

# Weekly Market Snapshot

## The Nasdaq is not the only game in town

### Weekly Recap

- Eurozone inflation rises for the first time in years to more than 3%, reaching 3.2% in May.
- US job openings beat consensus forecasts and have approached a 2-year high.
- Anthropic files for an IPO following in the footsteps of SpaceX which filed for an IPO in May.
- Discussions between the US and Iran regarding a peace deal are still in place although this week has seen an escalation of tensions in South Lebanon.

### Snapshot

The Nasdaq 100 has surged 21% year-to-date, driven not by the "Magnificent Seven" (up just 10%) but by the Semiconductor sector, which has soared 66% amid AI enthusiasm and strong earnings.

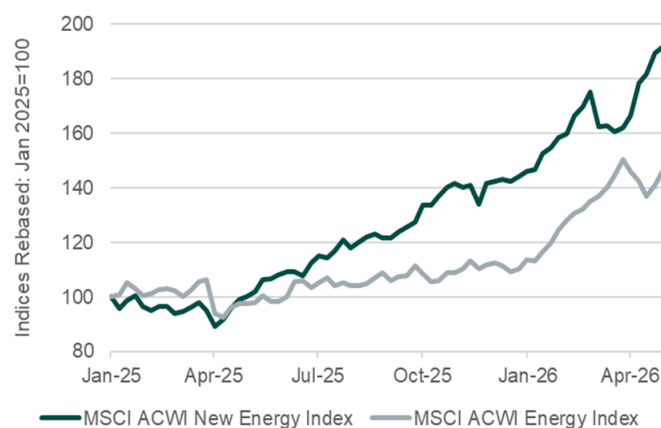
However, this rally is narrow, as the S&P 500 excluding tech has gained only 3%, while Europe's Stoxx 600 has risen 8%, with sectors like Basic Resources (+33%), Energy (+29%), and Tech/Telecoms (+28%) outperforming the Nasdaq.

Beyond Europe, Emerging Markets (MSCI EM Index +24%), led by Taiwan and South Korea's chipmakers, and Japan's Nikkei 225 (+17%) have also delivered outstanding performances.

This highlights that diversification beyond US tech—into European industrials, Asian equities, and emerging markets—can deliver stronger, more balanced returns amid the AI-driven rally.

Market	02/06/2026	% Chg 1 Wk	Return Trend	
	Level		1 Month	1 Year
<b>Stocks</b>				
S&P 500	7610	+1,2%	↗	↗
Euro STOXX 50	6108	+0,7%	↗	↗
FTSE 100	10374	-1,1%	↗	↗
Nikkei 225	68467	+5,3%	↗	↗
MSCI EM	1789	+2,9%	↗	↗
<b>Bonds</b>				
	<b>Yield</b>			
US 10Y	4,5	-0,2%	→	↗
Gm 10Y	3,0	+0,3%	↗	↘
UK 10Y	4,9	-0,3%	↗	↗
Jp 10Y	2,6	-2,1%	→	↘
<b>IG Credit</b>				
	<b>Yield</b>			
US	5,3	-0,6%	↗	↗
EU	3,5	-0,0%	↗	↗
UK	5,6	-0,4%	↗	↗
<b>Alternatives</b>				
Gold	4462	+0,2%	↘	↗
Copper	6,6	+5,0%	↗	↗
S&P Global Infra	3785	-0,9%	↘	↗
EU REITs	1594	-1,3%	↗	↗
BBG Hedge Fds	1880	+0,1%	→	↗

### ENERGY SECURITY REVIVES INTEREST IN RENEWABLE ENERGY



Source: BNP Paribas, Bloomberg

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## The Nasdaq 100 rally

Despite persistent geopolitical risks, including the prolonged US-Iran conflict and the closure of the Strait of Hormuz, which over the long term may threaten global economic stability, global equities have continued their ascent, propelled by an unrelenting rally in US technology stocks and the AI-driven investment frenzy. This excitement surrounding AI has been reinforced by exceptionally strong Q1 results of large tech companies in the US and elsewhere. The Nasdaq 100, the tech-heavy benchmark, has surged 21% year-to-date in US dollar terms, a performance that might suggest broad-based strength in the sector. Yet, the reality is more nuanced: this rally is not led by the "Magnificent Seven", the mega-cap tech darlings, whose gains have been a modest 10% year-to-date. Instead, the semiconductor sector has emerged as the dominant force, soaring 66% since January.

However, this tech-centric surge has not spilled over into the broader US market. While the S&P 500, on a market cap weighted basis, has climbed 11% year-to-date as of 1 June, this performance is heavily concentrated in technology stocks. Excluding tech, the S&P 500's performance drops to just 3% YTD, revealing a narrow market leadership dynamic.

## Europe's hidden gems: sectors beating the Nasdaq

In contrast to the US, Europe's Stoxx 600 has delivered an 8% return, with several sectors outpacing the Nasdaq 100.

### A TECH-CENTRIC SURGE



Source: BNP Paribas, Bloomberg

Basic resources and mining, often considered HALO (Heavy Asset, Low Obsolescence) industries, have surged 33% YTD, while energy stocks, despite recent volatility, are up 29%. Even European tech and major telecoms have thrived (+28%), demonstrating that selective exposure within the region can rival, or even exceed, the returns of US tech giants.

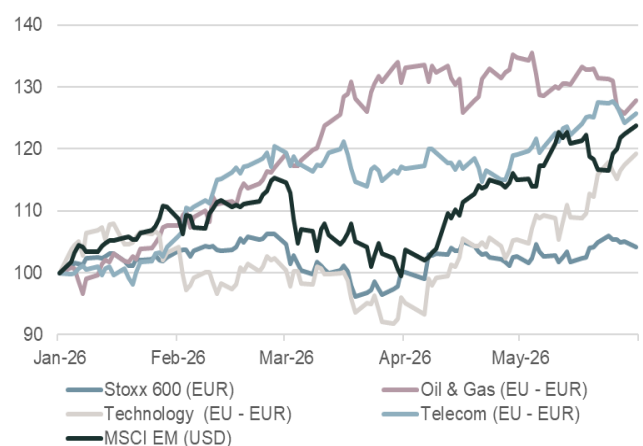
## Asia and Emerging Markets

Beyond Europe, Emerging Markets and Asia are also delivering outstanding performances. The MSCI Emerging Markets Index, led mainly by Taiwan and South Korea's memory chip manufacturers, has advanced 24% year-to-date, surpassing the Nasdaq 100. Japan's Nikkei 225, another tech-influenced market, has rallied 17% in local currency terms, pushing the index to new all-time highs, nearing 66,000.

## Diversification beyond US Tech

For investors tempted by the allure of US tech stocks, the lesson is clear: diversification remains key. While the AI-driven tech rally is dominating the headlines, Europe's industrial and tech-adjacent sectors, along with Asia's emerging market and Japanese equities, offer compelling alternatives, proving that strong returns are not exclusive to one sector.

### EUROPE AND EMERGING MARKETS ARE ALSO DELIVERING OUTSTANDING PERFORMANCES



Source: BNP Paribas, Bloomberg



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