

SSPA Benchmark Index - Monthly Update

Equity Markets in Buying Mode

Index **CHF** **EUR** **USD**



The old stock market adage “Sell in May and go away” found little traction this year. Instead of retreat and risk aversion, renewed buying appetite dominated major equity markets. The S&P 500 recorded one of its strongest May performances since the late 1990s. Sentiment also remained resilient in Europe, with the EURO STOXX 50 gaining 2.9 percent, while the Nikkei 225 advanced by more than 10 percent.

This development is all the more remarkable as markets were by no means operating in calm waters. Geopolitical risks, volatile oil prices, persistent inflation concerns and uncertainty over the future course of monetary policy remained key headwinds. Nevertheless, confidence prevailed that the earnings power of many companies, particularly in the technology sector, remains intact. The artificial intelligence theme continues to act as a major market driver, increasingly underpinned by rising revenues and profits.

Impact on Structured Products and the SSPA Benchmark Index

The SSPA Benchmark Index also benefited from the constructive equity market environment. The index continued its recovery from the interim low reached at the end of March. By the end of May, all three currency tranches had moved back above the 101 percent mark, with the USD tranche posting the strongest performance, followed by EUR and CHF. Rising equity markets reduced the likelihood of barrier events and thereby helped stabilise existing positions. At the same time, declining volatility is weighing on the terms available for newly issued products.

Nevertheless, coupon levels at the latest monthly rollover remained attractive. At the end of May, newly issued Barrier Reverse Convertibles entered the index with coupon levels of 10.97 percent in USD, 9.35 percent in EUR and 6.91 percent in CHF, compared to 10.50 percent, 9.18 percent and 6.79 percent respectively at the end of April.

Looking ahead to June, interest rates, oil prices, geopolitics and AI-driven earnings momentum are likely to remain the key market drivers. For structured products investors, the interplay between equity market levels, volatility and coupon conditions will remain a key factor in the months ahead.

Ref. No.	Index	ISIN	Reuters Instrument Code (RIC)	Bloomberg Ticker	Year-to-Date Performance as of 31.05.26	Year-on-Year Performance as of 31.05.26	Absolute Index levels since inception (31.07.24) as of 31.05.26
1	SSPA MBRC CHF – Global Indices	DE000SL0RJT9	.SPBRCCHF	SPBRCCHF Index	1.6%	4.7%	108.1
2	SSPA MBRC EUR – Global Indices	DE000SL0RE17	.SPBRCEUR	SPBRCEUR Index	2.3%	6.7%	112.0
3	SSPA MBRC USD – Global Indices	DE000SL0RE09	.SPBRCUSD	SPBRCUSD Index	2.9%	9.1%	115.7

Author: payoff