HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: June 26th, 2026

Week in Review

It Was Another Strong Week of Economic Data. Economic data this week generally positively surprised. S&P's manufacturing and services PMIs were markedly stronger than consensus, and capital goods orders ex-aircraft (an important input into our fair value model) surged 1.6% vs. estimates for 0.6%. Personal income and spending growth were solid and GDP was steady at 2.1%. Building permits and new home sales were the biggest duds of the week, both missing economists' mark. Inflation remains too strong for the Fed to be comfortable -- at 3.4%, core PCE remains well above the Fed's target, and the core GDP price index sits at 4.4%.

Incredibly Strong Micron Earnings Couldn't Save S&P 500 From Losses. Micron surged 15% the day after reporting that revenues quadrupled the prior year mark. The company lifted guidance for the current quarter on the ongoing memory supply crunch and locked in long-term commitments that should ensure price stability through 2027 according to many analysts covering the stock. Chip stocks surged on the news, but it wasn't enough to lift the S&P 500 out of losses for the week.

Small Caps and Value Were Back on Top. Every major US index but the Russell 2000 slipped this week– continuing their strong year-to-date outperformance. Value stocks led their growth counterparts across capitalizations with defensive sectors health care, real estate, utilities and staples leading across the Russell 3000. Tech, discretionary and materials lagged. Both developed and emerging markets (EM) slipped this week on a dollar basis, though EM's 1.9% slide was exacerbated by a steep selloff in Asia tech stocks.

The Fed Hangover Lingers as Strait Reopened and Yields Fell. Last week's hawkish dot plot continues to be digested by the bond market. Traders now assign a roughly 68% chance of a hike in September, up sharply from 29% a week ago. The big development while markets digested last week's hawkish Fed was the Iran peace deal actually holding. The 10-year fell to roughly 4.41%, which is down around 8bps over the past month, which marks a shift from the relentless climb earlier in June.

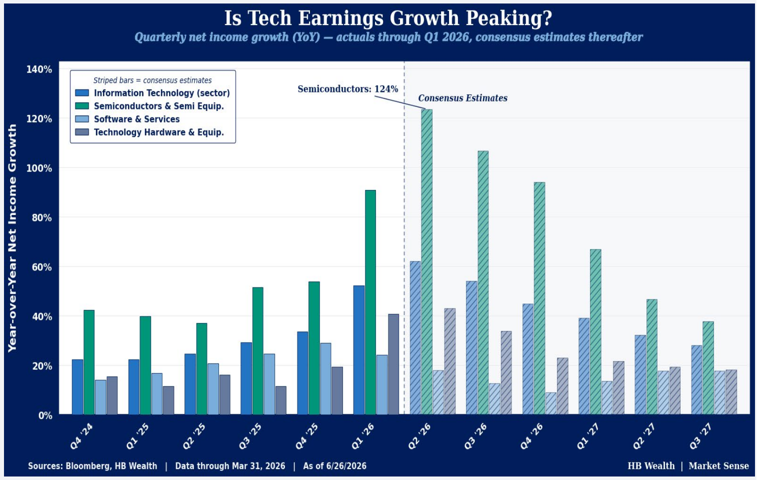
The Week Ahead

Russell Reconstitution to Take Effect Monday. The Russell 2000 is up 21.2% YTD but the gauge could be in for a bit of a summer break as it loses some of its strongest performers to the Russell 1000. SpaceX will likewise join the Russell 1000 under new fast track rules (see our full note on reconstitution effects here).

Employment to Highlight Holiday Shortened Week. Tuesday brings Consumer Confidence and the JOLTS report, while Wednesday will feature Challenger Layoffs and the ISM's PMIs. The employment report will be on Thursday, along with durable goods orders.

Oil and the Durability of Peace. The U.S.-Iran deal is holding for now, but it has been fragile all year. Any re-escalation would put energy, and the inflation story, right back in play. For now, the trend is finally working in bonds' favor.

Chart of the Week & Commentary



Micron smashed all expectations and revised forecasts for earnings growth higher this week, but that wasn't enough to revive large cap tech stocks from their June gloom. The sector is down 7.5% so far this month after leading the S&P 500 higher in its April-May recovery. While some of the reason for the tech sector's recent malaise is likely simply exhaustion from its spring sprint, the earnings cycle may also be getting in the way for tech. If analysts are correct, sector earnings growth is set to peak with the 2Q reporting season that begins in July. Growth is expected to peak at 62% growth YoY this season, and slow to average about 50% growth in the second half.

A closer examination of trends beneath the sector headline shows that software & services segment growth is already past peak – the group, which is 21.8% of the market cap of the sector – posted peak growth in 4Q25. Not likely by coincidence, this is also when software & services stocks peaked. The group is down 30% from its October 2025 high. The other two major industry groups in the tech sector - semiconductors and hardware – are currently expected to post peak growth in 2Q and 3Q, respectively. Unless these companies manage to defy analyst expectations and guide for more growth ahead, peak earnings growth could pave a rocky road for the tech sector.

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Equities

	Level	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
S&P 500	7,354	-1.9%	13.0%	8.0%	21.2%	76.9%
NASDAQ	25,298	-4.6%	17.3%	9.2%	26.2%	93.9%
Dow Jones 30	51,876	0.6%	12.4%	8.8%	21.6%	62.5%
Russell 3000	4,198	-1.5%	13.2%	8.8%	21.7%	76.0%
Russell 1000	4,014	-1.6%	12.9%	8.1%	20.9%	76.3%
Russ. 1000 Growth	4,796	-3.4%	11.9%	0.9%	14.3%	82.7%
Russ. 1000 Value	2,389	0.3%	14.0%	16.3%	28.2%	67.1%
S&P 400	3,816	0.7%	13.3%	16.2%	25.0%	57.0%
S&P 600	1,780	2.1%	18.1%	22.3%	35.8%	59.8%
Russell 2000	3,010	1.0%	20.9%	22.1%	40.5%	71.7%
Russ. 2000 Growth	1,987	-0.1%	24.1%	20.6%	37.4%	70.2%
Russ. 2000 Value	3,325	2.3%	17.7%	23.6%	43.8%	73.1%
MSCI ACWI Ex US	475	-1.2%	15.3%	14.6%	29.8%	73.8%
MSCI Developed Ex US	3,181	-0.9%	10.2%	9.4%	22.7%	65.2%
MSCI EM	1,756	-1.9%	26.5%	26.4%	46.5%	92.9%

Index Characteristics

	NTM P/E	P/B	Div. Yld.	Mkt Cap (B)
S&P 500	20.0	5.6	1.1	65778
NASDAQ	24.6	7.6	0.6	45715
Dow Jones 30	21.0	6.0	1.5	22081
Russell 3000	20.1	5.1	1.1	75012
Russell 1000	19.9	5.3	1.1	70922
Russ. 1000 Growth	24.0	12.7	0.5	45839
Russ. 1000 Value	17.2	3.4	1.7	45869
S&P 400	17.1	3.0	1.3	3814
S&P 600	16.0	2.2	1.5	1961
Russell 2000	27.3	2.7	1.2	4089
Russ. 2000 Growth	35.4	5.3	0.5	2797
Russ. 2000 Value	21.6	1.7	1.8	2468
MSCI ACWI Ex US	14.2	2.4	2.3	60694
MSCI Developed Ex US	15.9	2.4	2.6	30376
MSCI EM	11.7	2.6	1.9	30317

Fixed Income

	Yield	Spread	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
U.S. Aggregate	4.69	--	0.4%	0.9%	0.9%	4.2%	12.8%
U.S. Municipal	3.60	--	0.1%	2.3%	2.1%	6.9%	11.4%
U.S. Agency MBS	4.89	21	0.5%	1.0%	1.4%	5.6%	14.1%
U.S. IG Corporates	5.16	74	0.3%	1.7%	1.1%	4.9%	17.0%
U.S. High Yield	7.22	272	0.0%	2.3%	1.8%	6.1%	29.8%
EM $ Corporates	6.41	207	0.0%	2.6%	1.8%	5.8%	22.1%

Factor Returns - US (Russell 3000)

Factor	1 Wk %	QTD %	YTD %	1 Yr %
Multi Factor	1.9%	6.1%	14.0%	25.1%
Size	0.0%	6.1%	16.8%	33.5%
Value	1.9%	5.2%	13.5%	29.3%
Quality	1.4%	6.0%	10.7%	20.9%
Dividend Yield	1.5%	5.4%	15.9%	27.4%
Momentum	1.1%	11.2%	24.8%	48.0%
Low Volatility	1.7%	3.7%	5.1%	10.4%

Key Rates

Rate	Yield	Prior Wk	Qtr-End	Yr-End	1 Yr Ago	Expectations
SOFR	3.64	3.62	3.68	3.87	4.40	3.46
2-yr U.S. Treasury	4.09	4.18	3.79	3.47	3.72	3.72
5-yr U.S. Treasury	4.13	4.23	3.94	3.73	3.80	3.93
10-yr U.S. Treasury	4.38	4.45	4.32	4.17	4.24	4.33
30-yr U.S. Treasury	4.87	4.90	4.91	4.84	4.80	4.84
10-yr German Bund	2.85	2.98	3.00	2.85	2.57	2.96
10-yr UK Gilts	4.73	4.84	4.92	4.48	4.47	
30-yr Fixed Mortgage	6.57	6.56	6.48	6.25	6.86	
1-yr Breakeven	1.42	1.87	5.20	2.29	2.54	
5-yr Breakeven	2.22	2.33	2.60	2.27	2.31	

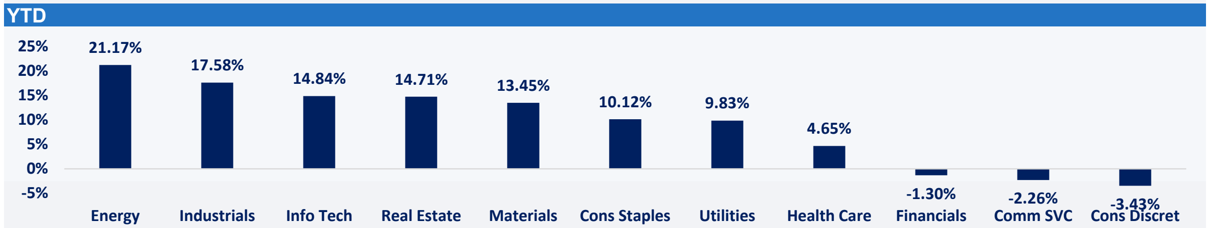
Currencies & Commodities

	Current	Prior Wk	Yr-End	1 Yr
$ per € (EUR/USD)	1.14	1.15	1.17	1.17
$ per £ (GBP/USD)	1.32	1.32	1.35	1.37
¥ per $ (USD/JPY)	161.76	161.30	156.71	144.42
Dollar Index	101.32	100.85	98.32	97.15
Gold ($/oz)	4070.27	4155.71	4319.37	3327.92
Silver ($/oz)	58.61	64.90	71.66	36.66
Copper	612.45	638.55	568.20	506.60
WTI Oil ($/bbl)	69.53	76.60	57.42	65.24
Brent Oil ($/bbl)	72.22	80.57	60.85	67.73

S&P 500 Sector Returns

WTD

YTD



Style Returns

WTD

	Value	Blend	Growth
Large	0.3%	-1.6%	-3.4%
Mid	1.3%	1.0%	-0.2%
Small	2.3%	1.0%	-0.1%

YTD

	Value	Blend	Growth
Large	16.3%	8.1%	0.9%
Mid	17.9%	14.5%	3.7%
Small	23.6%	22.1%	20.6%

Disclosure: