SRC Wealth Matters

SRC Wealth Management

Monthly Financial Briefing – Edition #7

July 2026

Introduction

The past few weeks have been unusually eventful, with a change of Prime Minister, several new policy announcements, and continued debate around the outlook for the UK economy.

Political change naturally creates uncertainty and prompts questions about what might happen next. However, while governments can influence the economic environment, successful financial planning has always been about looking beyond individual political cycles and remaining focused on long-term objectives.

This month's briefing looks at what the new government's early announcements could mean, together with a review of the latest market developments.

Key Takeaway

Governments come and go, but sound financial planning is built to withstand changing political and economic environments. Staying focused on your long-term goals remains the best strategy.

Market Facts – Key Metrics

(Latest available data as at late July 2026)

Interest Rates & Inflation

- **Bank of England Base Rate:** 3.75%
- **UK CPI Inflation:** 2.6%

Equity Markets

- **FTSE 100:** c. 10,250
- **S&P 500:** c. 7,550

Exchange Rates

- **£1 = €1.17**
- **£1 = $1.36**

Precious Metals

- **Gold:** c. $4,300 per troy ounce
- **Silver:** c. $68 per troy ounce

Figures are rounded for simplicity and provided for general information only.

A New Prime Minister – What Could It Mean?

The appointment of Prime Minister **Andy Burnham** has understandably generated considerable media attention. In his first days in office, he has set out an ambitious programme focused on economic growth, greater devolution of power away from Westminster, increased support for British industry, investment in skills and technical education, and a closer partnership between government and business.

Many of these proposals are aimed at improving long-term productivity, encouraging investment, and addressing regional inequalities. The Government has also announced reforms to the structure of Whitehall, including the creation of "No. 10 North" in Manchester and a renewed emphasis on regional decision-making.

As with every new administration, some proposals will take time to develop, some may change, and others may not ultimately become law. Financial markets are well accustomed to changes of government and generally focus less on political headlines than on the likely impact of policies on economic growth, inflation, and interest rates.

For investors, it is sensible to remain informed without feeling the need to react to every announcement.

Markets Continue to Look Ahead

One of the interesting characteristics of financial markets is that they are always looking forward.

Share prices today reflect investors' expectations of the future rather than today's news alone. This explains why markets sometimes rise despite difficult headlines or fall even when current economic data appears encouraging.

Over the coming months, investors will be watching:

- The Government's first Budget and spending plans.
- Future decisions on interest rates.
- Progress in bringing inflation back towards the Bank of England's 2% target.
- Developments in the global economy, particularly in the United States and China.

While these issues will influence markets in the short term, they rarely alter the principles of a well-diversified investment strategy.

Innovation Continues to Drive Optimism

Last month's briefing looked at the growing interest in companies developing artificial intelligence and space technology.

That theme continues as investors increasingly recognise that technological innovation is likely to be one of the defining economic forces of the next decade. Artificial intelligence, advanced manufacturing, biotechnology, and renewable energy all have the potential to reshape industries and create new investment opportunities.

However, history reminds us that transformational technology and successful investing are not always the same thing. Great businesses can still prove disappointing investments if expectations become unrealistic.

Maintaining broad diversification remains the most effective way of participating in future innovation while managing risk.

Planning Considerations This Month

Review, don't react

Political change can create uncertainty, but it should be a prompt to review your plans rather than change them.

Keep your portfolio diversified

Different sectors and regions perform well at different stages of the economic cycle. Diversification remains one of the simplest and most effective ways of managing investment risk.

Focus on what you can control

Interest rates, elections, and markets are outside our control.

Your spending, saving, investment discipline and financial planning decisions are not.

Concentrating on these areas generally leads to better long-term outcomes.

A Steady Perspective

Since the Second World War, the UK has experienced numerous changes of government, recessions, inflationary periods, financial crises and geopolitical conflicts.

Throughout all those events, disciplined investors who remained focused on long-term objectives have generally been rewarded.

The headlines may change, but the principles of successful investing rarely do.

If You'd Like to Talk

If the recent political changes have prompted questions about your investments, retirement plans, or the wider economic outlook, please don't hesitate to get in touch.

We're always happy to discuss how current events fit into your own financial plan and provide reassurance where needed.