Neil's Monthly Update - June 2026

Stabilizing After Spring Volatility

Still waiting on this super El Nino...?

May was a month of consolidation for global markets and consolation for Oiler fans. After the heightened anxiety caused by the energy price spikes in March and April, investors finally found a moment to catch their breath. While geopolitical headlines remain a constant backdrop, the market has begun to look past the immediate shock of the Middle East conflict, focusing instead on how corporate earnings and consumer spending are holding up in a higher-cost environment.

After peaking in March and April, oil prices showed signs of peaking as well. Brent crude hovered in a tighter range throughout May, providing some much needed relief for industrial companies and logistics firms. We believe the market is now better at pricing in the geopolitical risk premium, which has reduced the daily volatility we saw earlier this spring.

The U.S. market saw the tech sector remains sensitive to interest rate expectations, the broader index managed to hold onto gains as investors rotated back into quality companies with strong balance sheets. Canadian market continues to be anchored by the energy and materials sectors.

While the initial surge in commodity prices has leveled off, the strong cash flow generation from these companies is keeping the TSX resilient. We are also seeing renewed interest in the financial sector as bank earnings reports in late May indicated that the Canadian consumer is proving to be more durable than many analysts previously feared.

Our focus is on corporate margin sustainability. We want to see companies that have successfully managed their input costs throughout the spring. We continue to favor a balanced portfolio that leans into the stability of the resource sector while maintaining exposure to quality leaders that can navigate an environment where interest rates may begin to rise.

As we move into June, the sports world is dominated by the intensity of the NHL playoffs. If watching Vegas and Carolina is not your fancy, then check out the run of Maja Chwalinska at the French Open. Another feel good story anchored in showing up against all odds. Amazing heart!

Enjoy the transition into summer. As always, please let us know if you there is anything you need.

All the best from your team at the Bosch Investment Group!

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