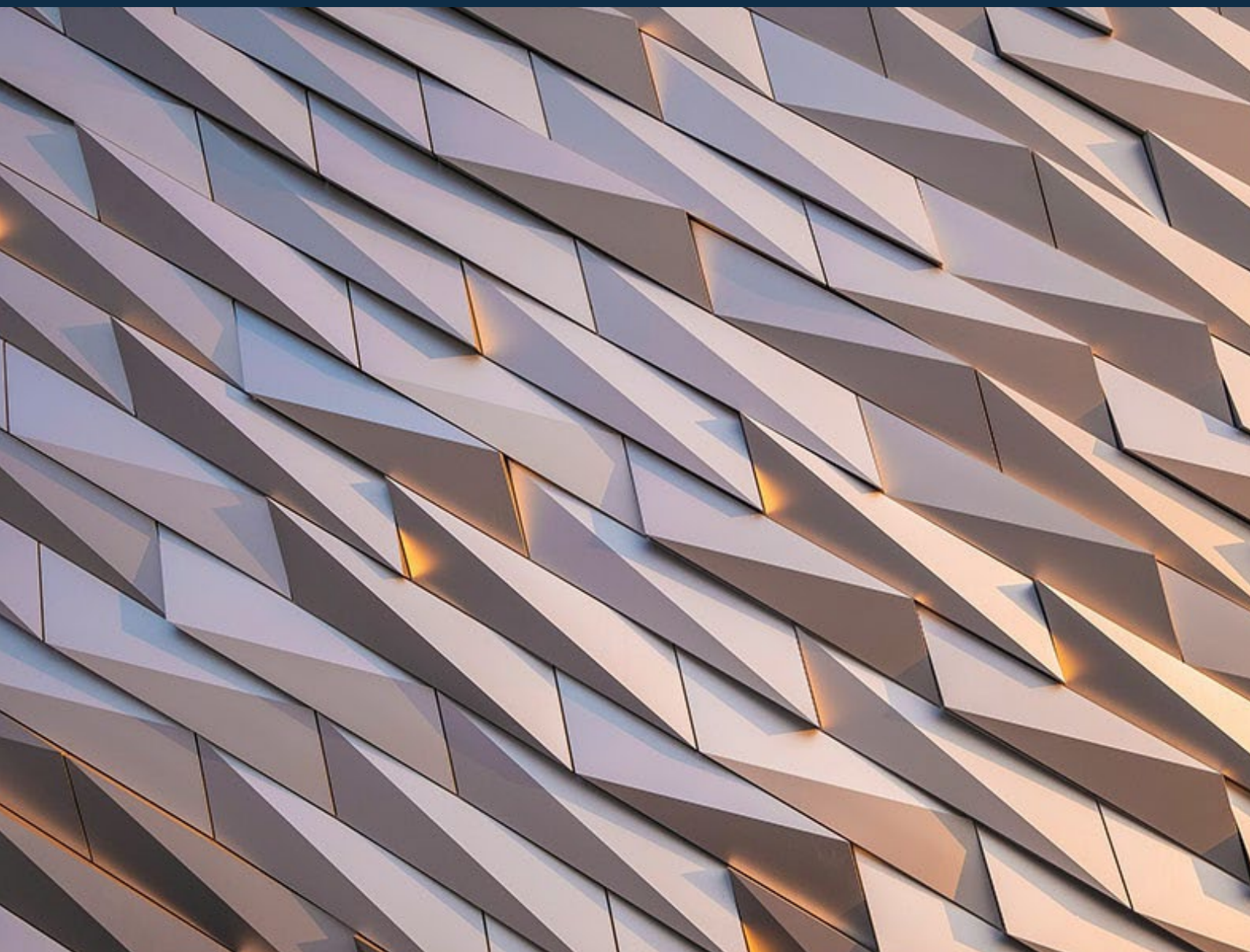


EVLI

Atlas Monthly Equity Navigator

JUNE 2026



Bottleneck Breakout

AI themes powered global equities higher in May, supported by another round of strong earnings revisions. Global equities returned over 5% for the month as volatility fell sharply, with Information Technology the standout sector and semiconductors leading the charge. Beneath the headline strength, the market continued to reward the companies positioned at the bottlenecks of the AI build-out rather than the broad index.

The macro backdrop improved over the month, with manufacturing data and the broader US picture turning more upbeat. A more active manufacturing cycle, resilient capex, and tentative signs of geopolitical de-escalation reinforced the case for a recovering economy. Earnings revision ratios stayed well above their historical averages, underpinning the constructive tone in equities.

European themes faced more of a headwind. High oil prices and an unclear timeline for reopening the Strait of Hormuz, combined with relatively hawkish central bank policy, continued to weigh on the region. Within the AI complex, the strongest action remained concentrated in bottleneck themes—memory, semiconductors, and electrification—where momentum extended sharply in the short term.

1. AI Themes Lead on Strong Revisions

- **Earnings momentum:** AI-linked names led the market higher as earnings revision ratios stayed comfortably above historical averages. The continued upgrade cycle gave investors confidence that the AI capex wave is translating into real revenue and margin upside, keeping the bullish AI narrative firmly intact.
- **No cycle peak in sight:** With no end to the AI investment cycle currently visible, demand continues to spill into the peripheral, infrastructure-heavy parts of the supply chain. Rather than a sign of over-investment, the scale of hyperscaler spending is increasingly read as a structural driver of the bottleneck themes.

2. Improving Macro Backdrop

- The macro picture brightened, with manufacturing surveys and US activity data coming in upbeat. Strong capex, a more active manufacturing cycle, and a tentative walk toward peace point to a recovering economy that broadens the earnings base beyond a handful of mega caps. This improving backdrop supports the constructive equity stance even as leadership stays concentrated in AI infrastructure themes.

3. Bottleneck Themes Strongest

- The strongest themes of the month sat squarely in the AI bottlenecks: memory, semiconductors, and electrification. These are the choke points where surging AI demand meets constrained supply, giving the companies positioned there outsized pricing power and earnings leverage. Semiconductors and semiconductor equipment again led sector performance, with memory and the broader electrification complex close behind.

4. Stretched Momentum, Pullback Setup

- Momentum stocks within the bottleneck themes extended sharply over the month, leaving them stretched in the short term. A near-term pullback looks likely after such a strong run. We would view any such weakness as technical in nature and potentially a good period to add exposure to bottleneck themes rather than a reason to step away from them.

Global Equity Performance

United States

- US equities led developed markets in May, with the broad US market up 5.8% in euro terms. Information Technology was the standout sector, driven by semiconductors, while Energy and Utilities lagged. Growth comfortably outpaced Value as the AI complex powered ahead. The cyclical–defensive split was telling: US Cyclical returned 7.3% while US Defensives (-0.9%) and US Financials (-0.6%) ended the month in the red.

Europe

- European markets lagged in May, with Europe up 3.1% and the Nordics 3.7%, both trailing the US and AC World (5.6%). High oil prices, an unclear timeline for reopening the Strait of Hormuz, and relatively hawkish central bank policy weighed on the region. Beneath the surface the cyclical–defensive divide was stark: Europe Cyclical returned 4.6% and Financials 3.2%, while Europe Defensives fell 1.7%. Japan held up well at 5.0%.

Emerging Markets

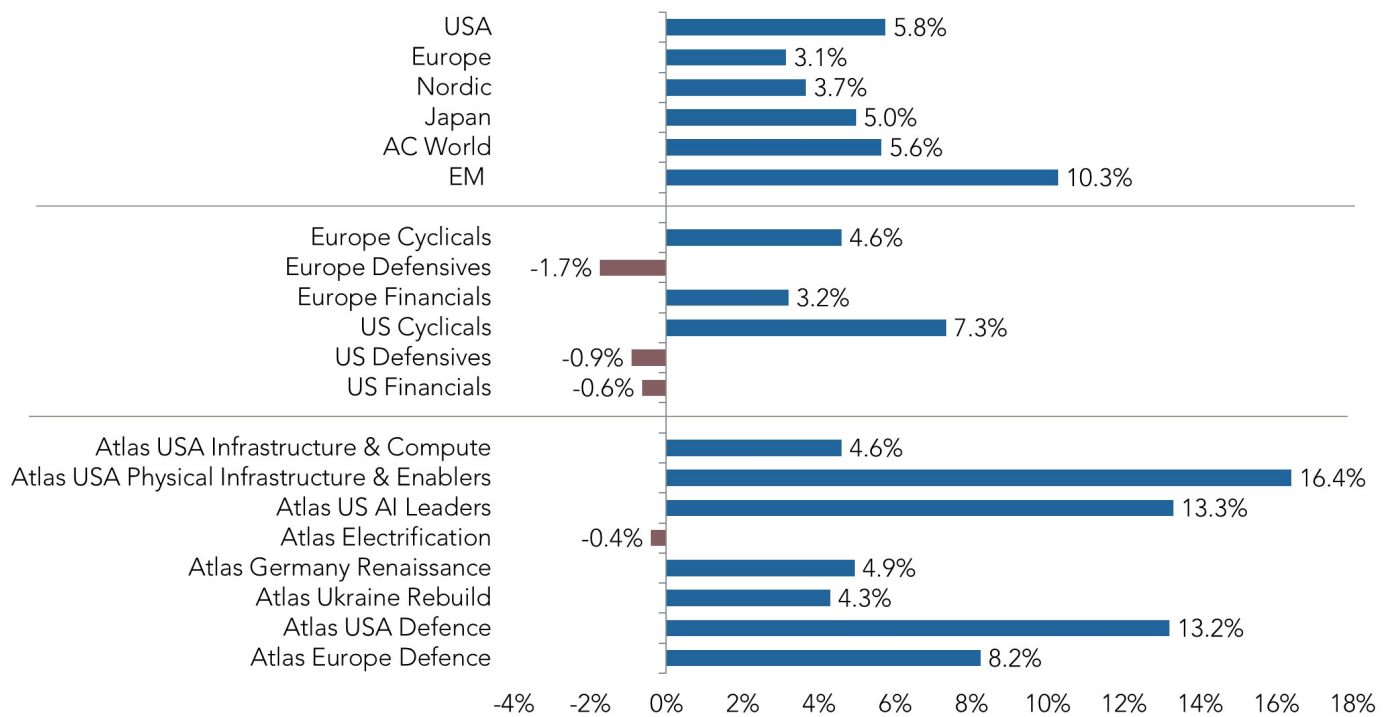
- Emerging Markets led global performance in May, up 10.3% and well ahead of every developed region. The rally was broad and benefited from continued strength in the technology and AI supply chain, where much of the bottleneck capacity sits, as well as supportive valuations relative to the US. EM's leadership underscores how the AI infrastructure build-out is increasingly a global theme rather than a purely US one.

Themes & Styles

Looking into June, several themes dominate the agenda: the start of a mega-IPO season, a cluster of central bank meetings, and the potential for a near-term pullback after the strong May run. With momentum in the AI bottleneck themes extended in the short term, any technical weakness would likely be technical and short-lived—and a constructive entry point for the structural winners.

- **Thematic opportunities:**
 - **AI Infrastructure Bottlenecks:** The most compelling opportunity set, with AI investment growth driving demand into the peripheral, supply-constrained parts of the chain—memory and semiconductors in particular.
 - **AI Power Infrastructure:** A more focused angle on the build-out, targeting the power generation, grid, and equipment chokepoints required to feed AI data center demand.
 - **Electrification:** An increasingly interesting theme in its own right, underpinned by rising electricity demand from data centers, reshoring, and the broader energy transition.
 - **Buy Weakness in Bottlenecks:** With momentum extended short-term, a pullback in these names is likely. We would treat any such weakness as a tactical opportunity to build positions in the structural winners.
 - **Non-US Valuations:** Valuations outside the US still look decent relative to the richly priced US market, offering a useful diversification anchor alongside the AI infrastructure exposure.

Atlas Equity Chart of the Month: Equity market and Atlas theme returns, euro returns, May 2026



Source: Evli Atlas Portfolio Technologies; Total returns in euros.

Key Risks & Considerations

Sticky Inflation and Rising Bond Yields: The main risk to equities is a combination of sticky US inflation and a strong economy, which could push the US 10-year yield above 5%. A move of that magnitude has historically been a headwind for equity markets, particularly for the higher-multiple growth and AI-linked names that have led the advance.

Oil and the Strait of Hormuz: A slow reopening of the Strait of Hormuz would keep oil prices elevated, potentially around \$100 a barrel. That would act as a meaningful drag on Europe in particular, compounding the headwind from already-high energy costs and weighing on the region’s growth and equity performance.

Hawkish Central Banks: Central banks could turn more hawkish on a broader scale, especially if inflation proves sticky against a resilient economic backdrop. A more restrictive policy stance across major regions would be negative for markets, tightening financial conditions just as equity valuations sit at elevated levels.

Valuation Considerations: US equities remain richly valued on most of the metrics we track, leaving little margin for error if any of the above risks materialize. We continue to balance AI infrastructure exposure with non-US markets, where valuations still look more reasonable.

Final Thoughts

Our overall equity market outlook remains positive. With no end to the bullish AI investment cycle currently in sight and earnings revisions still running well above average, the fundamental drivers of the May advance look intact. A recovering economy—driven by strong capex, a more active manufacturing cycle, and a tentative walk toward peace—reinforces that constructive view.

After such a strong run, momentum in the bottleneck themes has become stretched in the short term, and a market correction is possible. We would expect any such pullback to be technical in nature and short-lived rather than the start of a deeper drawdown. Periods of weakness should therefore be viewed as opportunities to add to the structural winners.

Thematically, we continue to favor the AI infrastructure bottlenecks—memory and semiconductors—where AI investment growth is driving demand into the peripheral, supply-constrained parts of the chain. The electrification theme looks increasingly interesting in its own right, alongside the more focused AI Power Infrastructure angle. Valuations outside the US still look decent and provide a useful diversification anchor.

June brings its own set of catalysts—the start of a mega-IPO season and a cluster of central bank meetings—that could inject volatility. We stay positive on equities while remaining alert to the key risks: sticky US inflation lifting bond yields, a slow Hormuz reopening keeping oil elevated, and a broader hawkish shift from central banks. Position accordingly, and use any technical weakness in the bottleneck themes as an entry point.

What is Atlas?

Atlas is an intelligent platform empowering investors to build and manage highly personalized equity portfolios. Leveraging data and AI, we craft strategies aligned with your precise investment style, objectives, and sustainability goals—from classic value to emerging themes like AI.

- **True Personalization:** Go beyond generic models. Our AI helps craft strategies that perfectly reflect your vision.
- **Unprecedented Flexibility:** Don't get locked in. Shift from value to growth, or adjust thematic tilts, as your outlook evolves.
- **Powered Customization:** If our expert-designed, ready-made portfolios don't fit, our Atlas team of seasoned portfolio managers with the help of our proprietary AI engine will build a unique strategy for you.

Invest intelligently. Adapt instantly. That's Atlas.

Find out more about Atlas on <https://www.evli.com/en/atlas> or contact us at Atlas@evli.com.

EVLI

 [LinkedIn — Evli](#)

 [Facebook — Evli](#)

 [Message Service X — Evli Funds](#)

 [evli.com](#)

This report is intended only for the client's personal and private use. This report is based on sources that Evli Plc considers correct and reliable. However, neither Evli Plc nor its employees give any guarantee concerning the correctness, accuracy or completeness of any information, views, opinions, estimates, or forecasts presented in this review, nor are they liable for any damage caused by the use of this publication. Evli is not responsible for any material or information produced or published by a third party that may be contained in this review. The information provided in the review is not intended as investment advice, or as a solicitation to buy or sell financial instruments. Past performance is not a guarantee of future returns. This publication may not be copied, distributed, or published in the USA, and it is not intended for citizens of the USA. This material is not intended for persons resident in countries where the activities carried out by Evli Plc have not been authorized by law. This publication, or any part thereof, may not be copied, distributed, or published in any form without Evli Plc's written, advance consent. All rights reserved.