

Purple Patch

MAY 2026

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In the news: Homer Simpson and Hugo Drax

The Trump/Musk double act split in June last year, blowing up on social media with much name calling. They have since both gone on to have eventful solo careers. Trump has bombed Iran, promising both a removal of Iran's nuclear capabilities and a path to peace in the region. His tactics have so far resulted in no nuclear deal, regional unrest and the likelihood of ships paying a toll to pass through the Strait of Hormuz. D'oh!

Meanwhile, Elon Musk has gained huge influence across social media, space travel and AI and wants a city on Mars. He is also in the process of potentially making SpaceX the largest IPO debut in history (targeting a \$1.75tr valuation and raising up to \$80bn). This would put Musk in charge of two trillion-dollar public companies, which could make him the world's first trillionaire. Power and influence beyond imagination, Mr Bond.

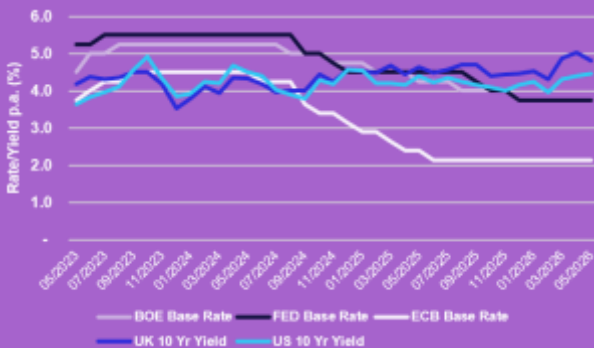
Whilst Homer and Hugo go their separate ways, the UK government looks to do the same. Keir Starmer's position looks increasingly shaky, with the sympathetic "stepping down" of Josh Simons in Makerfield clearing a path for front runner Andy Burnham to challenge the leadership. A Burnham by-election win is by no means guaranteed but the revolving door that is 10 Downing Street continues to spin. We have not had a Prime Minister complete a full parliamentary term after winning an outright majority since Tony Blair!

In markets, bond investors got "yippy" mid-month on fears of inflation and, in the UK, fiscal and political uncertainty, before retreating on weaker economic news. Meanwhile, the S&P 500 closed at an all-time high and credit spreads remained remarkably tight. Oil prices retrenched sharply from their recent highs. It would seem that bond markets are rubber-necking, whilst US equities are saying there is nothing to see here.

And finally, a nod to Nvidia's Q1 finances. Quarterly revenue was \$81.6bn (up 85% from a year ago), it achieved a gross margin of 75% and has a market valuation of over \$5tr. The world's largest company powers the AI revolution. It has returned more than twice the S&P500 over the last year and delivered an incredible 1,200% over 5 years. If only we had known!



Bond Yields and Rates



Equities, Gold and Oil



Market Stats



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Sports news

Football: Arsenal have won the Premier League for the first time in 22 years but were beaten on penalties by PSG in the Champions League final.

Football: Manchester City won the FA Cup, beating Chelsea 1-0 in a drab affair.

Football: Crystal Palace won the UEFA Conference League, making it a remarkable three trophies in a little over 12 months.

Rugby Union: Bordeaux won the Champions Cup, beating Leinster with an emphatic attacking display.

Rugby Union: England's continued dominance of the women's game saw them win the Six Nations, beating France in the final round. They are now unbeaten in 38 games.

Darts: The Premier League Darts finals night at the O2 saw all three matches go to a deciding leg, before Luke Littler edged Luke Humphries 11-10 in the final.

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A good news story

It has been over 40 years since the end of commercial whaling and there are now increased sightings of the world's two biggest species: blue and fin whales.

Sightings in the southeastern Atlantic are still rare but it is estimated that the blue whale population is growing at 5-8% per year.

However, the population is still only 3% of pre-whaling numbers.

Fin whales are growing at 4-5% per year, with the population at 30% of pre-whaling levels. The news for whales is encouraging.



Quote for the Month

"It takes two to lie: one to lie and one to listen."

Homer Simpson

Stat of the Month

5.8%

30-year Gilts briefly hit their highest level since 1998, a time around the birth of Google and the Euro.

