



HERE WE ARE IN JUNE. THE METEOROLOGICAL SUMMER STILL SEEMS FAR AWAY, BUT WE CONSOLE OURSELVES WITH THE FINANCIAL MARKETS.

During the month of May Wall Street gained 5% and analysts think that June will be no different.

The optimistic forecast is supported by various factors: firstly, the bullish seasonal trend, secondly the decrease in inflation (disinflation), which seems to be progressive (we eagerly await the next Fed meeting scheduled for June 12th and a "possible" first cut in interest rates, even if many consider the month of September as more probable). Then the good and very good results presented during the recent Earnings season in almost all sectors and in particular in the communication services one (according to Bank of America the earnings gains were led by the *Magnificent Seven*, but the other 493 stocks in the S&P 500 delivered solid results as well), and finally the large amount of cash, estimated at \$6 trillion, currently in the hands of investors.

In this regard, the impressive results recently presented by Nvidia could therefore push many to invest big sums in stocks during the first month of summer 2024.

Framework conditions

Despite the continuation of the two major conflicts underway worldwide (the Ukrainian front and the fighting in the Gaza strip), the macroeconomic situation, particularly in the West, remains satisfactory.

Not only do the financial markets appear to have little interest in geopolitics, but the economy itself remains solid (avoiding recession) with relatively constant consumption.

For many months now, the most reassuring indicator has remained that of U.S. unemployment (historically low, 3.9%), to which is added moderate growth, promoted by the fiscal stimulus still in vogue since the pandemic.

How to invest in June

Despite the uncertainty feeling which has accompanied the financial markets since 2020 with the flare-up of Covid, there is optimism for the future in the air, not only for this year, but also for 2025.

Experts suggest riding the wave and to "buy the dips" at the first opportunity (during possible temporary market corrections).

Specifically, as always, we recommend the stocks that have been driving Wall Street for some time now (the *Magnificent Seven*), as well as all the medium-large companies active in the artificial intelligence and in communication services sector.

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