

Weekly Market Recap

June 15, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500 [®] Index	7,432	0.7%	8.6%
Dow Jones Industrial Average	51,202	0.7%	6.5%
NASDAQ	25,889	0.7%	11.4%
Russell 2000 [®] Index	2,944	3.9%	18.6%
International Equities ¹	105.02	2.7%	9.4%
Emerging Markets Equities ²	67.88	5.1%	24.1%
Ten-Year Treasury Yield	4.48%	0.5%	0.4%
Bonds ³	\$98.76	0.6%	-1.1%
Oil WTI ⁴ (\$/bbl ⁵)	\$84.26	-6.9%	46.8%

¹International Equities is represented by iShares Core MSCI ETF. ²Emerging Markets Equities are represented by iShares MSCI Emerging Markets ETF. ³Bonds are represented by the iShares U.S. Aggregate Bond ETF ⁴WTI = West Texas Intermediate ⁵bbl = Barrel..

Sources: Bloomberg L.P.; FactSet.

U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rose this week as U.S.-Iran negotiations appeared to improve with expectations for a 60-day ceasefire extension, Hormuz reopening, and framework for nuclear talks. Semiconductor, memory, and artificial intelligence (AI) related stocks rose this week partially benefiting from OpenAI confidentiality filing for an initial public offering (IPO) and the successful execution of SpaceX's massive \$75B IPO that rallied over 20% on its first day of trading. May consumer price index (CPI) was largely in line with analyst expectations with softer core inflation offset by elevated headline inflation data driven mainly by higher energy prices. May producer price index (PPI) was mixed, but both inflation reports appear unlikely to materially change the Federal Reserve's (Fed's) cautious stance. The U.S. 10-year Treasury yield declined to 4.48% from 4.52%. The dollar was down, while gold fell -2.9%. Oil (WTI) fell -6.9% on progress in the Iran-U.S. negotiations.
- S&P 500 Index Sector Returns:
 - Materials (+3.0%) rose, led by chemical and paint companies.
 - Consumer staples (+2.6%) rose, led by soda and tobacco stocks.
 - Financials (+2.0%) rose, led by banks.
 - Real Estate (+1.3%) rose, led by public storage and senior housing.
 - Industrials (+1.1%) rose, led by airlines, and aerospace and defense stocks.
 - Consumer discretionary (+0.7%) rose, led by home improvement retailers and Tesla, which was partially offset by weakness from Amazon.
 - Tech (+0.5%) rose, led by semiconductors and memory stocks.
 - Healthcare (+0.5%) and utilities (+0.4%) underperformed, as investors tend to favor less defensive sectors.
 - Energy (-0.4%) fell, as the price of oil fell -6.9%
 - Communication services (-1.9%) fell, led lower by social media and internet search stocks.

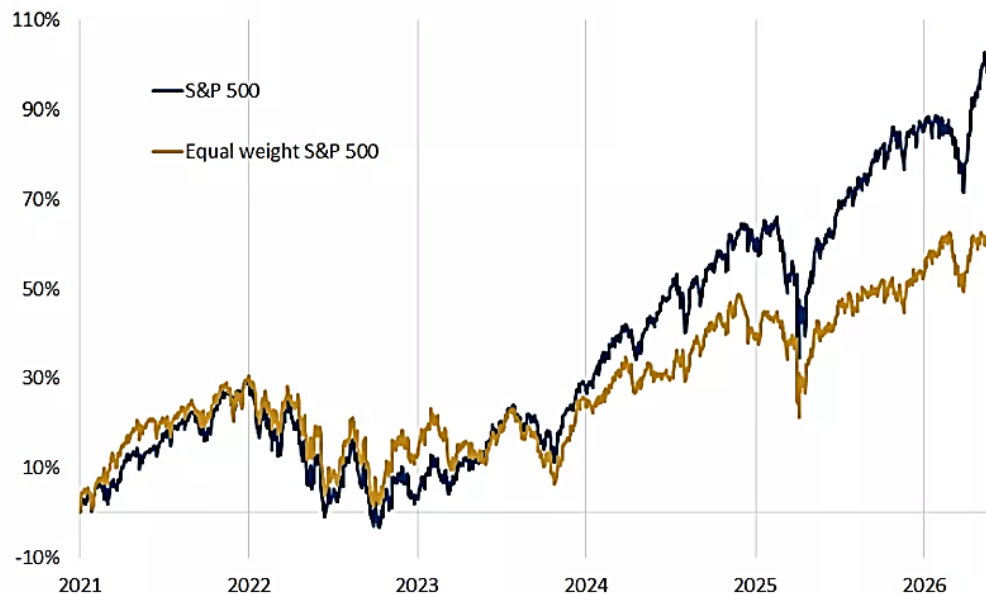
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All data is as of 06.12.2026 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

- The average stock (S&P 500 Equal Weight Index) has underperformed since 2021, thus there may be “catch-up” potential relative to the mega caps (S&P 500 Index is market cap weighted).

The "average" stock has catch-up potential vs. mega-caps

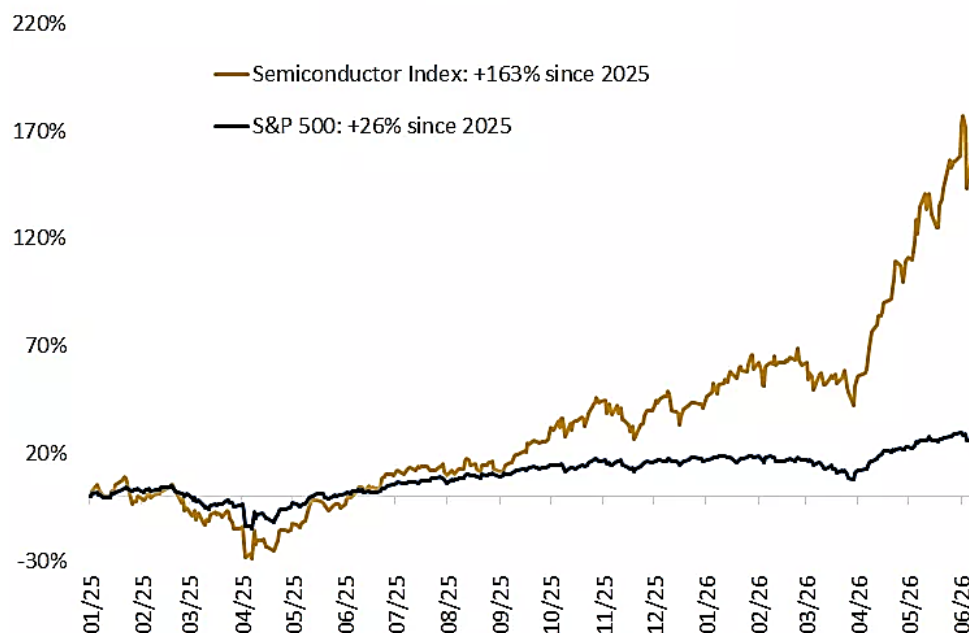
Cummulative gains since 2021



Sources: Bloomberg L.P.; Edward Jones.

- Chip stocks as represented by the semiconductor index have led U.S. equity markets since early 2025 but have rallied significantly since March 31.

Chip stocks may be due for a breather after a historic run



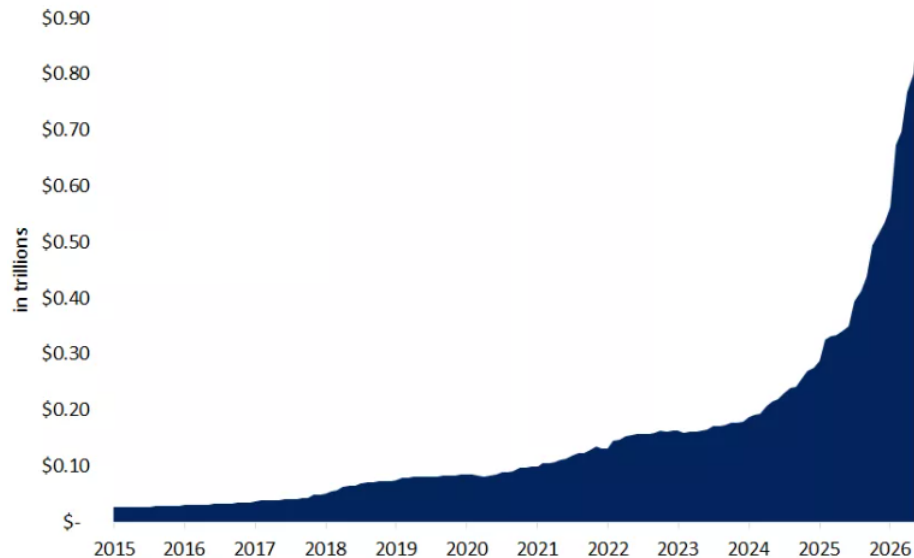
Sources: Bloomberg L.P.; Edward Jones. Data as of 06.2026.

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- AI capital expenditure (capex) spending is expected to approach \$1T, which appears to be driving the strong earnings and price appreciation of the chip stocks.

AI spending is expected to approach \$1 trillion

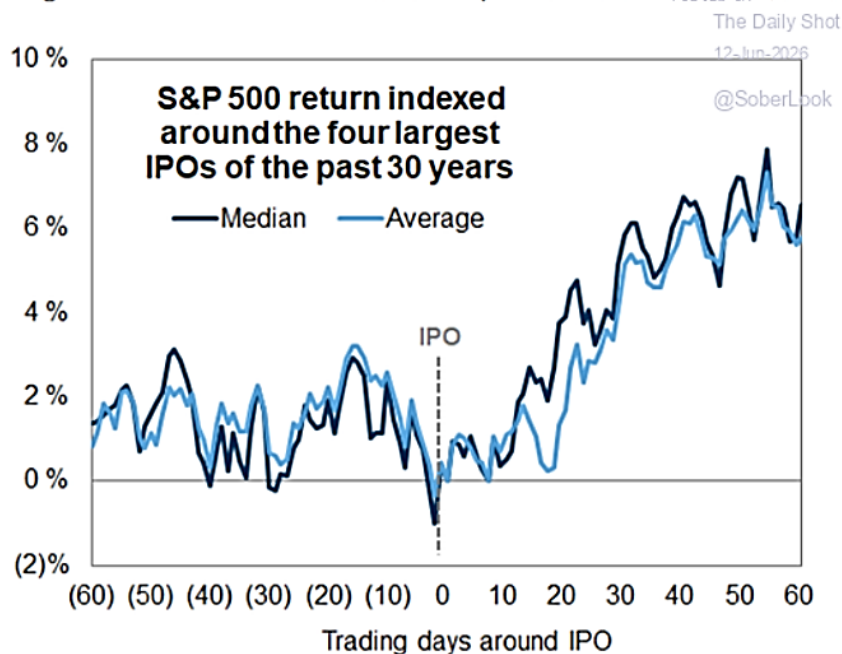
Next 12 months capex estimates of AMZN, GOOGL, META, MSFT & ORCL



AMZN = Amazon. GOOGL = Google. META= Meta. MSFT= Microsoft. ORCL= Oracle.
Sources: Bloomberg L.P.; Edward Jones.

- Historically, the S&P 500 Index has performed well two months after the previous four largest IPOs.

Largest IPOs scaled to S&P 500 market cap at the time = BABA, GM, META, V



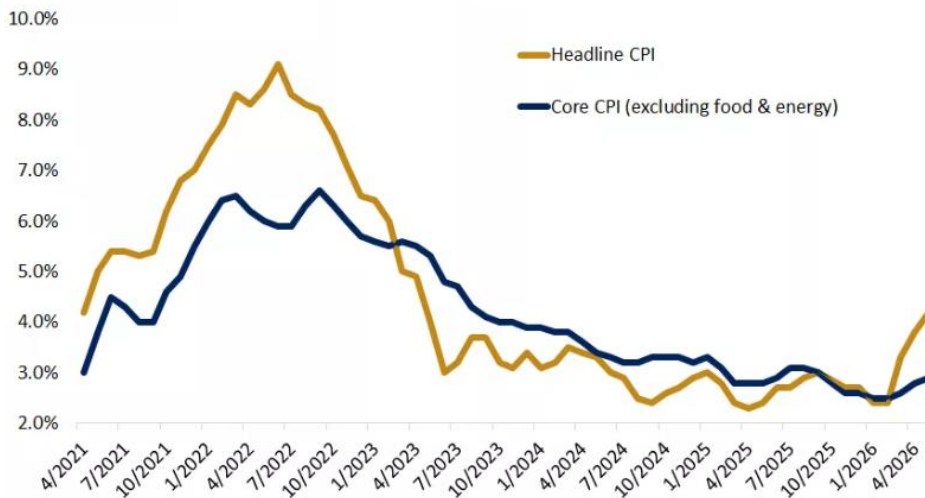
BABA= Alibaba Group Holding Limited, GM= General Motors Company. META = Meta Platforms. V= Visa.
Sources: FactSet; Goldman; The Daily Shot. Data as of 06.12.2026.

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Fixed Income Markets

- Thus far, the recent rise in inflation appears to be driven by higher energy prices linked to elevated oil prices from the U.S.-Iran conflict.

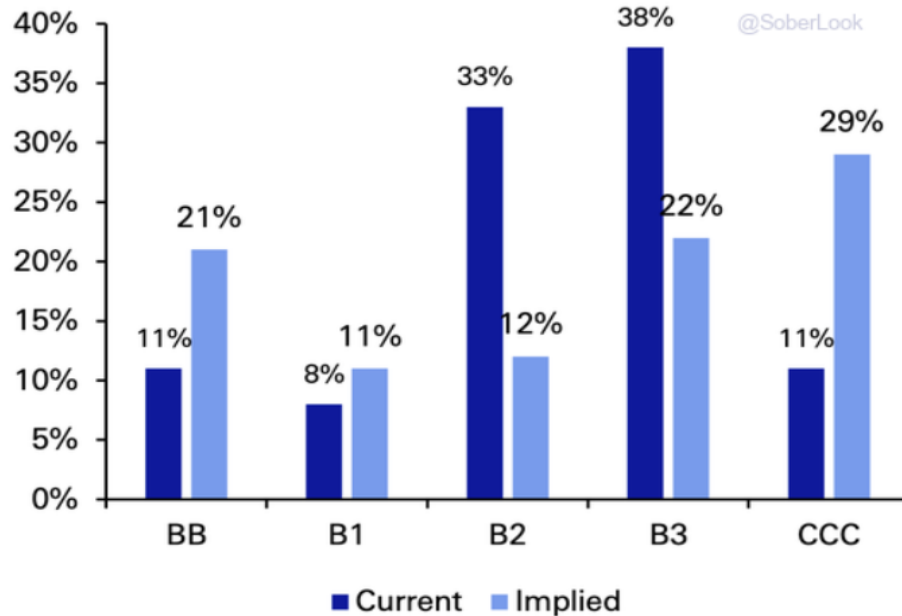
So far, the inflation jump is largely an energy story



Sources: Edward Jones; Bloomberg L.P. Data as of 04.2026.

- Market prices appear to be implying that nearly 30% of U.S. software leveraged loans should be CCC-rated.

Bloomberg US Lev Loan Index Software Ratings: Current vs. Market-Implied



Lev Loan= leveraged loan. Market-implied ratings are calculated by comparing current individual \$LL software prices vs the average price per \$LL rating bucket. In the chart, ratings are assigned through a market-implied software rating based on the average rating bucket price that is closest to the individual software loan price.

Sources: Deutsche Bank; Bloomberg L.P.; The Daily Shot. Data as of 06.12.2026.

International Markets Summary

- European markets (STOXX 600 Index) rose +1.7% as U.S.-Iran peace talks appeared to show signs of de-escalation and the European Central Bank expectantly raised three of its key interest rates on Thursday.
- The Chinese stock market (Shanghai Composite A share) fell -0.8% as strong May export data (up +19.4% year-over-year) contrasted with subdued consumer demand.
- Japanese equities (Nikkei 225 Index) fell -0.9% as U.S.-Iran peace negotiations appeared to show signs of progress, and investors braced for the Bank of Japan's (BoJ) meeting on June 15 and 16 where the BoJ is expected to raise rates by +0.25%.

This Week:

- The volume of corporate earnings reports will be moderate this week.
- Economic data:
 - Monday: Empire Manufacturing, Capacity Utilization, Industrial Production, National Association of Home Builders Housing Market Index;
 - Tuesday: Building Permits, Export Prices, Housing Starts, Import Prices, Redbook Chain Store, Automatic Processing Institute Crude Inventories;
 - Wednesday: Federal Open Market Committee Meeting, Mortgage Bankers Association Mortgage Purchase Applications, Retail Sales, Business Inventories, Pending Home Sales, Department of Energy Crude Inventories;
 - Thursday: Philadelphia Fed Index, Leading Indicators, Treasury International Capital Flows, Weekly Jobless Claims, Energy Information Administration Natural Gas Inventories;
 - Friday: U.S. market Holiday.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
Executive Director

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Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **S&P 500® Equal Weight Index (EWI)** is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. 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.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

Technical Terms:

The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. The **Producer Price Index (PPI)** is a measure of inflation at the wholesale level. It's compiled from thousands of indexes that measure producer prices by industry and product category. The index is published monthly by the U.S. Bureau of Labor Statistics (BLS). The **NAHB/Wells Fargo Housing Market Index (HMI)** is designed to gauge and track the pulse of the single-family housing market. **TIC flows** (Treasury International Capital flows) refer to the statistical data compiled by the U.S. Department of the Treasury that tracks the cross-border flow of portfolio capital and financial assets into and out of the United States. The **Philadelphia Fed Index** (officially the Manufacturing Business Outlook Survey) is a monthly regional economic indicator tracking manufacturing activity in Pennsylvania, New Jersey, and Delaware. The **Federal Open Market Committee (FOMC)** is the policymaking branch of the Federal Reserve System responsible for setting national monetary policy, managing the nation's money supply, and directing open market operations (the buying and selling of U.S. government securities). **Empire Manufacturing** (formally known as the Empire State Manufacturing Index) is a monthly economic indicator published by the Federal Reserve Bank of New York. The **Bloomberg U.S. Leveraged Loan Index** measures the performance of USD denominated, high-yield, floating-rate, institutional leveraged loan market. An **IPO**, or initial public offering, is the term for the first time that a private company sells shares of its stock to the public on a stock exchange. **Market cap** (short for market capitalization) is the total dollar value of a company's outstanding shares. **Capital expenditures (CapEx)** are funds companies spend to acquire, upgrade, or maintain long-term physical assets. **Chip stocks** (often called semiconductor stocks) are shares in publicly traded companies that design, manufacture, test, or supply equipment for microchips. A **semiconductor index** is a financial benchmark that measures the collective market performance of companies engaged in the design, distribution, and manufacturing of semiconductors. A **mega cap stock** is a publicly traded company with a market capitalization of \$200 billion or higher.

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