

Market Brief

- U.S. equities finished lower, with Friday's sharp selloff ending a nine-week winning streak as a stronger-than-expected May jobs report sparked a broad rotation out of AI-linked technology and semiconductor shares. The S&P 500 declined 2.59% on the week, the Nasdaq fell 4.68%, the Dow slipped 0.32%, and the Russell 2000 lost 2.94%.
- European equities were mixed as renewed Middle East uncertainty, higher oil prices, and a pause in the technology rally weighed on sentiment. The Euro STOXX 50 rose 0.19%, while the FTSE 100 declined 0.40%. The DAX and the CAC 40 finished the week down 1.38% and up 0.43%, respectively.
- Treasury yields moved higher as the stronger U.S. jobs report reinforced expectations that the Federal Reserve may keep rates elevated. The benchmark 10-year Treasury yield finished around 4.52% on Friday, up from roughly 4.43% a week earlier, while the 2-year yield rose to around 4.15%.
- WTI crude settled at \$90.19 per barrel, while spot gold traded around \$4,328/oz and spot silver finished near \$68/oz. Oil posted a weekly gain of roughly 2.46% as Middle East risks remained elevated despite, while gold and silver fell 4.67% and 9.84% respectively as higher yields and a stronger dollar pressured precious metals.
- Volatility increased sharply over the course of the week as Friday's jobsdriven selloff reversed earlier gains and boosted hedging demand. The VIX finished at 21.51 on Friday, up from 15.32 a week earlier, reflecting a deterioration in risk sentiment.
- Global equity funds recorded \$21.44 billion in net inflows, including \$7.43 billion into U.S. equity funds and \$11.16 billion into European equity funds. Global bond funds attracted \$24.23 billion for a ninth consecutive week of inflows, while money market funds recorded \$159.83 billion in net inflows.

Market Data Snapshot

Index	Value	WTD	1-Month	YTD
DOW JONES INDUS.	51,202.26	0.66%	2.90%	6.53%
S&P 500 INDEX	7,431.46	0.65%	0.41%	8.56%
NASDAQ COMPOSITE	25,888.84	0.70%	-0.76%	11.39%
RUSSELL 2000 INDEX	2,943.99	3.90%	3.56%	18.62%
S&P 500/TSX COMPOSITE INDEX	34,937.85	1.52%	1.89%	9.64%
EURO STOXX 50 PR	6,187.63	2.07%	6.53%	6.75%
FTSE 100 INDEX	10,471.72	1.00%	2.01%	5.44%
DAX INDEX	24,635.30	-0.50%	2.84%	0.59%
CAC 40 INDEX	8,350.87	1.61%	4.65%	2.47%
NIKKEI 225	66,020.04	-0.85%	5.37%	31.15%

Commodities	Value (\$)	WTD	1-Month	YTD
Crude Oil (WTI)	84.32	-6.51%	-17.48%	46.79%
Gold	4,210.90	-2.70%	-10.66%	-2.65%
Silver	67.7815	-0.18%	-21.65%	-5.15%
Natural Gas	3.13	-2.76%	10.09%	-15.66%

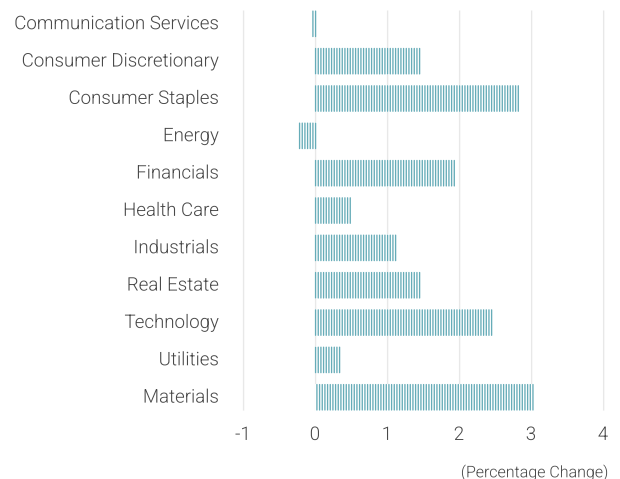
Fixed Income	Yield	WTD	1-Month	YTD
U.S. 2 Year Treasury	4.093%	-5.40	1.80	61.00
U.S. 10 Year Treasury	4.489%	-3.30	-10.70	31.70
Germany 2 Year Bund	2.638%	-6.88	-11.20	50.47
Germany 10 Year Bund	3.000%	-4.95	-17.01	13.98

(Basis Point Change)

Currency	Value	WTD	1-Month	YTD
U.S. Dollar Index (DXY)	99.75	-0.32%	0.94%	1.49%
EUR/USD	1.1567	0.39%	-1.48%	-1.58%
USD/JPY	160.2300	0.00%	1.66%	2.30%
GBP/USD	1.3402	0.48%	-1.02%	-0.58%
USD/CAD	1.3989	0.33%	2.13%	1.92%
USD/CHF	0.7970	0.09%	2.12%	0.61%
EUR/JPY	185.3405	0.38%	0.19%	0.68%
EUR/CHF	0.9219	0.47%	0.60%	-0.97%

Risk Free Rates	1M	3M	6M	12M
CHF (SARON)	-0.04%	-0.04%	-0.05%	-0.04%
EUR (EURIBOR)	2.17%	2.38%	2.64%	2.84%
USD (SOFR)	3.63%	3.67%	3.75%	3.91%
GBP (SONIA)	3.74%	3.75%	3.79%	3.98%
JPY (TORF)	0.95%	0.97%	1.02%	-

S&P 500 Weekly Sector Performance



Market Drivers

U.S. Markets

Wall Street ended the week higher, recovering from earlier volatility as investors looked past uneven technology trading and leaned back into risk assets by Friday. The S&P 500 gained 0.65% for the week, the Nasdaq rose 0.70%, and the Dow added 0.66%, while the Russell 2000 outperformed with a 3.90% advance as small-cap shares benefited from improved breadth and lower rate volatility. The week was still choppy, with AI-linked and semiconductor stocks remaining under pressure after the prior week's reset, while inflation concerns kept investors cautious ahead of the Federal Reserve's next policy decision. Friday's rebound helped improve the tone, supported by lower oil prices, easing geopolitical concerns, and SpaceX's strong market debut, which helped reinforce investor appetite for high-growth and innovation-linked companies. Fund flows were more mixed, with U.S. equity funds seeing \$12.57 billion of outflows in the week through June 10, even as technology funds still attracted \$4.39 billion for a tenth straight week. Overall, the market remains supported by earnings resilience and AI-related investment themes, but this week showed that leadership is becoming more selective and that stretched valuations remain vulnerable when macro uncertainty rises.

European Markets

European markets finished the week higher, helped by a strong Friday rally and a broader improvement in risk sentiment. The STOXX 600 gained 1.69% for the week, closing Friday at 633.21, with travel, leisure, and banks leading the advance while energy shares lagged as crude prices moved lower. Regional performance was mixed but generally positive, with France's CAC 40 rising 1.61%, Italy's FTSE MIB gaining 3.22%, and the UK's FTSE 100 adding 1.00%, while Germany's DAX slipped 0.50%. The European Central Bank remained a key focus after raising rates for the first time since 2023, reinforcing the view that policymakers are still concerned about inflation risks even as growth remains uneven. Economic data were mixed as well, with German industrial production improving in April, UK GDP contracting 0.1%, and inflation readings still pointing to pressure in parts of the region. Fund flows were supportive, with European equity funds attracting \$6.74 billion in the week through June 10. European equities continue to benefit from cheaper relative valuations and improving investor interest, but the region remains sensitive to central bank policy, energy costs, and the durability of the growth backdrop.

Asia-Pacific Markets

Asia-Pacific markets were uneven, with Japan lower, mainland China mixed, Hong Kong weaker, and South Korea highly volatile after a sharp reset in AI-linked technology shares. Japan declined for the week, with the Nikkei 225 falling 0.85% and the broader TOPIX losing 1.70%, as investors weighed yen weakness, rising imported inflation pressure, and expectations that the Bank of Japan could raise rates at its June meeting. The yen remained near the 160 per dollar level, keeping currency intervention risk in focus and adding caution for foreign investors. China's performance was more mixed than broadly weak, with the CSI 300 down 0.82%, the Shanghai Composite up 0.09%, and Hong Kong's Hang Seng down 0.98%, as strong export data helped offset continued concerns around subdued domestic demand and U.S.-China technology pressure. Asian equity funds still attracted \$6.37 billion in the week through June 10, but foreign outflows from regional equities remained heavy, especially in South Korea and Taiwan. Overall, the region remains supported by AI and semiconductor demand, but performance has become more selective as investors balance strong export momentum against currency pressure, rate uncertainty, and crowded technology valuations.

Emerging Markets

Emerging markets ended the week mixed, with late-week gains in some risk assets offset by continued caution in fund flows. The softer move in oil helped import-heavy economies and supported currencies in parts of Asia and Latin America, while Latin American equities and foreign exchange markets strengthened on Friday as global sentiment improved. However, the broader backdrop remained challenging as stronger U.S. data, elevated inflation concerns, and expectations for a still-restrictive Federal Reserve kept investors selective. Fund flows reflected that caution, with emerging-market equity funds seeing \$3.4 billion of outflows and emerging-market bond funds losing \$944 million in the week through June 10. Country-level performance remained varied, with India benefiting from lower energy prices, parts of Latin America gaining on improved risk appetite, and Argentina's credit backdrop continuing to improve, while Indonesia remained pressured by currency weakness and policy uncertainty. Overall, emerging-market assets appear more stable than during the worst of the earlier oil shock, but the recovery is still narrow. A more durable improvement would likely require a softer dollar, steadier commodity prices, and lower global rate volatility.

Technical Update

The S&P 500 closed the week at 7,431.46, stabilizing after the prior week's sharp Friday reversal but still failing to fully repair the failed breakout above the 7,500 to 7,600 area. The week was volatile, with buyers defending the low-to-mid 7,200s before rebuilding enough momentum on Thursday and Friday to leave the index modestly higher. Monday held above the prior week's closing area, but Tuesday's rally attempt failed near 7,480 before the index reversed lower and briefly tested 7,237.85. Wednesday was the weakest session of the week, with the S&P closing near the low at 7,266.99, temporarily shifting the short-term setup back toward downside risk. Thursday and Friday improved the tone, with the index reclaiming 7,400 and finishing Friday at 7,431.46, though still below the more important 7,480 to 7,550 resistance band. That late-week recovery helped prevent the pullback from becoming more damaging, but the index still needs stronger follow-through to confirm that buyers have regained control.

The immediate support zone to watch is now 7,395 to 7,410, which captures Monday's low area, Thursday's close, and Friday's opening range. Holding that band would suggest buyers are trying to turn last week's breakdown into a short-term base rather than the start of a deeper correction. Below that, 7,360 to 7,385 remains the next important support area, followed by 7,250 to 7,300, which is the key downside shelf after the midweek test. On the upside, first resistance sits between 7,455 and 7,485, where Monday, Tuesday, and Friday all stalled. A move through that area would improve the near-term setup, but 7,500 to 7,550 remains the more important recovery zone, with 7,580 to 7,620 still marking the larger failed-breakout area. Breadth improved into the end of the week, with roughly 60.43% of S&P 500 members trading above their 50-day moving averages, while the VIX cooled to 17.68 from 21.51 the prior week. The 14-day RSI finished in the low-to-mid 50s, leaving momentum neutral to modestly positive but not overbought. That gives the market some room to extend if resistance is reclaimed, but it also means price confirmation remains more important than momentum alone.

Taken together, these readings point to a market that has moved from a failed-breakout phase into an early repair phase, but not yet back into a confirmed upside continuation. The 7,395 to 7,410 zone is the first area to defend, with 7,360 to 7,385 and then 7,250 to 7,300 as the more important downside levels if selling pressure returns. To the upside, 7,455 to 7,485 is the first recovery checkpoint, followed by the more important 7,500 to 7,550 zone. A clean move back above 7,550 would suggest buyers are regaining control and would shift attention back toward 7,580 to 7,620. Until then, the rebound should be viewed as constructive but incomplete, with the burden of proof still on buyers heading into next week. The setup is not outright bearish, but it does leave the index in a decision zone where support must hold and resistance needs to be reclaimed before the broader uptrend looks healthier again. That makes early-week follow-through especially important, as another failure below resistance would keep the market vulnerable to a retest of the lower support zones.

S&P 500: 50 & 200 Day Moving Average



Source: WSJ

The Week in Focus

The coming week brings a Fed-heavy U.S. macro calendar and another important test for a market still trying to balance resilient growth, elevated inflation pressure, AI enthusiasm, geopolitical uncertainty, and a more complicated interest-rate narrative. With the June FOMC decision due Wednesday afternoon, May retail sales arriving earlier that morning, housing data due Tuesday, and U.S. markets closed Friday for Juneteenth, this week looks less like a broad earnings gauntlet and more like a concentrated test of consumer demand, housing sensitivity, industrial momentum, and the Fed's willingness to stay patient while inflation remains uncomfortable.

Monday, June 15 starts with a useful look at manufacturing and housing sentiment, with the June Empire State Manufacturing Index due at 8:30 a.m. ET, followed by May industrial production and capacity utilization at 9:15 a.m. ET and the June NAHB Housing Market Index at 10 a.m. ET. The manufacturing and industrial data will matter because investors are still trying to determine whether higher input costs, energy volatility, and slower global demand are beginning to weigh more visibly on activity. The NAHB survey will be important for assessing builder confidence, pricing pressure, buyer traffic, and the effect of elevated mortgage rates on housing demand. Earnings are quiet, with Dave & Buster's reporting after the close and offering a narrow but useful read on discretionary spending and consumer demand for entertainment.

Tuesday, June 16 shifts the focus more directly to import and export costs and housing, with the May import and export price indexes, May housing starts, and May building permits all due at 8:30 a.m. ET. Housing starts and permits will be especially important given the sensitivity of homebuilders, mortgage lenders, materials companies, and consumer-related housing categories to rates and affordability. Earnings from Wiley before the open and La-Z-Boy after the close add smaller but useful reads across publishing, education-related demand, furniture, housing-linked spending, and discretionary household purchases.

Wednesday, June 17 is the key session of the week, with May retail sales due at 8:30 a.m. ET, followed by April business inventories at 10 a.m. ET, the FOMC policy statement at 2 p.m. ET, and Fed Chair Kevin Warsh's press conference at 2:30 p.m. ET. Retail sales will be the first major test of whether consumers are still absorbing higher prices or beginning to pull back more clearly, especially after the recent inflation data and renewed energy-price pressure. The Fed decision is the main event, with markets widely expecting no rate change but still highly sensitive to the statement, updated projections, inflation language, and any change in tone around future policy. Jabil and CarMax report before the open, offering important reads on AI-related hardware demand, electronics supply chains, used-car affordability, credit conditions, and consumer financing, while Smith & Wesson reports after the close.

Thursday, June 18 keeps the labor and manufacturing themes in focus, with weekly jobless claims and the June Philadelphia Fed Manufacturing Index both due at 8:30 a.m. ET. The Philadelphia Fed survey will provide another regional manufacturing check after Monday's Empire State report, with investors watching orders, prices paid, employment, and broader business confidence. Accenture and Kroger report before the open, creating an important morning for enterprise technology spending, consulting demand, AI implementation, grocery pricing, consumer trade-down behavior, and household staples demand.

Friday, June 19 closes the week with U.S. stock and bond markets closed in observance of Juneteenth, and there are no major U.S. economic reports or earnings releases scheduled. With the market closed, the practical end of the week comes Thursday, leaving investors to carry the Fed's message, the retail-sales data, the housing updates, and the latest labor-market read into the following week.

U.S. Markets continuing to climb looks more complicated now because the market needs the data and the Fed to confirm that inflation pressure can be contained without forcing a more restrictive policy stance. Accenture and Jabil will also need to reinforce the technology and AI investment themes without suggesting that expectations have moved too far ahead of fundamentals. This week looks less like a routine mid-June calendar and more like a concentrated test of consumer resilience, housing sensitivity, industrial activity, Fed communication, and the durability of the market's AI-led leadership.