HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: June 12th, 2026

Week in Review

Inflation Marred Economic Releases This Week. Consumer prices (CPI) were on target with economist forecasts at 4.2% year-over-year on the headline and 2.9% excluding food and energy. Producer prices (PPI) were a bit hotter than expected, at 6.5% versus 6.4%, but excluding food and energy was a tad lighter than expected at 4.9%. Still, those readings are well off the Fed's 2% inflation target and may prompt a change in language from the central bank at next week's meeting. Initial jobless claims were slightly worse than expected and University of Michigan Consumer Sentiment came in slightly above consensus at 48.9 though that's still among the weakest readings on record.

Equities Ignore Hot Inflation, Chase Iran Headlines. Major US equity indices looked through another hotter than expected dose of inflation data this week and focused on headlines that the US is "close" to a peace deal with Iran. The Russell 2000 led gains for the week, followed by the Russell 3000 and 1000, and value stocks led their growth counterparts by 330 bps across capitalizations. Materials, staples and financials led across the Russell 3000 for the week while utilities, energy and tech were the only sectors that fell. Both emerging and developed markets slipped on a dollar basis.

Crude Slips to Lowest Level in Nearly Two Months. WTI slipped to roughly $84/barrel on news that a peace deal with Iran is close -- still up more than 52% from the December low and in the 80th percentile of readings since 1995. The damage is likely done to second quarter earnings which will start to report in early July and energy wasn't the only contributor to hot inflation prints.

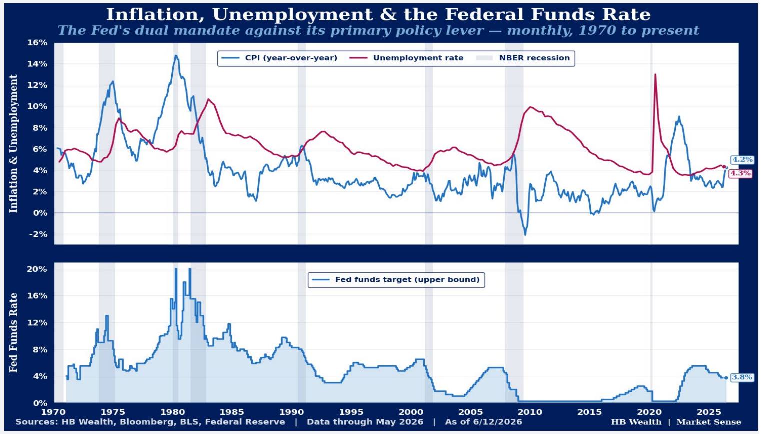
SpaceX Shatters IPO Record. The mega-cap company successfully raised $75 billion in its IPO for the biggest new issue on record closing the day at a $2.1 trillion market cap. The company's first day gain was right on the average post-issue gain since 1980. We have detailed the effects of IPOs on index and sector performance in our Deep Dive here.

The Week Ahead

FOMC Meeting Headlines the Week Ahead. We expect no change in policy in Kevin Warsh's first FOMC meeting on Wednesday, but are watching for clarity on the balance sheet. The range of possible actions is wide, and each path carries different implications for the shape of the yield curve. Warsh's stated preference for MBS sales and rate cuts is unlikely to materialize in the current inflation backdrop, and if it did, housing affordability spillovers would likely result.

Bevy of Industrial and Consumer Data Expected, SpaceX Week 1. The week will kick off with reads on the industrial economy and housing, and feature the Fed and a bevy of consumer data by Wednesday, but SpaceX's first week of trading may highlight the week. The historical precedent for IPOs to perform poorly after their initial "pop" presents a challenging backdrop that may be somewhat offset by fast-track index entry as early as five days after issuance for the world's largest IPO.

Chart of the Week & Commentary



New Fed Chair Warsh takes the helm at the Fed at a challenging time, with consumer price inflation now running well ahead of target and employment markets in recovery mode. The consumer price index (CPI) rose 4.2% year-over-year in May, a pace that is in the 70th percentile of all observations since 1960. Meanwhile, thanks to a steadying job market and limited labor force growth, the unemployment rate held steady at 4.3%, lower than all but 18% of months since 1960.

This combination of low unemployment but high inflation is relatively unusual and may hint at a coming policy tightening. Notably, every other time the rate of consumer price inflation approached or surpassed the level of unemployment since 1970, the Fed was in the midst of or about to begin a tightening cycle, with the only exceptions being the recessions of 1990 and 2009.

While the market sees the steady growth and rising inflation dynamic as likely to induce Fed rate hikes later this year, markets have all but forgotten the balance sheet. As growth has recovered and inflation surged, reinvestments have driven a quiet expansion in the balance sheet in 2026, resulting in slightly easier Fed policy just as policy may need to be tightening. Meanwhile, the new Fed chair has a stated preference to reduce dependence on the balance sheet, suggesting it may be the more likely path for near-term tightening. While it is likely too early to expect much change this month, the conversation on how to approach the balance sheet may begin, setting up for more by August's Jackson Hole meeting.

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Equities

	Level	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
S&P 500	7,431	0.7%	14.1%	9.1%	24.3%	78.2%
NASDAQ	25,889	0.7%	20.1%	11.7%	32.5%	96.5%
Dow Jones 30	51,202	0.7%	10.9%	7.4%	21.2%	58.8%
Russell 3000	4,227	0.9%	14.0%	9.4%	24.4%	76.4%
Russell 1000	4,047	0.8%	13.8%	9.0%	23.7%	77.2%
Russ. 1000 Growth	4,894	-0.8%	14.2%	3.0%	19.0%	85.0%
Russ. 1000 Value	2,377	2.5%	13.3%	15.7%	28.7%	66.5%
S&P 400	3,796	2.8%	12.7%	15.5%	26.1%	55.6%
S&P 600	1,729	3.4%	14.6%	18.7%	33.3%	51.2%
Russell 2000	2,944	3.9%	18.2%	19.3%	39.7%	64.2%
Russ. 2000 Growth	1,941	3.7%	21.2%	17.8%	36.8%	62.7%
Russ. 2000 Value	3,256	4.1%	15.2%	21.0%	42.8%	65.5%
MSCI ACWI Ex US	460	-1.7%	11.6%	10.9%	26.0%	67.0%
MSCI Developed Ex US	3,115	-1.1%	7.9%	7.1%	19.5%	60.8%
MSCI EM	1,665	-3.0%	19.8%	19.6%	41.7%	80.7%

Index Characteristics

	NTM P/E	P/B	Div. Yld.	Mkt Cap (B)
S&P 500	20.4	5.6	1.1	65875
NASDAQ	24.8	7.7	0.6	45365
Dow Jones 30	20.8	5.9	1.6	22930
Russell 3000	20.5	5.1	1.1	75322
Russell 1000	20.2	5.3	1.1	71341
Russ. 1000 Growth	24.5	12.9	0.5	46951
Russ. 1000 Value	17.3	3.4	1.7	45340
S&P 400	17.1	3.0	1.3	3749
S&P 600	16.0	2.2	1.5	1890
Russell 2000	27.1	2.6	1.2	3981
Russ. 2000 Growth	35.2	5.1	0.6	2710
Russ. 2000 Value	21.5	1.7	1.9	2407
MSCI ACWI Ex US	13.8	2.4	2.5	58975
MSCI Developed Ex US	15.5	2.3	2.7	29830
MSCI EM	11.3	2.4	2.0	29146

Fixed Income

	Yield	Spread	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
U.S. Aggregate	4.70	--	0.6%	0.5%	0.5%	4.6%	12.7%
U.S. Municipal	3.66	--	-0.2%	1.7%	1.6%	6.7%	11.4%
U.S. Agency MBS	4.95	21	0.8%	0.5%	0.9%	6.1%	13.9%
U.S. IG Corporates	5.17	73	0.6%	1.3%	0.7%	5.2%	17.3%
U.S. High Yield	7.13	266	0.3%	2.1%	1.6%	6.8%	29.1%
EM $ Corporates	6.34	208	0.1%	2.4%	1.5%	6.1%	22.4%

Factor Returns - US (Long Only)

Factor	1 Wk %	QTD %	YTD %	1 Yr %
Multi Factor	1.4%	5.7%	10.8%	19.1%
Size	1.4%	7.7%	15.4%	25.4%
Value	1.5%	5.4%	11.4%	22.2%
Quality	-0.2%	5.7%	6.0%	12.9%
Dividend Yield	0.8%	5.1%	11.1%	18.7%
Momentum	-1.3%	12.3%	22.8%	43.4%
Low Volatility	1.0%	3.0%	0.7%	2.2%

Key Rates

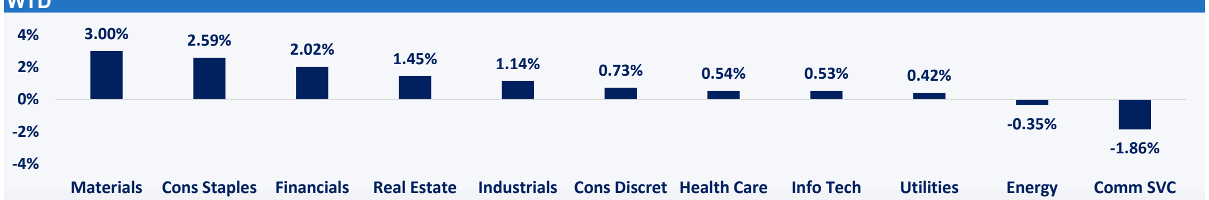
Rate	Yield	Prior Wk	Qtr-End	Yr-End	1 Yr Ago	Expectations
SOFR	3.60	3.63	3.68	3.87	4.28	3.32
2-yr U.S. Treasury	4.09	4.15	3.79	3.47	3.91	3.63
5-yr U.S. Treasury	4.21	4.27	3.94	3.73	3.97	3.80
10-yr U.S. Treasury	4.48	4.53	4.32	4.17	4.36	4.27
30-yr U.S. Treasury	4.97	5.00	4.91	4.84	4.84	4.81
10-yr German Bund	2.99	3.04	3.00	2.85	2.47	2.96
10-yr UK Gilts	4.84	4.90	4.92	4.48	4.48	
30-yr Fixed Mortgage	6.57	6.60	6.48	6.25	6.88	
1-yr Breakeven	2.28	2.65	5.20	2.29	2.52	
5-yr Breakeven	2.41	2.48	2.60	2.27	2.30	

Currencies & Commodities

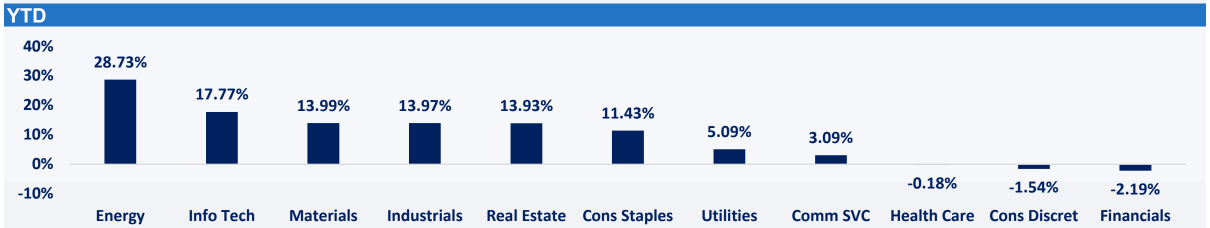
	Current	Prior Wk	Yr-End	1 Yr
$ per € (EUR/USD)	1.16	1.15	1.17	1.16
$ per £ (GBP/USD)	1.34	1.33	1.35	1.36
¥ per $ (USD/JPY)	160.21	160.29	156.71	143.48
Dollar Index	99.78	100.07	98.32	97.92
Gold ($/oz)	4214.68	4328.45	4319.37	3385.92
Silver ($/oz)	67.98	67.83	71.66	36.34
Copper	648.70	628.45	568.20	483.55
WTI Oil ($/bbl)	84.35	90.54	57.42	68.04
Brent Oil ($/bbl)	86.85	93.09	60.85	69.36

S&P 500 Sector Returns

WTD



YTD



Style Returns

WTD

	Value	Blend	Growth
Large	2.5%	0.8%	-0.8%
Mid	2.7%	2.4%	1.1%
Small	4.1%	3.9%	3.7%

YTD

	Value	Blend	Growth
Large	15.7%	9.0%	3.0%
Mid	16.6%	13.3%	3.0%
Small	21.0%	19.3%	17.8%

Disclosure:

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