MUNRO

Comment

June 2024

UK equities lacklustre in election month

The UK equity market trod water in June with little significant movement in any sector. The largest change was a small increase in Energy but only measurable in basis points not whole percentages. Five other sectors made gains while the remaining six all recorded small declines.

Although the UK general election was called in June and the result was not known during the month it is doubtful whether it had a meaningful effect on capital markets. The lack of movement is more probably a consequence of the reduction of news flow as the results season came to an end and preparations began for the northern hemisphere holiday season.

The end of June also marks the completion of the first half of the year and UK equities delivered healthy single-digit gains over the six months. Only three sectors recorded declines while four made double digit gains led by Financials and Health Care. Real Estate and Consumer Discretionary were two of the fallers as might be expected from the continuing squeeze on disposable income and concerns about interest rates on property prices allied with changes to working practices.

Dividend forecasts for next year edged up a little over the month led by resource companies.

Valu-Trac Investment Management Limited