

MARKET HIGHLIGHTS

- > **US large cap equities posted their first down week since late March**—when the Iran ceasefire was announced—after a sharp Friday decline.
- > **Middle East tensions flared again** into the weekend as the US shot down several Iranian drones targeting civilian vessels in the Strait of Hormuz and US forces in Kuwait.
- > **A strong May payrolls report** pushed Treasury yields higher and raised the odds of a Federal Reserve rate hike before year-end.
- > **May nonfarm payrolls rose 172,000**, more than double the +85,000 estimate, with the prior two months revised 93,000 higher. Unemployment held at 4.3%, as expected.
- > **The April JOLTS report had job openings up 10.6%** month over month to 7,618,000, well above the 6,890,000 estimate.
- > **ISM manufacturing hit 54.0**, above the 53.0 estimate and up from 52.7—its highest in four years as the sector emerged from recession. ISM services also beat expectations at 54.5 (53.8 estimate), up from 53.6 as new orders rose nearly four points. Respondents stayed cautious on prices and tariffs.

MARKET PERFORMANCE

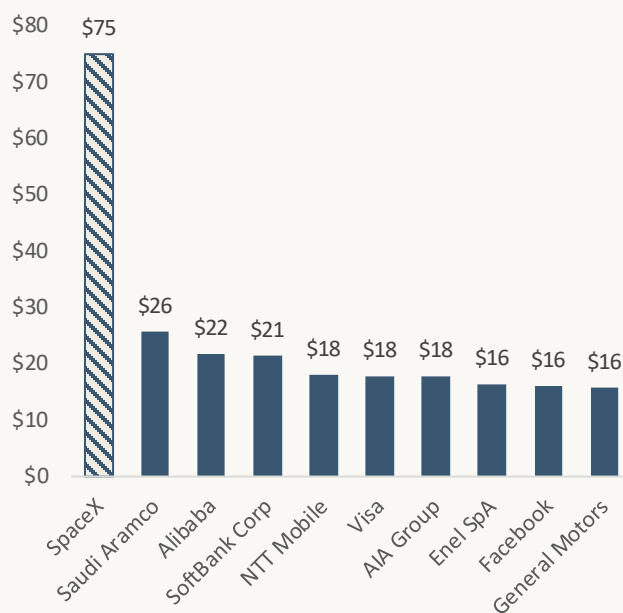
ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	-0.54%	-0.17%
Municipal Bonds 1-10Y	0.23%	0.82%
U.S. High Yield	-0.39%	1.24%
S&P 500	-2.55%	8.43%
Russell 2500 (SMID cap)	-2.49%	15.41%
MSCI EAFE (International)	-1.39%	7.85%
MSCI Emerging Markets	-1.94%	23.18%
MSCI ACWI (Global)	-2.18%	9.71%
Crude Oil (NYMEX WTI)	-5.62%	58.17%
Gold LBMA PM	-1.89%	-0.06%
60/40 ACWI/Agg Portfolio	-1.52%	5.76%

WHAT CAUGHT OUR EYES THIS WEEK

To the Moon (Or Mars)?

Buckle up and get ready for liftoff: SpaceX is set to go public this Friday, raising a record-shattering \$75 billion at a \$1.77 trillion valuation. Major index providers are grappling with how to handle a company making its public market debut at such a size. Nasdaq, Russell, MSCI, and CRSP have all adopted fast-track processes to usher SpaceX (and, presumably, Anthropic and OpenAI) into their respective indexes as soon as five to 15 trading days after listing. Most take a “float-adjusted” approach to weighting, which uses the \$75 billion initial float (which will ramp up over the first six months), rather than the overall market capitalization, meaning SPCX will be a relatively small position in most indexes at first. Nasdaq is an outlier with its three-times float methodology. As more shares are unlocked, we expect SPCX to eventually become a top 15 name in many indexes depending on how it trades. Interestingly, S&P Dow Jones held firm on 12-month seasoning and profitability requirements for its flagship S&P 500 index, delaying inclusion by at least a year (and potentially more, given SpaceX’s present lack of profitability—a problem also faced by Tesla back in the day). Even without the S&P 500, index funds are expected to contribute billions in mechanical demand in the early days of trading.

All-Time Largest Global IPOs: Deal Size (\$ Billions)



Please see important disclosures and other key information on page 4.

OUR CURRENT OUTLOOK

- > **The U.S. economy is resilient**, but softer labor markets translate into slower (albeit still positive) trends for consumer spending.
- > **Our current expectations of a recession in the next 12 months are moderately low**, which should allow credit spreads to remain tight.
- > **Benefits from the One Big Beautiful Bill Act will accelerate in 2026**, providing a tailwind for consumer spending and capital expenditures.
- > **The Federal Reserve is still looking to cut interest rates**, but progress will likely be stalled for the rest of the year by the impacts of the Iran War.
- > **We expect S&P 500 profits to continue with their momentum from 2025**, growing in the low to mid-teens again in 2026, and broadening to create new sector leaders in the equity markets.
- > **AI capital spending, driven by the hyperscalers, should continue to boost the U.S. economy**, fueling productivity gains and infrastructure growth.
- > **Potential risks to our outlook include** disappointments in return on investment for AI spending, growing signs of speculative excess in certain pockets of equity markets, continued geopolitical uncertainty, and further deterioration in foreign sentiment for U.S. dollar assets.

IN CASE YOU MISSED IT

INSIGHTS

[Video: June 2026 Economic and Market Outlook](#)

[Own Stock in a Company Undergoing an IPO? Here's Answers to FAQs](#)

[Financial Planning for DINK \(Dual Income, No Kids\) Households](#)

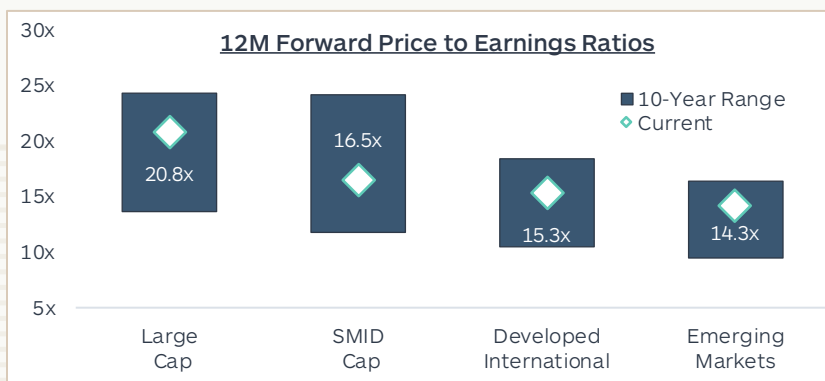
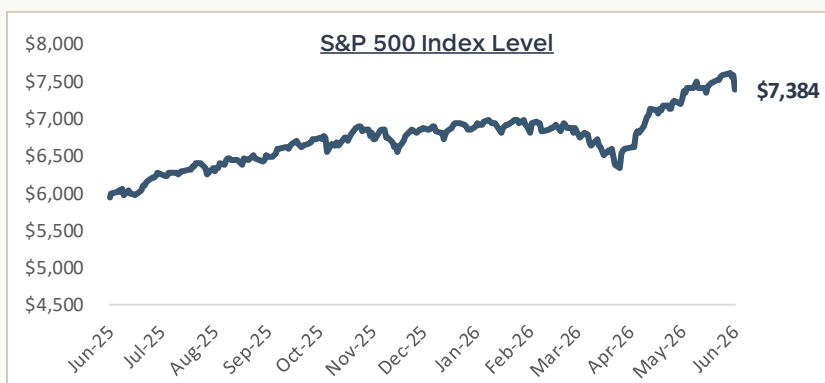
ARCHIVE

[Historical Economic and Market Outlooks Insights](#)

WEBINARS

[Recording: Q2 2026 Market & Economic Outlook](#)

EQUITIES

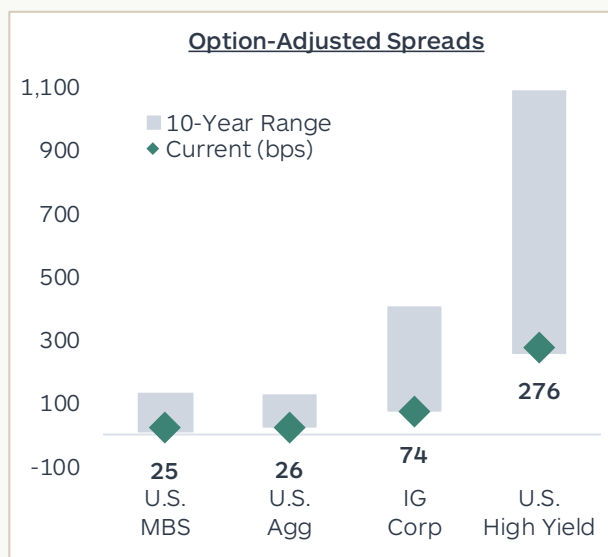


S&P 500 SECTOR	1-WEEK	YTD
Energy	2.49%	29.18%
Health Care	2.31%	-0.71%
Real Estate	1.55%	12.30%
Financials	1.39%	-4.00%
Consumer Staples	1.05%	8.62%
Industrials	0.62%	12.68%
Utilities	-0.19%	4.65%
Materials	-1.14%	10.67%
Comm. Services	-3.91%	5.04%
Information Technology	-5.39%	17.14%
Consumer Discretionary	-6.11%	-2.25%

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FIXED INCOME

KEY INTEREST RATES	6/5/2026	Δ YTD
Municipal Bonds 1-10Y	3.10%	0.13%
Effective Federal Funds Rate	3.62%	-0.02%
3M T-Bill	3.71%	0.08%
10Y Treasury Yield	4.54%	0.38%
U.S. Aggregate	4.80%	0.49%
30Y Mortgage Rate	6.60%	0.35%
Prime Rate	6.75%	0.00%
U.S. High Yield	7.47%	0.39%

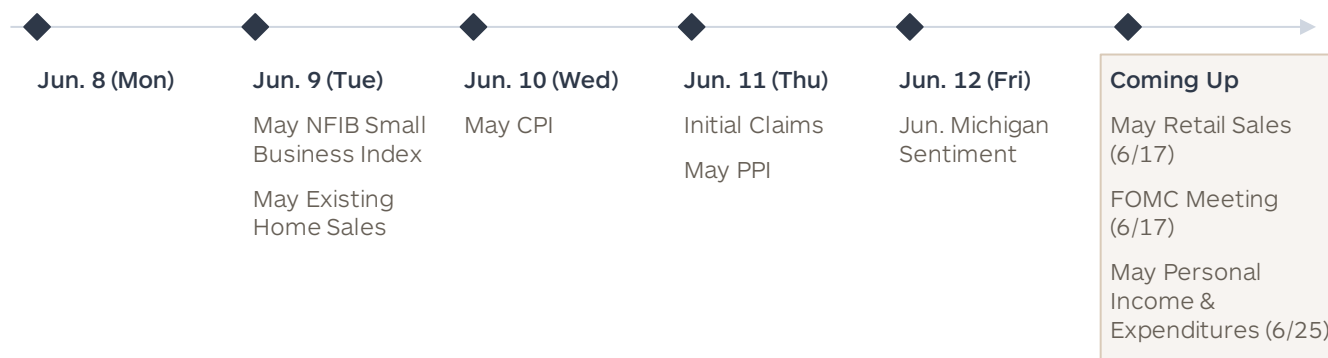


COMMODITIES, CURRENCIES, CRYPTO

Asset Class	6/5/2026
Crude Oil	\$90.57
Gold	\$4,365.15
U.S. Dollar Index	\$100.07
Bitcoin	\$60,515.00

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THE WEEK AHEAD



Please see important disclosures and other key information on page 4.

ABBREVIATIONS: Agg: Aggregate. EM: Emerging Markets. SOFR: Secured Overnight Financing Rate. MBS: Mortgage-backed securities. IG: Investment Grade.

CHART OF THE WEEK: Cerity Partners, Renaissance Capital, SPCX IPO size is estimated as of 6/8/2026

MARKET PERFORMANCE: All returns represent total return for the stated period. 1-Week and Year-to-Date (YTD) returns are as of 6/5/26. Underlying indices are in descending order: Bloomberg US Aggregate provided by Bloomberg Capital; Bloomberg Municipal Bond 10 Yr provided by Bloomberg Capital; ICE BofA US High Yield Index provided by Bloomberg Capital; S&P 500; provided by: Standard & Poor's. Index; Russell 2500; provided by: Russell Investments; MSCI Europe, Australasia, and the Far East (EAFE) provided by MSCI net official pricing; MSCI EM provided by MSCI net official pricing; MSCI All Country World Index (ACWI) provided by MSCI net official pricing; Crude Oil (WTI) provided by CME; LBMA Gold Price PM provided by FactSet. The 60/40 ACWI/Agg Portfolio (60% ACWI / 40% AGG) is not a recommendation and is provided for reference purposes only.

EQUITIES: Top Left-hand Chart, S&P 500 Index Level as of 6/5/26 and provided by Standard & Poor's. Bottom Left-hand Chart, Forward Price to Earnings Ratios refers to the price-to-earnings ratio for the forward 12 months, which is a valuation measure applied to respective broad equity indices as of 6/5/26. Large Cap data is proxied with the S&P 500 and provided by FactSet. SMID data is proxied by the Russell 2500 and provided by FactSet. Developed International data is proxied with the MSCI EAFE and provided by FactSet. Emerging Markets data is proxied by the MSCI EM and provided by FactSet. S&P 500 Sector performance table, Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends. 1-Week and Year-to-Date (YTD) returns are as of 6/5/26.

FIXED INCOME: Top Table, Effective Federal Funds Rate provided by FactSet. Composite Municipal Bond Yield provided by FactSet. Bloomberg US Aggregate provided by FactSet. 3-Month Treasury Bill rate provided by FactSet. 10-Year Treasury Yield provided by FactSet. 30-Year Mortgage Rate provided by FactSet. ICE BofA US High Yield Index provided by FactSet. Prime Rate provided by FactSet. Bottom Table, Option Adjusted Spreads as of 6/5/26. Bloomberg US Aggregate Securitized – MBS, Bloomberg US Aggregate, ICE BofA US Corporate, ICE BofA US High Yield data provided by Bloomberg Capital.

COMMODITIES, CURRENCIES, CRYPTO: WTI NYMEX Crude Oil provided by FactSet. Gold is proxied with the LBMA Gold PM and provided by FactSet. Bitcoin is proxied by the Bitcoin (CME) Continuous index and provided by FactSet. U.S Dollar prices are proxied with the U.S. Dollar Index and provided by FactSet.

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