

Purple Patch

JUNE 2026

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Purple Daffodil
CONSULTING

In the news: Is it me, or is it hot in here?

In the UK and parts of northern Europe June temperatures broke all records, with some European locations exceeding 40 degrees. Some of our older infrastructure buckled under the heat.

On that note, Keir Starmer agreed to step down as PM following Andy Burnham's by-election win. Burnham is now odds-on to become PM, with a commitment to devolving power to the regions. There is still much to understand about what that actually means but if he can replicate the decades long regeneration of Manchester elsewhere, then perhaps we will finally see something different.

The signed US-Iran Memorandum of Understanding created an immediate ceasefire, which lasted no time at all. It reopened the Strait of Hormuz, albeit with a continuing "pay to sail" arrangement, and it included an agreement for the US to release frozen Iranian assets. There is a 60 day negotiation period to get to a permanent settlement but it is hard to see a success story from here.

Space X went public (at least in part), closing its first trading day with a valuation of \$2.1tr. In the same month, the Vanguard S&P 500 ETF became the first \$1tr ETF. There are now more ETF's listed on the US stock exchanges than individual stocks, and passive investing attracts more assets than active. Forget the traditional passive versus active debate, the implications extend beyond that.

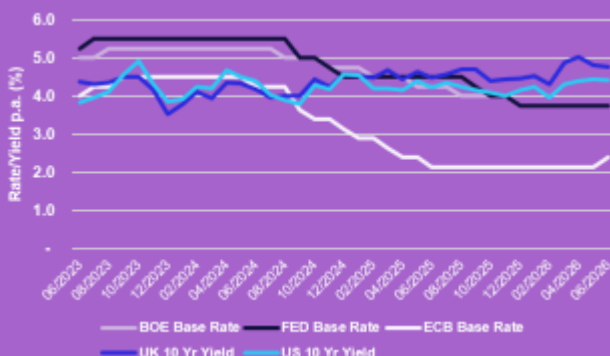
One argument is that when very large companies list, they suck in capital that could be deployed elsewhere. Smaller companies therefore suffer as their cost of capital rises. Passive funds then buy more of those large stocks, which feeds back into their valuation. Does this create more opportunity in active management, particularly in smaller companies? Or does the fear of missing out compel investors to hold mega stocks, however uncomfortable the concentration becomes?

Europe and Japan both raised interest rates by 25bps – higher for longer is still very much alive.

Finally, market volatility returned: Gilt yields climbed back down from their May highs, mega tech fell as investors took profits and looked towards old industries such as healthcare and financials, the oil price fell sharply and the Japanese yen hit a low against the dollar not seen since 1986. It is definitely hot in here!



Bond Yields and Rates



Equities, Gold and Oil



Market Stats





Sports news

Cricket: New Zealand beat England to claim the series 2-1, on a day that saw Ben Stokes play his last test match following his announced retirement from test cricket.

Football: The small matter of the World Cup got underway in the US, with some early big casualties including Germany, the Netherlands and Scotland. A good job this is going out this morning!

Golf: Wyndham Clark won the US Open for the second time, at Shinnecock Hills, having to tame a hostile crowd in the process.

Rugby Union: Northampton Saints beat Exeter Chiefs at Twickenham to win the Gallagher Premiership final, 26-17. Saracens Women won the equivalent, comfortably beating Trailfinders.

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A good news story

If you watch Clarkson's Farm you may have seen a take on this with nesting birds. A Bavarian wildlife rescue organisation is using thermal imaging drones to detect baby deer in tall grass.

In spring, fawns are hidden amongst the grass at a time when those grasses are mown. Thousands die each year when their natural defences make them freeze in the face of the mowers.

The drones will replace the labour intensive manual spotters and are saving many more fawns, as well as hares and nesting birds, before mowing begins.



Quote for the Month

"Sometimes there is no happy choice, only one less grievous than the others."

Jon Snow, Game of Thrones

Stat of the Month

37.7°C

Provisional temperature recorded at Lingwood in Norfolk on 26 June

