

# Capital Markets Snapshot

Courtesy of The Davis Financial Group

Week ending June 19, 2026

US equity markets advanced over the week, driven by growing optimism surrounding a U.S.–Iran peace agreement — formally signed by President Trump on June 17th at the G7 summit in Versailles — that raised expectations for a reopening of the Strait of Hormuz and an easing of energy supply disruptions that have weighed on markets since the start of the conflict. The S&P 500 rose 1% as investor sentiment improved alongside declining oil prices, supported by strength in the Technology and Industrials sectors. Treasury yields were mixed, with longer-dated yields declining modestly, reflecting some easing of near-term inflation concerns as the prospect of a Hormuz reopening came into view. At his first Fed meeting as Chair, Kevin Warsh held rates steady while signaling a firm commitment to the Fed's 2% inflation target, reinforcing a more hawkish policy stance. May retail sales rose 0.9% month-over-month, exceeding the 0.6% consensus estimate and marking a fourth consecutive gain, signaling continued consumer strength despite elevated gasoline prices and broader inflation pressures. Taken together, last week highlighted a market navigating a complex backdrop, as easing geopolitical tensions, falling energy prices, and resilient consumer spending provided support, even as persistent inflation and a more hawkish Fed continue to pose meaningful risks.

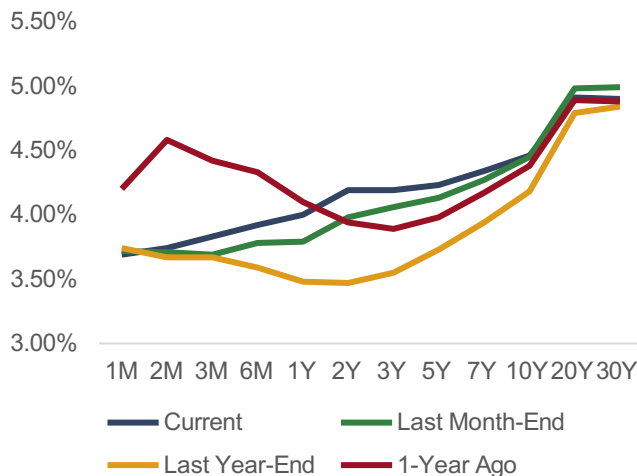
## Fixed Income Markets Overview

- The Treasury yield curve flattened as short-term yields rose while long-term yields declined, reflecting a more hawkish stance from the Federal Reserve.
- The 2-year Treasury yield rose 10 basis points to 4.19%, the 10-year yield declined 2 basis points to 4.46%, and the 30-year Treasury yield fell 7 basis points to 4.90%.
- Declining energy prices, driven by the signing of the US-Iran memorandum of understanding and early signs of increasing oil flows through the Strait of Hormuz, put downward pressure on longer-dated Treasury yields throughout the week.
- The Fed's GDPNow estimate edged lower over the week, dropping from 3.1% to 3.0%, suggesting a modest softening in the near-term growth outlook.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)	
<b>Short</b>	1-3 Year Govt/Credit	-0.1%	0.6%	4.6%	2.1%	
	<b>Core Plus</b>	Intermediate Govt/Credit	0.0%	0.2%	4.5%	1.2%
		Global Aggregate	-0.3%	-0.3%	3.3%	-1.6%
		US Aggregate	0.1%	0.5%	4.1%	0.1%
		US Treasury	0.2%	0.2%	3.1%	-0.5%
		US TIPS	-0.2%	1.0%	3.9%	1.1%
		US Corporate	0.1%	0.8%	5.4%	0.3%
US Corporate High Yield	0.1%	1.8%	8.8%	4.3%		
<b>Other</b>	Emerging Markets Aggregate	0.3%	2.0%	8.6%	2.0%	
<b>Muni</b>	US Municipals	0.4%	2.0%	3.7%	1.0%	
	US Municipals High Yield	0.5%	3.5%	5.8%	1.7%	

Source: Bloomberg as of June 19, 2026

## U.S. Treasury Yield Curve



Source: Bloomberg and U.S. Treasury as of June 19, 2026

## Interest Rates (%)

Date	6/18/2026	5/29/2026	12/31/2025	6/18/2025
1 Month Treasury	3.69%	3.72%	3.74%	4.20%
3 Month Treasury	3.83%	3.69%	3.67%	4.42%
6 Month Treasury	3.92%	3.78%	3.59%	4.33%
2 Year Treasury	4.19%	3.98%	3.47%	3.94%
5 Year Treasury	4.23%	4.13%	3.73%	3.98%
10 Year Treasury	4.46%	4.45%	4.18%	4.38%
30 Year Treasury	4.90%	4.99%	4.84%	4.88%
US Aggregate	4.74%	4.67%	4.32%	4.69%
US Corporate	5.20%	5.13%	4.81%	5.18%
US Corporate High Yield	7.12%	6.96%	6.53%	7.35%
US Municipal	3.60%	3.67%	3.60%	4.00%
US Municipal High Yield	5.45%	5.53%	5.59%	5.83%

## Spreads Over 10-Year US Treasuries

Date	6/18/2026	5/29/2026	12/31/2025	6/18/2025
30 Year Treasury	0.44%	0.54%	0.66%	0.50%
US Aggregate	0.28%	0.22%	0.14%	0.31%
US Corporate	0.74%	0.68%	0.63%	0.80%
US Corporate High Yield	2.66%	2.51%	2.35%	2.97%
US Municipal	-0.86%	-0.78%	-0.58%	-0.38%
US Municipal High Yield	0.99%	1.08%	1.41%	1.45%

Source: Bloomberg and U.S. Treasury as of June 19, 2026

## Equity Markets Overview

- US equity markets posted broad gains for the week, with the S&P 500 rising 1%, the Nasdaq Composite gaining 2.4%, and the Dow Jones Industrial Average advancing 0.7%.
- A key theme of the week was progress toward — and ultimately the signing of — the US-Iran peace agreement, which drove a notable rotation into technology and other growth-oriented sectors while energy stocks lagged sharply as oil prices declined on expectations of a Hormuz reopening.
- Information Technology led sector performance with a gain of 3.1%, followed by Industrials with a 2.6% advance, while Energy fell 6.6% and Real Estate declined 3.4% as the week's worst performers.
- Investor risk appetite improved over the week, driven by the combination of geopolitical optimism and easing energy prices, though investors remained cautious given the Fed's increasingly hawkish posture and the uncertain trajectory of inflation.

Asset Class	Name	1W	YTD	3Y(Ann.)	5Y(Ann.)
<b>All-Cap</b>	S&P 1500	0.9%	10.7%	20.5%	13.7%
<b>Large-Cap</b>	S&P 500	1.0%	10.2%	21.0%	14.1%
	S&P 500 Growth	2.3%	12.3%	26.5%	15.4%
	S&P 500 Value	-0.7%	7.7%	14.5%	11.8%
<b>Mid-Cap</b>	S&P Midcap 400	-0.1%	15.4%	15.4%	9.4%
	S&P Midcap 400 Growth	0.8%	19.8%	17.4%	9.3%
	S&P Midcap 400 Value	-1.0%	11.0%	13.3%	9.4%
<b>Small-Cap</b>	S&P Smallcap 600	0.0%	19.7%	15.1%	7.3%
	S&P Smallcap 600 Growth	1.2%	21.5%	15.8%	7.2%
	S&P Smallcap 600 Value	-1.1%	18.0%	14.4%	7.4%
<b>Int'l.</b>	MSCI ACWI ex-USA	1.7%	15.2%	18.8%	9.2%
	MSCI EM	4.1%	28.3%	23.2%	8.2%

Source: Bloomberg as of June 19, 2026

## Alternative Markets Overview

- Commodity markets were broadly lower on the week, with energy prices dropping as the signing of the US-Iran memorandum of understanding pointed toward a meaningful easing of supply disruptions.
- WTI crude oil declined 9%, settling at \$77.54 per barrel, as the formal US-Iran agreement raised expectations that the Strait of Hormuz would more fully reopen.
- Gold gained 0.2%, closing near \$4,200 per troy ounce, amid improving risk sentiment and growing geopolitical optimism.
- Bitcoin fell 0.9%, ending the week around \$63,000.

Name	1W	YTD	3Y (Ann.)	5Y (Ann.)
S&P GSCI	-3.7%	28.5%	14.8%	14.8%
Gold	0.2%	-2.2%	29.1%	19.1%
FTSE All Equity NAREIT	-3.2%	13.0%	9.6%	3.5%
Bitcoin	-0.9%	-28.1%	33.2%	11.9%
Ethereum	2.2%	-42.7%	-0.3%	-4.8%

Source: Bloomberg as of June 19, 2026



### Upcoming Week

- Notable earnings reports are expected from Micron Technology, FedEx, and Cerebras Systems.
- Key economic releases include the Personal Consumption Expenditures (PCE) Price Index, the University of Michigan Consumer Sentiment Survey, and S&P Global Manufacturing and Services PMI data.

## Glossary and Disclosures

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S&P 1500 Index combines three leading indices, the S&P 500, the S&P Midcap 400, and the S&P Smallcap 600, to cover approximately 90% of U.S. equity market capitalization.

S&P 500 Index includes approximately 500 leading companies that covers approximately 80% of available U.S. equity market capitalization.

S&P 500 Growth Index is a stock index that represents the fastest-growing companies in the S&P 500 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P 500 Value Index is a stock index that represents the companies in the S&P 500 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Midcap 400 Index is distinct from the large-cap S&P 500 and designed to measure the performance of 400 U.S. mid-sized companies, which have differing liquidity and growth potential than large and small cap companies.

S&P Midcap 400 Growth Index is a stock index that represents the fastest-growing companies in the S&P Midcap 400 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Midcap 400 Value Index is a stock index that represents the companies in the S&P Midcap 400 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

S&P Smallcap 600 Index measures the performance of 600 small-sized U.S. companies to reflect the small-cap segment of the U.S. equity market, which is typically known for less liquidity than large cap stocks.

S&P Smallcap 600 Growth Index is a stock index that represents the fastest-growing companies in the S&P Smallcap 600 based on three factors: sales growth, ratio of earnings change to price, and momentum.

S&P Smallcap 600 Value Index is a stock index that represents the companies in the S&P Smallcap 600 with the most attractive valuations based on three factors: book value, earnings, and sales to price.

MSCI ACWI ex-US Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries.

MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries.

S&P GSCI is broad-based and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures.

S&P GSCI Gold a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold future.

FTSE All Equity NAREIT Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

Bitcoin USD Spot Exchange Rate measures the last price of 1 Bitcoin in USD.

Bloomberg Galaxy Bitcoin Index is designed to measure the performance of a single bitcoin traded in USD.

Ethereum USD Spot Exchange Rate measure the last price of 1 Ethereum in USD.

Bloomberg Galaxy Ethereum Index is designed to measure the performance of a single Ethereum traded in USD.

Bloomberg Barclays 1-3 Year Govt/Credit Index is the 1-3 Yr. component of the U.S. Government/Credit index, which includes securities in the Government, which includes treasuries and agencies debt securities, and Credit Indices, which includes publicly issued U.S. corporate and foreign debt that meet specified maturity, liquidity, and quality requirements.

Bloomberg Intermediate US Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the US Aggregate Index with less than 10 years to maturity; this includes investment grade, US dollar-denominated, fixed-rate treasuries, government-related and corporate securities

Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets, with three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices.

Bloomberg Barclays U.S. Aggregate Bond Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays U.S. Treasury Aggregate Bond Index is the U.S. Treasury component of the U.S. Government index and represents public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays US Corporate Bond Index is the Corporate component of the U.S. Credit index and represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

Bloomberg Barclays U.S. Corporate High Yield Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays Emerging Markets Bond Index is broad-based with country eligibility and classification as an Emerging Market being rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Barclays U.S. Municipal Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US High Yield Municipal Index is an unmanaged index of noninvestment-grade municipal debt securities, which provides a representation of the performance of US high-yield tax-exempt bonds.

Federal Funds Rate is the interest rate at which depository institutions trade federal funds (balances held at Federal Reserve Banks) with each other overnight.

U.S. Treasury Securities are issued by the federal government and are considered to be among the safest investments you can make, because all Treasury securities are backed by the "full faith and credit" of the U.S. government.

CBOE Volatility Index (VIX) is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of S&P 500 index options, it provides a measure of market risk and investor sentiment.

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