Weekly Market Update

June 5, 2026

- **U.S. equities snapped their winning streak after nine consecutive weeks, the longest run since late 2023, with the NASDAQ losing 4.7%, the S&P 500 dropping 2.5%, and the Dow falling 0.2%. Labor market strength persisted in May, with job gains of 172,000 and upward revisions pushing the three-month average to 188,000, marking the strongest pace of hiring since early 2024 and reinforcing continued economic momentum.**
- **Bond markets resumed their sell-off following stronger-than-expected jobs data, pushing Treasury yields higher, particularly at the short end, as the 2-year yield jumped to 4.16% from 4.00%, reflecting increased expectations for tighter Fed policy.**
- **Markets are increasingly pricing in a Fed rate hike by year-end, with a ~72% probability of tightening versus minimal odds of a cut. Importantly, the expected magnitude spans a range from 25 to 75 basis points, indicating uncertainty around how aggressive the Fed may need to be, though the distribution still skewed toward at least a modest tightening rather than a large shift or easing.**

Figure 1. Index Performance

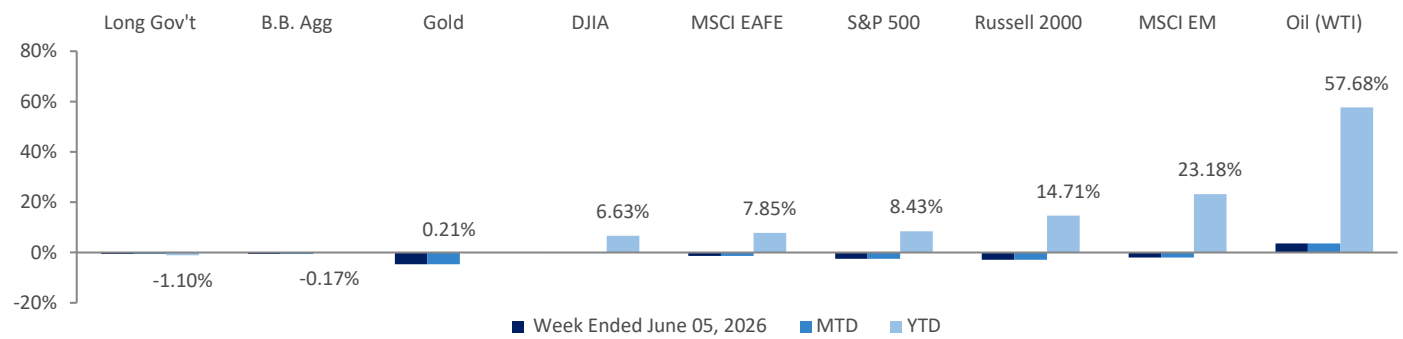


Figure 2. S&P 500 Sector Performance

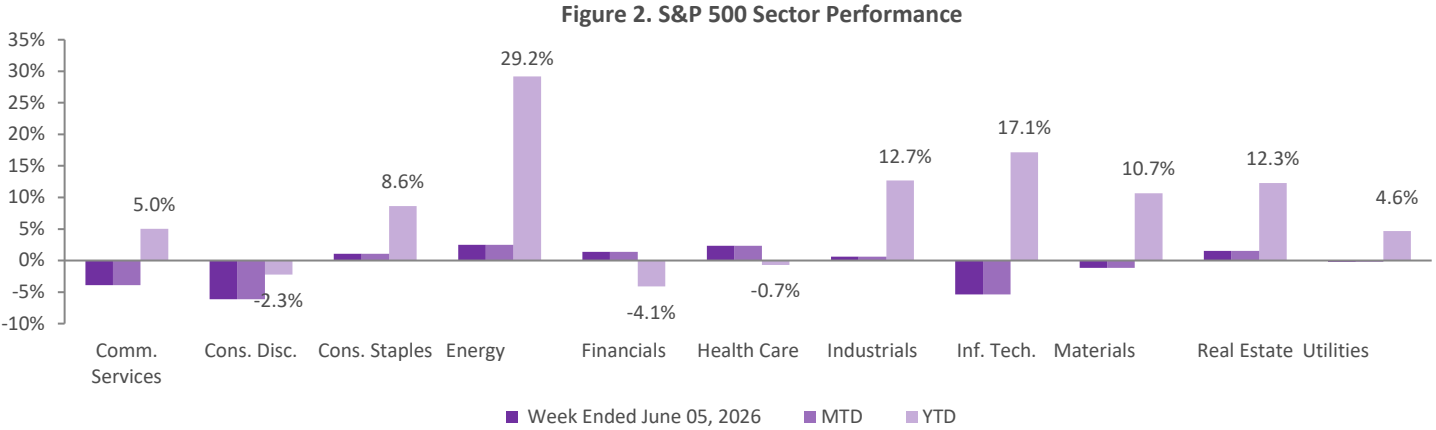
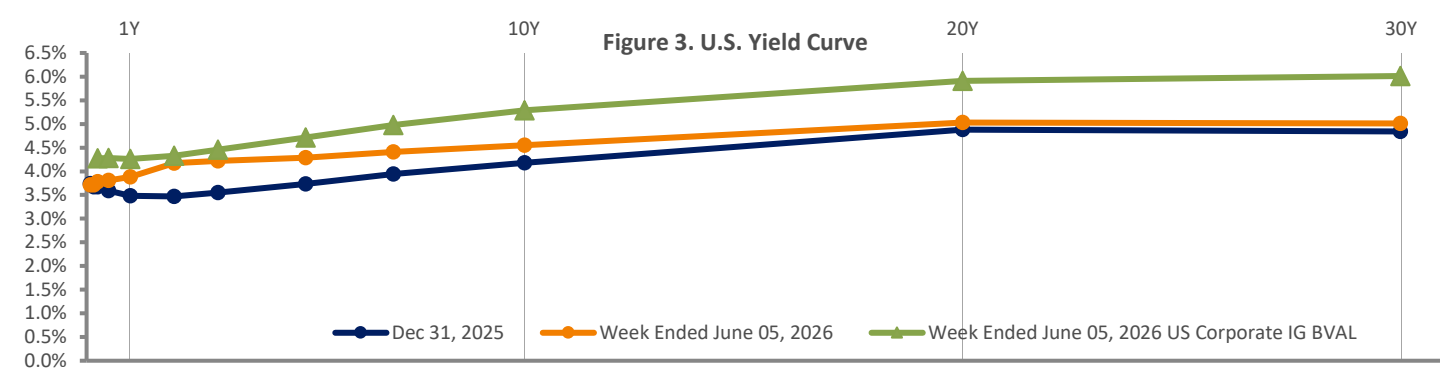


Figure 3. U.S. Yield Curve



Data Sources: Bloomberg Index Services Limited, MSCI, S&P Global, FTSE Russell

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CME Group West Texas Intermediate (WTI) Light Sweet Crude Oil futures.

The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed-rate agency MBS, ABS and CMBS (agency and non-agency).

The Bloomberg U.S. Government: Long Index tracks US dollar denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government) with maturities equal or greater than 10 years. The index was created in May 1991, with history backfilled to January 1, 1973.

The Russell 2000® Index measures the performance of the small-cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable US equity market. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

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The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,190 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The Gold Spot price is quoted as US Dollars per Troy Ounce.