infrastructure also produced positive returns, although performance was more modest than listed property. The Morningstar Global Equity Infrastructure NR index returned 3.31% across the quarter, hedged to Australian dollars.

Commodities

Commodity markets weakened sharply during the June quarter. Brent crude oil declined 38.39%, gold fell 12.64%, and the broad-based S&P GSCI Commodity Index lost 11.38%.

Despite the quarterly correction, longer-term performance remained positive. Over the past year, gold gained 22.47%, while the S&P GSCI Commodity Index returned 30.39%.



MARKET COMMENTARY – June 2026

Currencies

The Australian dollar spent much of April and May trading firmer against major currencies before easing back during June. The most notable move occurred against the US dollar, where the Australian dollar strengthened through much of the quarter before giving back some gains late in the period.

Against major currencies, the Australian dollar remained strongest versus the Japanese yen, traded broadly in the middle of its recent range against the US dollar and euro, and remained weakest against the British pound.

This broad AUD strength meant that hedged exposures again generally outperformed unhedged exposures.

Outlook

The June quarter again highlighted the benefits of maintaining diversified portfolios across regions, sectors and asset classes. Global equities, particularly emerging markets and technology-related sectors, were the primary drivers of performance.

Although market sentiment improved considerably during the quarter, as geo-political concerns eased, leadership remained concentrated in a few sectors and regions. The sharp divergence between technology and energy sectors, as well as the significant variation across country returns, reinforces the importance of diversification and disciplined portfolio construction.

As markets continue to adjust to shifting economic and policy expectations, maintaining broad exposure across asset classes, regions, sectors and varying return drivers remains an important consideration for investors.