

Monthly Insight

TORICUM PRIVATE BANK

Headlines

The strength of corporate America makes up for its failing political class

The robust Irish economy has little impact on the overall weakness of the Eurozone

The UK government struggles to balance the public purse despite high Foreign Direct Investment

Increased participation of women and older workers in the Japanese labour force boosts Retail Sales

“The US stock market's value relative to GDP has reached a record 234%.”

13th July 2026, Charlie Bilello, Chief Market Strategist at Creative Planning.

Market watch

Equity indices	Level	1 month	YTD	1 year	3 year	5 year	Dividend yield	P/E ratio ¹	P/B ratio ²
S&P 500	7,515	1.1%	9.8%	19.9%	66.8%	71.8%	1.1%	27.7	5.7
Nasdaq 100	29,264	-1.3%	15.9%	28.0%	88.0%	96.4%	0.6%	36.9	9.1
Dow Jones	52,499	2.5%	9.2%	18.1%	52.1%	50.3%	1.5%	25.2	6.1
FTSE 100	10,494	0.2%	5.7%	16.6%	41.2%	48.0%	3.2%	15.7	2.3
Eurostoxx 50	6,251	1.0%	7.9%	16.4%	42.1%	52.5%	2.8%	18.0	2.5
Swiss Market Index	14,236	3.9%	7.3%	19.2%	28.1%	18.2%	2.8%	20.6	4.7
Nikkei 225	67,744	-2.3%	34.6%	70.7%	109.1%	139.6%	1.3%	24.6	3.0
Hang Seng	24,341	-1.5%	-5.0%	0.6%	25.4%	-12.4%	3.1%	12.6	1.3
CSI 300	4,797	-1.9%	3.6%	19.3%	23.0%	-6.9%	2.3%	18.8	1.9
MSCI Emerging Markets	1,649	-3.9%	17.5%	34.3%	60.4%	23.3%	2.0%	18.1	2.4
MSCI All Countries	1,117	0.4%	10.1%	20.9%	60.4%	53.8%	1.6%	23.7	3.8

¹ P/E ratio = Price-to-Earnings ratio, ² P/B ratio = Price-to-Book ratio

Market data

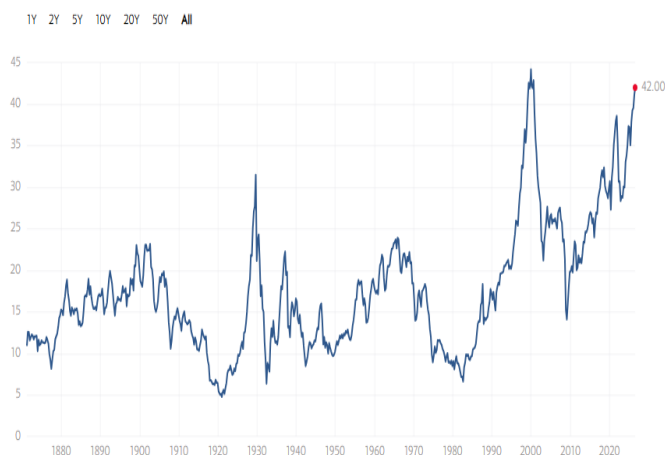
Macroeconomic data	US	UK	EU	CH
Inflation (monthly)	-0.4%	0.2%	-0.1%	0.0%
Inflation (yearly)	3.5%	2.8%	2.8%	0.5%
GDP (quarterly)	2.1%	0.6%	-0.2%	0.7%
GDP (yearly)	2.1%	0.9%	0.3%	0.5%

Commodities & crypto	Level	1 month	YTD	1 year
WTI crude oil	81	-4.8%	40.8%	20.7%
Metals Index	5,561	-3.4%	9.2%	34.2%
Gold	4,075	-5.5%	-5.7%	21.9%
Bitcoin	63,816	-0.2%	-27.2%	-46.9%

Yield curve	Base rate	2 year	5 year	10 year
USD	3.75%	4.2%	4.3%	4.6%
GBP	3.75%	4.4%	4.5%	5.0%
EUR	2.25%	2.8%	2.8%	3.1%
CHF	0.00%	0.2%	0.3%	0.4%

Forex	Level	1 month	YTD	1 year
GBP / EUR	1.17	1.2%	2.1%	1.8%
GBP / USD	1.34	0.0%	-0.4%	-0.1%
EUR / USD	1.14	-1.2%	-2.5%	-1.8%
EUR / CHF	0.92	0.4%	-0.6%	-0.6%

Chart of the month



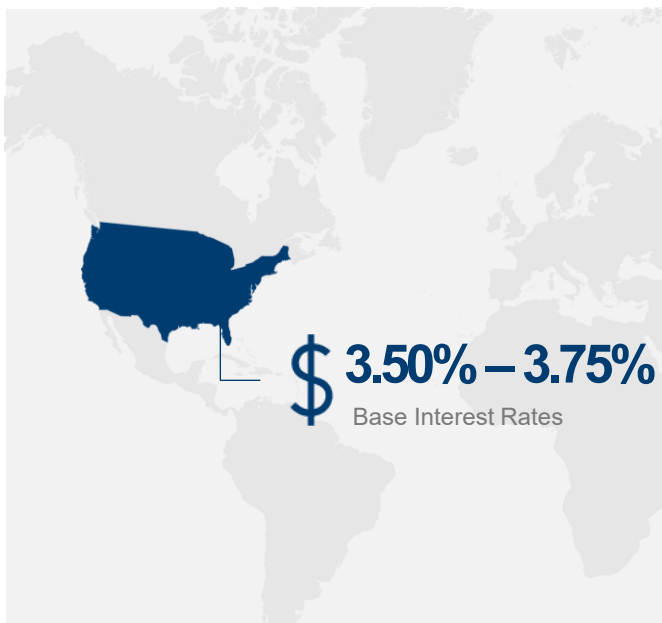
Shiller PE Ratio for the S&P 500

The Shiller Price Earnings Ratio is based on average inflation-adjusted earnings from the previous 10 years and is also known as the Cyclically Adjusted PE Ratio (CAPE Ratio). It currently stands at 42.0 times, an elevated figure, slightly below its record high of 44.19 set in December 1999 at the height of the dot-com bubble. For additional context, the annualized S&P 500 earnings growth rate in December 1999 was 27.74%, higher than FactSet's latest estimate for the second quarter of 2026 of 23.60%. The actual growth rate may be even higher as companies often release earnings above market estimates. If this happens, the relatively high market valuation will be supported by strong results. On the other hand, if companies disappoint, as we experienced at the turn of the century, when investors rush for the exit, they tend to do so en masse.

Market news

The markets always pay close attention to interest rates, and this time is no exception. The US and UK central banks both left rates unchanged at their respective June meetings, as both economies struggle to rein inflation within the 2% target rate. Given the ever-increasing public debt of both the US and the UK, high interest rates further exacerbate the high debt load, which in turn pushes investors to demand a higher return on loans provided to the government. Central banks may control short-term rates, but the market has far more influence on longer rates. The recent rise in longer term Treasury yields in the US and the UK will therefore increase government borrowing costs and will eventually also feed through to higher corporate borrowing rates.

Global equity markets are dominated by the US, with a market capitalisation representing around two thirds of the global market capitalisation. The latest performance of the 500 biggest quoted companies was excellent. The actual year-on-year (YoY) earnings per share (EPS) growth rate for the S&P500 index reached 27.7% in the first quarter of 2026, exceeding initial estimates of roughly 15%. Q2 earnings season starts on 14th July, with big banks reporting results. FactSet increased its Q2 expected S&P500 companies' earnings growth from 23.3% to 23.6%. If correct, this would mark the second consecutive quarter of growth exceeding 20%. Corporate America is therefore firing on all cylinders, pushing up valuations and generating strong performance for equity investors.

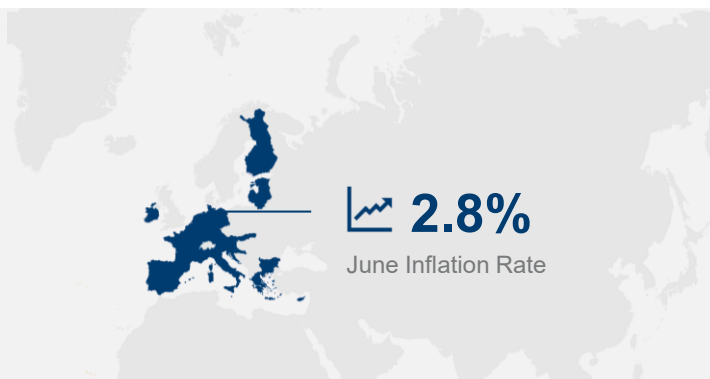


United States

As widely expected, the Fed kept interest rates on hold at 3.50% - 3.75% in June. US jobs growth was below expectations in June, the economy having created 57,000 new jobs, versus an anticipated 113,000. Furthermore, initial estimates of job gains in April and May were adjusted downward by a combined 74,000. This bad news does, however, represent an argument for the committee members in favour of cutting interest rates. Despite rising US Treasury yields, US credit spreads remain historically tight, with investment-grade corporate bonds yielding about 76 basis points over Treasuries. Such tight spreads reflect resilient corporate fundamentals, ample liquidity and strong investor demand. However, the US private debt market continues to be under pressure as many investors try to pull money out of US private credit funds.

Eurozone

Euro-area inflation declined to 2.8% YoY, below the 3.0% estimate, following a May reading of 3.2%. Unemployment also improved to 6.2% versus 6.3% expected. European consumption remains subdued with Retail Sales growing 0.2% in May, bringing the YoY figure to a mere 1.6%. On the positive front, Intel announced plans to invest EUR 5 billion in an Irish plant to meet surging AI chip demand.



United Kingdom

Despite Ireland's strength in attracting capital from foreign tech firms, the UK leads Europe in tech Foreign Direct Investment (FDI). The UK secured 155 FDI projects in 2025, beating France (104 projects) and Germany (102 projects). However, the UK still faces many economic challenges: Public Sector Net Borrowing in May amounted to GBP 23.3bn versus an estimate of GBP 18.1bn. Furthermore, Gross Domestic Product growth disappointed, coming in at 0.9% in June, lower than an estimated 1.1%. Keir Starmer's replacement as Prime Minister is unlikely to make a significant difference to the state of the UK economy.

Japan

Japan's population has been declining since 2008 and now stands at around 122 million, while the median age is approximately 50 years' old. Japan's economy remains resilient despite its poor demographics. Retail Sales grew by 5.3% YoY in May, far exceeding expectations of 3.0% and a prior month figure of 2.1%. The jobless rate remained at 2.5% as women and older workers increasingly participate in the labour force.





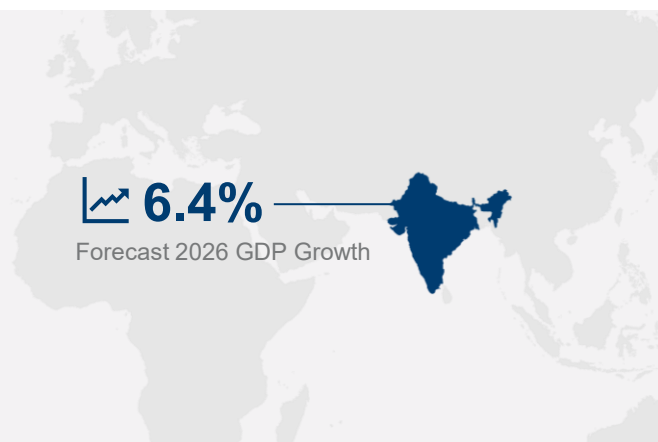
China

China's exports spiked in June, increasing by an impressive 27.0% YoY, far exceeding expectations of 19.0%. Imports also rose more than anticipated (by 36.0% YoY) as manufacturers increased purchases of raw materials, including oil and other commodities, to boost manufacturing activity.

In 2025, China spent RMB 3.93 trillion (approximately USD 550 billion) on Research and Development (R&D), equivalent to 2.8% of Gross Domestic Product (GDP). The OECD estimates that China has now matched or slightly surpassed the United States as the world's largest spender on R&D.

India

India remains one of the world's fastest-growing major economies, although inflation has become the key focus over the past month. Consumer Price Inflation rose above the Reserve Bank of India's 4% target for the first time in 17 months, reaching a recent high of 4.38% YoY. Despite these inflationary pressures, the International Monetary Fund continues to forecast GDP growth of around 6.4% for the current fiscal year.



Oil

Oil prices remained volatile over the past month as Iran blocks and frees up the Strait of Hormuz as and when the US respects and breaks the ceasefire.



Crypto

Strategy Inc. (formerly MicroStrategy), the world's largest corporate holder of Bitcoin, recently sold part of its Bitcoin holdings despite its "Buy and Hold" philosophy, prompting a short-term decline in the cryptocurrency's price.

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