Your Weekly Investment

Insights

June 29, 2026

VERDENCE CAPITAL ADVISORS

Key **Takeaways:**

- Ten years since Brexit!
- Promises made with few kept.
- Less EU migration was only replaced with non-EU migration.
- Regulatory ownership has been a positive.
- Political instability has been an ongoing problem.

The Ten Year Anniversary of Brexit

Last week, the United Kingdom marked the 10th anniversary of Brexit, the 2016 referendum in which 52% of British voters chose to leave the European Union. The decision ended a 47-year membership that began in 1973, when Britain joined what was then the EEC, the trade bloc that eventually became the EU. The campaign to leave was fueled by four core frustrations: rising immigration that was straining public services, the cost of EU membership at a time when domestic programs were struggling, the desire to reclaim sovereign lawmaking, and the belief that Britain could negotiate better trade deals on its own terms. Ten years later, the results are mixed. In this Weekly Insights, we examine the key reasons why Britons voted to leave and how successful these foundational changes have been.

- **What was promised?** "The Leave Campaign" promised a crackdown on immigration, an extra £350 million to be sent to the National Health Service (NHS), lawmaking to be brought back from Brussels, new global trade deals and control of British fishing waters.
- **What happened with immigration?** While EU migration fell sharply in the aftermath of Brexit, it was replaced with non-EU migration. In fact, net migration peaked over 900K in 2023 compared to ~270K in the year the Brexit referendum was held.
- **Social services did not improve.** The money that was supposed to be redirected from the EU memberhship fee to the NHS never happened. The promise of faster treament plans failed with some plans and services taking longer than before Brexit. In addition, workers in the social and healthcare space dwindled when the immigration crackdown on EU migration occured.
- **Fewer workers did not help with wages.** While the "Leave" campaigners promised better wages with less EU migration, it failed to materialize. Instead, post Brext inflation and COVID related supply disruptions have kept inflation elevated and is eating into Britons' wages.
- **Lawmaking back home**. The UK now has regulatory authority over many important issues for the British citizens (e.g., livestock, fishing waters, and healthcare).
- **Trade improved.** By negotiating their own trade deals, the UK has become the third fastest services exporter in the G7.

Bottom Line

Ten years later and the success of Brexit is debatable. The political instability alone is noteworthy with seven prime ministers since the referendum compared to only three in the 18 years before it. Economic, growth has slowed, real wages have stagnated, public services still struggle, and the trade gains from new deals have failed to replace what was lost by leaving the EU. The regulatory freedom is genuine, but its benefits remain largely unrealized. Whether future leaders can deliver on the original promise of Brexit, a more prosperous, self sufficient Britain, is the question that will define the next decade of British politics.

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Weekly Economic Recap –

U.S. consumer spending strong; AI capex boom continues

The preliminary reading on the S&P Global Composite Index rose slightly in June (from 51.5 to 52.2). The strength was led by activity in both the manufacturing and service sector. However, within manufacturing, the employment component fell to the lowest level since 2020.

New home sales declined for the second consecutive month in May and to the second worst annual rate since 2022. The decline was concentrated in weak sales in the south and the west, while the northeast and midwest saw sales increase. Due to the decline in sales the months' supply of new homes jumped to the highest since July 2022 (10.3 months).

The Fed's preferred inflation gauge, Core PCE (YoY) rose at the fastest pace since 2023 (+4.1% YoY). The increase was led by service prices, specifically portfolio management fees, airfare and healthcare prices.

Both personal income and spending rose more than expected in May. The personal savings rate remained unchanged at 3.0%, well below the prior 10 year average (6%).

The preliminary reading on durable goods orders for May showed that orders declined at the fastest pace in 11 months. However, core capital goods orders (excluding aircraft and defense) rose more than expected, showing the growth in the AI capex boom.

Key Takeaways:

- New home sales fall as mortgage rates rise in May.
- Core inflation elevated on service prices.
- AI capex supports core durable goods orders.
- Global equities fall on tech jitters.
- Bonds rally as equities slide.
- Commodities driven lower by energy.

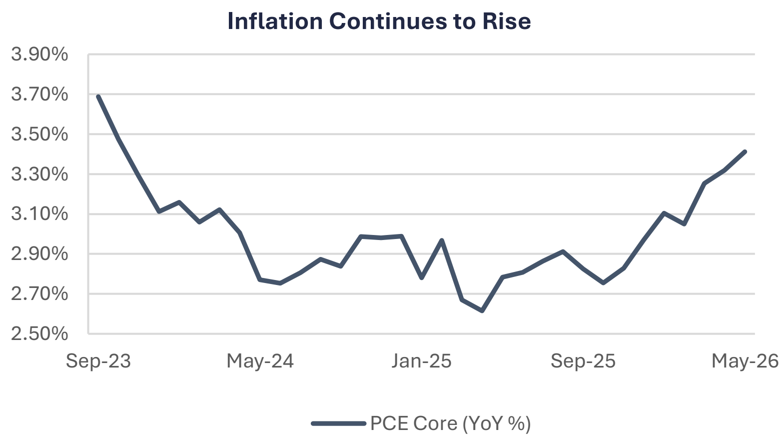
Weekly Market Recap –

Global equities rise on hopes for a peace deal

Equities: The MSCI AC World Index declined for the first time in three weeks led by technology as fears of AI capex spending materialized. The S&P 500 dropped more than its developed market counterparts (MSCI EAFE) led by the info technology and communication service sectors. The weakness was concentrated in the S&P 500, NASDAQ and Russell 1000 Growth Index. In fact, the Russell 2000 Index rallied for the third consecutive week.

Fixed Income: The Bloomberg Aggregate Index rallied for the third consecutive week despite inflation coming in hotter than expected. The flight to quality contributed to long term Treasuries outperforming. High yield and leverage loans declined as risk off sentiment increased.

Commodities/FX: The Bloomberg Commodity Index fell for the sixth consecutive week led by the ongoing decline in crude oil. Growth fears emerged as global equities declined and investors grow concerned about an AI bubble.



Footnotes: Data is as of May 2026.
Data Source: Bloomberg Finance LP, Verdence Capital Advisors.

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Past performance is not indicative of future returns.

Global Equities Decline Led by Tech Jitters

U.S. Equities	Current	1WK	1MO	3MO	1YR	YTD
Dow Jones Industrial Average	51,876	0.6%	3.0%	13.3%	21.6%	8.8%
S&P 500	7,354	-1.9%	-2.1%	13.9%	21.2%	8.0%
Russell 1000 Growth	4,796	-3.4%	-5.1%	13.0%	14.3%	0.9%
Russell 1000 Value	2,389	0.3%	2.3%	14.7%	28.2%	16.3%
Russell 2500	5,242	0.7%	3.0%	20.1%	36.4%	21.9%
Russell 2000	3,010	1.0%	3.2%	21.2%	40.5%	22.1%
Nasdaq	25,298	-4.6%	-5.0%	18.4%	26.2%	9.2%

International Equities	Current	1WK	1MO	3MO	1YR	YTD
MSCI AC World (USD)	1,103	-2.1%	-1.6%	13.1%	22.8%	9.5%
MSCI EAFE (USD)	3,085	-1.3%	-0.6%	9.0%	20.3%	8.3%
MSCI Europe ex UK (USD)	3,415	-1.0%	0.1%	11.3%	17.6%	6.5%
MSCI Japan (USD)	5,492	-3.1%	0.1%	10.4%	31.3%	15.4%
MSCI UK (USD)	1,647	1.1%	-1.7%	4.7%	19.9%	5.8%
MSCI EM (USD)	1,706	-4.4%	-0.6%	18.5%	41.7%	22.6%
MSCI Asia ex Japan (USD)	1,130	-4.7%	-0.4%	20.7%	43.2%	24.7%

Fixed Income	Current Yield	1WK	1MO	3MO	1YR	YTD
U.S. Aggregate	4.7%	0.5%	1.0%	1.8%	4.3%	1.0%
U.S. Govt/Credit	4.6%	0.5%	1.0%	1.7%	3.9%	0.8%
U.S. 10 Year Treasury	4.4%	0.8%	1.3%	1.6%	3.5%	0.4%
U.S. TIPS (1-10YR)	4.3%	0.3%	-0.1%	1.3%	3.8%	1.4%
U.S. High Yield	7.2%	-0.1%	0.3%	2.6%	6.0%	1.7%
EM Bonds (USD)	6.0%	0.0%	1.3%	3.3%	8.3%	2.1%
Municipal Bonds	3.6%	0.2%	1.3%	2.6%	7.0%	2.2%

Commodities	Current	1WK	1MO	3MO	1YR	YTD
Bloomberg Commodity Index	315	-3.0%	-9.9%	-5.9%	24.6%	14.1%
Crude Oil (USD/bbl)	$69.2	-9.6%	-24.7%	-25.3%	4.0%	11.8%
Gold ($/oz)	$4,088.7	-1.6%	-9.3%	-6.6%	22.9%	-5.3%
Copper	$614.4	-3.8%	-3.4%	12.8%	21.3%	8.1%
Wheat	$589.8	-3.9%	-9.0%	-6.2%	-3.1%	8.1%
U.S. Dollar	101	0.5%	2.2%	1.5%	4.3%	3.1%
VIX Index	18.4	12.3%	8.2%	-32.9%	11.0%	23.1%

Footnotes: Data is as of June 26, 2026.
Source: Bloomberg Finance LP, Verdence Capital Advisors.

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