

# Macro Monday

Key Markets	Friday Close	YTD	S&P500 Sector	3 Month
S&P 500	5,460	+14.48%	Communications	+3.81%
NASDAQ Composite	17,733	+18.13%	Discretionary	+1.99%
DJIA	39,119	+3.79%	Energy	-7.06%
Russell 2000	2,048	+1.02%	Financials	-1.11%
Int'l Developed	2,314	+3.46%	Health Care	-1.77%
VIX	12.48	11.5Lo/21.3Hi	Industrials	-3.02%
Oil	81.52	+14.29%	Materials	-4.81%
Gold	2,334	+12.70%	Real Estate	+0.08%
Bitcoin	60,400	+42.00%	Staples	+3.03%
U.S. 2-yr	4.75%	+50 bps	Technology	+9.58%
U.S. 10-yr	4.34%	+46 bps	Utilities	+4.57%

## RECAPPING LAST WEEK

U.S. equities ended the week with mixed performance after a key **inflation gauge** slowed to its lowest annual rate in over three years. The Nasdaq Composite index rose 0.2%, while the Russell 2000 added 1.3%. The S&P500 fell marginally. S&P500 sector breadth was decidedly weak, as nine of eleven sectors finished in the red. U.S. oil and gasoline inventories rose, keeping **crude oil** prices in check with a 1% weekly gain. **U.S. Treasury yields** finished modestly higher, even as May's **core PCE price index** rose just 0.1% MoM and 2.6% YoY, both in-line with estimates. Personal income was slightly above forecasts, while **consumer spending** ticked down from the prior reading. The numbers were likely welcome news for the **Federal Reserve**, although the pace of **disinflation** remained painfully slow. Other economic data hinted at a **gradually cooling economy**. Further evidence of a **labor market slowdown** emerged as continuing jobless claims rose to the highest level since November 2021. The final reading of **Q1 GDP** came in slightly higher at +1.4%, but consumer spending was revised lower to +1.5%, down from the initial estimate of +2%. The May **durable goods** report reflected a large drop in business equipment investment. **U.S. consumer confidence** eased this month as the economic outlook weakened, while the consumer sentiment index was revised higher as **one-year inflation expectations** dropped to 3.0% from 3.3%. The **housing market** continued to show signs of stress due to high prices and mortgage rates. New and pending home sales both fell in May, while **home prices** at the national level jumped 6.3% YoY in April. U.S. Treasury Secretary Yellen announced that the current administration would be implementing new policies aimed at increasing access to **affordable housing**. Overseas, the **Japanese yen** fell to its lowest level since 1986, prompting authorities to signal readiness to intervene in the foreign exchange market. Two separate **inflation readings** accelerated in June, keeping hopes alive that the **Bank of Japan** would be able to raise interest rates at the end of July, which in turn could support their flagging currency. Finally, **CPI readings** in Canada and Australia reignited to +2.9% and +4.0% YoY, respectively, casting doubt on those countries' ability to consider easing **monetary policy** in the near future.