



# APRICUS FINANCE

WEALTH MANAGEMENT

## June 2026

### Euphoria and Hopes for a Deal Drive Markets Higher

First just a very short note on the 'deal' (with Iran):

On one side, the Trump administration seems to have forgotten who attacked who in the first place in its recent comments. It is not a deal: it is a Memorandum of Understanding, subject to an 'initial' 60 days of talks.

On the other, the war has already cost the US tens of billions of dollars, strained munitions stocks and its alliances, sent pump prices soaring and roiled global energy markets. All to achieve a deal that looks falling short of the JCPOA struck by President Barack Obama that Trump had long criticized and tore up during his first term.

Back home, Trump's administration is trying to sell a deal that seems, to many observers, including us, to be a resounding defeat for the US. The administration just showed how it is desperate to bring down gasoline prices, and prices in general, ahead of the Midterms in November.

It also gave five messages:

- Iran won't ever have a nuclear weapon.
- Trump ended fighting on every front including Lebanon.
- Iran's financial "rewards" aren't coming from US taxpayers.
- The Strait of Hormuz is open and toll-free.
- "Obama never even got a signed document."

We leave to our readers to make up their own minds as to what that really means in terms of future geopolitics, to us it was just another signal to stay long equities.

After April's euphoria, financial markets continued to build gains in May and early June. In the lead were once again memory chip manufacturers and semiconductor companies associated to Artificial Intelligence infrastructure. Since the 30th of April, as at the time of writing, the MSCI World (EUR hedged) rose 4.3%, an index of DRAM producers, (such as Micron and Korean SK Hynix) rose 105%, while the (Philly) semiconductor index rose 32%. On its side, the group of Magnificent 7 stocks was visibly a source of funds for the purchases: they declined by 2% over the period and are now flat for the year. Gold declined close to 13% over the period and is now threatening the 4,000 level. It is now down almost 5% for the year, again another likely source of funds for the purchase of high-octane memory stocks and AI-related infrastructure stocks.

In currencies, the Japanese YEN continued to drop and has now reached the lowest level against the US dollar since 1986: I was still enjoying myself at university back then.

The Euro followed the YEN lower, despite the recent rate hike by the European Central Bank. The market has been building up interest rate increase expectations in the US, with an almost certainty of a rate hike in September of this year, and we think rightly so:

A lower oil price could mean higher demand in an already strong economy, which could lead to: higher inflation - despite the reopening of the strait of Hormuz, employment staying reasonably strong for the upper end of the K-shaped economy, and a stock market flirting with all-time highs - meaning that the Federal Reserve should have all the reasons needed to increase rates, (despite Trump's likely fury over it).



## The Tail that is Wagging the Dog, (who in turn is Wagging the bigger Dog)

Individual stocks from large caps to mega caps in the US technology sector, (the Bigger Dog), have shown unprecedented daily price volatility. While the bottom-line has been prices trending higher, 5 to 10% daily moves up or down are almost becoming the norm during the last few weeks. We include here the American 'icons' of memory Sandisk and Micron, which feature prominently in the American financial media. In the meantime, at the index level there is apparent calm: the VIX volatility index, while on some days spiking above 20%, has mostly traded around the 19% level, a rather normal volatility regime.

On a side note, Micron has become itself a mega cap: it is now the 7th largest company in the US.

We think to understand where all this volatility comes from, we have to look outside the United States: in South Korea, (the Smaller Dog, which has recently been moving like a Meme on steroids). It is home to the two largest memory chip makers, Samsung and SK Hynix, themselves Mega caps, that have crossed the trillion dollar market capitalization level, which appear to be driving the moves of their American counterparts. (Note: they are not members of the MSCI World: Korea, like Taiwan, home to Taiwan Semiconductor, the 2 trillion-dollar company, are considered as emerging markets.)

Samsung has already posted eight daily moves of 10% or more this year, compared with none last year, while SK Hynix has done that 11 times this year, versus two times in 2025.

That does not mean the moves are necessarily disconnected from fundamentals, but it does mean the stocks may trade with more momentum and more intraday volatility than the fundamentals alone would imply.

The Tail wagging both Dogs is likely to be found in the recent wave of leveraged ETFs tied to SK Hynix and Samsung, (the two companies with their proxies represent over 60% of the domestic Kospi index), which local retail traders have been massively using. It has unleashed derivatives activity that now accounts for an estimated 60% to 70% of trading in the chipmakers' shares, (source Bloomberg).

The resulting options trading is becoming so large that flows could matter as much as the companies' fundamentals: with, for example, the number of SK Hynix options outstanding jumping almost 17 times in about a month.

The regulator is already 'regretting' having allowed such instruments, but it might be too late.

Over in the United States, as a source of intraday volatility, we should briefly mention that the recent hyperbolic increase by retail investors of prediction markets, on top of same-day listed options, (or ODTE: Zero Day To Expiry), which are already massively used on both individual stocks and indices. It is now even forcing the CBOE exchange into the business, and META just recently announced it would venture in as well, with a new business. In prediction markets you can purchase a binary option on an index, with a time-expiry of as little as 15-minutes: you thus bet whether the index will be above or below a certain level in 15 minutes. It takes only slightly longer than betting on red or black in roulette - including the croupier's announcement, 'rien ne va plus'; and the spinning of the ball!

The next evolution of this trend will be the same type of bets, but on single stocks, 24-hours a day, 7-days a week.

As usual, we will adapt, as we adapted in 2021 when meme stocks (including Nvidia and Tesla) were all the rage.



## Micron Technology, DRAM and co

After the hyperbolic rise, since October 2025, of the prices of memory chip prices (DRAM), back in January, one of our comments had the title: is DRAM the new gold?

We didn't expect it would turn out so massively true, since January, prices of conventional 32GB (2x16GB) DDR5 memory chips almost quadrupled in price. If it's even in stock and available! Consumer electronics companies are directly hit. The hyperscalers' capex bills are projected to exceed a mighty \$1 trillion next year, with some analysts estimating that memory could account for more than a third of that.

This mammoth spending is already crimping Mega Tech's cash flows, (estimates are about 95% of it). But unlike at a consumer-electronics company such as Apple, chip costs don't yet impact the hyperscalers' profits by as much. That's because data center investments are capitalized on their balance sheets and gradually depreciated over subsequent years, rather than being immediately expensed, as happens at a smartphone or PC manufacturer.

Now the question of course will be *If* and *When*, the hyperscalers will have to accelerate the depreciation of their assets, and whether they can continue to invest at that pace.

With the ongoing shortage of memory chips, Micron has effectively replaced Nvidia as the star company to watch and follow within the technology complex, along with Korean fellow producer SK Hynix.

The question for Micron coming into its earnings was not how big the memory-chip boom is, but how long it can last. Longer than anyone originally thought, appears to be the answer. SK Hynix trades at 7.8 times forward earnings in Seoul, a discount to 9.2 times for Micron and 10.1 for Sandisk, another US supplier of memory chips. Beyond the reported figures (revenue increased fourfold, earnings by a factor of 10, and margins rose to an incredible 80%), the key point was Micron's confidence that the chip shortage would go beyond 2027 amid intense demand for its components in AI hardware.

The key question is how long earnings, sales and margins can stay at these sustained levels. Looking at the traditional Price/Earning ratio clearly doesn't make any sense anymore.

So how long will it last? We do not know, but beyond 2027 it seems complicated, but again: we are no experts. For sure, as soon as the market gets a hint that either earnings will not increase anymore (or even decrease), or that margins decrease, it will quickly reprice the stocks, and it is likely to be quite violent after their meteoric rise.

One quick word on the mammoth IPO of SpaceX: it certainly added further volatility to the technology sector. We will not comment here on its valuation or perspective; we would say, though, that it is more a matter of faith rather than of numbers. However, we would highlight that most of us will likely end up, directly or indirectly, owning it: most of the index managers, and thus the related benchmarked funds and ETFs, (with the exception of Standard & Poor's, the S&P500 manager), decided to change their rules and fast-track it into their indices, such as the Nasdaq 100, or the Russel family of indices, with a weight far above what its free-float would imply.



## Strategy

In short:

- We are experiencing an historical investment Supercycle (CAPEX) and the AI revolution. Mega companies that once were 'capital-light' are now capital intensive.
- The developed economies have absorbed the energy shock caused by the war reasonably well.
- Employment in the US continues to be reasonably strong.
- Inflation in the Western world looks contained, even if too high in the US.
- Consumer spending in the US continues to be strong, aided by strong stock markets, (that is of course true for the upper leg of the K-shaped economy)
- Earnings in the US and Asia have been very strong, even if they have been lopsided towards the AI theme. In Europe they have also been reasonably strong.

At this juncture, we thus continue to be cautiously optimistic and are currently running a slight overweight position in equities: it is mostly a result of market drift, as equities moved decidedly higher, Gold is lower, and the fixed income benchmark (Global Aggregate hedged), is roughly flat year-to-date. In view of the uncertainty tied to the future evolution of the economy, and thus central bank rates and bond yields, we maintain between 9 to 12% of cash and cash equivalents, (depending on the currency and the profile), ready to deploy in fixed income.

In June, we decided to open a 5% exposure to the USD, as the differential in interest rates between Europe and the USD is likely to widen slightly: both central banks are intent on rising rates, but inflation is markedly higher in the US.

On the dollar side, a big question mark resides with Japan, and whether it will exploit less liquid summer markets, and massively intervene to prop up the YEN. We still remember when not long ago, on the 31st of July 2024, the BOJ surprised everybody by hiking rates, sparking severe global market volatility, a historic plunge in Japanese equities, and a rapid strengthening of the currency, as the move upended the 'YEN carry trade'.

### Equity

We are slightly overweight. We keep an overweight in Eurozone and Asian equities versus the US ex. Mega Caps.

### Fixed income

We continue to favor exposure to credit versus duration. However, we have increased the quality of our holdings. We have exposure to investment grade credit, European high yield, hybrids, financials' subordinated debt, insurance subordinated debt.

### Foreign Exchange

The Japanese YEN exposure is entirely hedged, we know have 5% exposure to the US Dollar.

### Gold

We keep our allocation to Gold of slightly over 2%.



## Positioning

### Overall Exposure

We are now slightly overweight Equities, and Underweight Fixed Income, with a reduced Gold position, Overweight Cash, JPY hedged.

### Equity: Slight overweight

We have an Overweight to the Eurozone and an Underweight in US equities, Underweight US technology, Overweight Nasdaq 100 equal weight, Overweight S&P 500 equal weight, Neutral UK, Neutral Japan, Overweight Asia ex Japan.

### Thematic Equities

European Family Holdings, Asian Technology, European Champions.

### Fixed Income: Underweight

Long 1 to 3 years US Treasury Notes. Long 20+ years US Treasuries, Underweight Sovereigns. Overweight Investment Grade EUR and USD Bonds. Overweight High Yield in EUR and Underweight in USD. Long US inflation linker.

### Thematic Fixed Income

Long Hybrids, Long Subordinated Financial Credit, Long subordinated European insurance bonds.

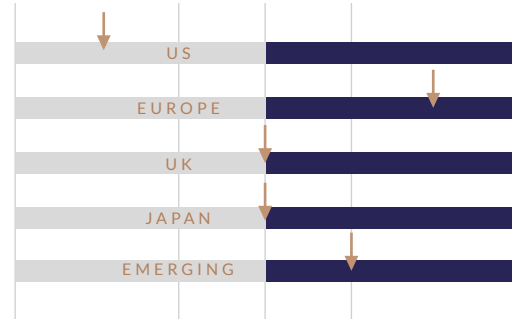
**Currencies:** Non USD-referenced portfolios are fully hedged against USD and YEN. USD-referenced portfolios are long EUR.

### Commodities: Overweight

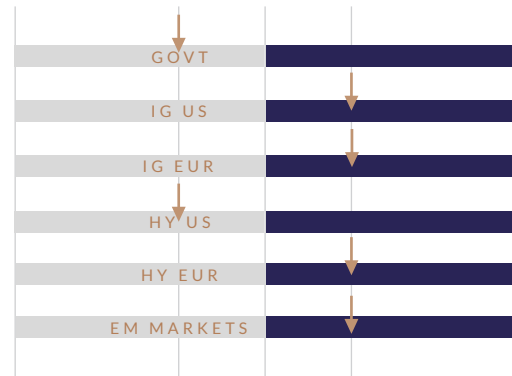
Long a small Gold position.

## Conviction thermometer

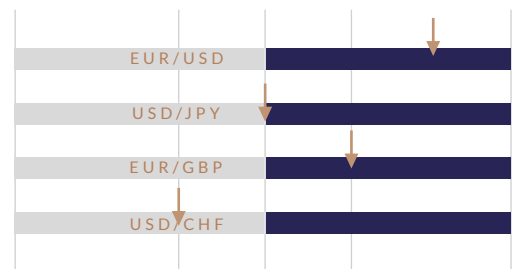
### Equities



### Bonds



### Currencies



### Commodities



■ Negative view      ■ Positive view



## Market Overview As Of June 25, 2026 (Total returns for equities)

Equities (local ccies)	Level	5D	MTD	YTD
MSCI WORLD HEDGED EUR	522,38	-1,49%	-1,63%	7,87%
US S&P500	7 357,49	-1,90%	-2,84%	8,09%
MAGNIFICENT 7 (CAP WEIGT.)	198,56	-7,01%	-12,59%	-4,16%
NASDAQ 100	29 440,32	-3,17%	-2,89%	16,98%
EUROPE EURO STOXX 50	6 267,53	-0,86%	3,64%	10,57%
GERMANY DAX	24 994,83	-0,13%	-0,44%	2,06%
FRANCE CAC40	8 431,61	-0,43%	3,23%	5,98%
BELGIUM BEL20	5 732,05	1,47%	2,97%	15,54%
SWISS MARKET INDEX	14 231,96	3,39%	5,09%	10,42%
UK FTSE100	10 529,89	1,29%	1,28%	7,92%
RUSSELL 2000	3 007,86	0,95%	3,12%	21,96%
JAPAN TOPIX	4 016,47	-1,27%	1,50%	19,12%
MSCI EMERGING	1 756	-1,85%	0,49%	26,35%
MEXICO MEXBOL	67 416,22	-1,24%	-1,69%	6,54%
HONG KONG HANG SENG	23 076,91	-3,53%	-7,80%	-8,54%
CHINA CSI 300	5 020,10	1,60%	2,92%	9,27%
INDIA SENSEX	77 100,47	-0,15%	3,57%	-8,71%
KOREA KOSPI	8 930,30	-1,47%	5,36%	113,19%
HANG SENG TECH	4 405,92	-4,31%	-9,55%	-19,64%
AUSTRALIA ALL-SHARE	5 654,18	1,06%	1,03%	7,56%
<b>US: Sectors</b>				
COMMUNICATION SVCS	443,16	-5,69%	-10,08%	-1,71%
CONSUMER DISCRETIONARY	1 827,61	-4,20%	-8,66%	-4,91%
CONSUMER STAPLES	932,11	0,63%	1,46%	9,06%
ENERGY	824,60	1,15%	-3,46%	21,67%
FINANCIALS	889,79	0,11%	3,99%	-1,67%
HEALTH CARE	1 816,08	4,59%	4,52%	1,42%
INDUSTRIALS	1 559,29	2,07%	6,62%	19,41%
INFORMATION TECHNOLOGY	6 578,37	-4,88%	-6,27%	16,06%
MATERIALS	648,47	0,17%	1,63%	13,77%
REAL ESTATE	284,01	2,50%	2,26%	13,09%
UTILITIES	465,94	3,09%	3,88%	8,91%
<b>EUROPE: Sectors</b>				
BASIC MATERIALS	3 447,29	-2,87%	-3,44%	19,25%
CONSUMER GOODS	4 011,99	4,90%	5,52%	5,77%
CONSUMER SERVICES	1 411,49	-0,79%	2,39%	-5,97%
FINANCIALS	1 684,24	0,51%	5,56%	11,81%
HEALTH CARE	3 902,05	6,04%	4,41%	4,14%
INDUSTRIALS	5 477,32	-4,06%	1,03%	9,80%
OIL & GAS	1 994,98	-1,42%	-5,47%	21,85%
TECHNOLOGY	2 621,44	-3,69%	5,27%	28,03%
TELECOMS	784,98	-0,47%	-5,26%	20,45%
UTILITIES	3 042,13	2,41%	4,43%	18,67%



## Market Overview As Of June 25, 2026 (Total returns for equities)

Fixed Income	Level	5D	MTD	YTD
Pan-Euro 3-5 yrs IG	221,30	0,28%	0,25%	0,93%
Euro Aggregate	250,02	0,32%	0,42%	1,30%
Pan-Euro HY Hedged Eur	484,92	0,16%	0,41%	1,59%
Global Inflation hedged EUR	241,26	0,14%	-0,25%	1,03%
US Corp High Yield	2 966,83	-0,01%	0,11%	1,80%
EM USD Aggregate TR	1 415,55	0,03%	0,61%	2,07%
EM Aggregate TR Local Ccy	164,86	-0,54%	-0,56%	1,38%
EUR Banks CoCo Tier 1	178,41	0,26%	0,50%	2,06%
EU GOVT HEDGED EUR	218,10	0,35%	0,57%	0,99%
Global Aggregate Hedged EUR	220,65	0,27%	0,40%	0,42%

Commodities	Level	5D	MTD	YTD
GOLD	4 026,73	-4,35%	-11,31%	-6,78%
COPPER	607,40	-4,88%	-4,93%	6,90%
OIL WTI	71,92	-6,11%	-17,67%	25,25%
OIL BRENT	75,26	-5,75%	-18,24%	23,68%

Currencies	Rate	5D	MTD	YTD
EURUSD	1,1370	-0,77%	-2,48%	-3,20%
GBPUSD	1,3192	-0,11%	-1,96%	-2,10%
USDJPY	161,7900	0,25%	1,58%	3,24%
USDCHF	0,8102	0,68%	3,74%	2,22%
AUDUSD	0,6910	-1,47%	-3,83%	3,55%
EURCHF	0,9211	-0,05%	1,17%	-1,04%
USDCNY	6,7975	0,43%	0,46%	-2,73%
USDKRW	1 471,95	0,25%	2,61%	-6,45%
USDBRL	6,1774	0,23%	2,81%	-4,56%
USDTRY	46,5570	0,24%	1,53%	8,38%
BITCOIN	59 363,54	-5,80%	-19,32%	-32,27%



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