

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- The U.S. and Iran announced an interim peace agreement after nearly three months of conflict, including a ceasefire, the reopening of the Strait of Hormuz, and renewed negotiations over Iran's nuclear program.²
- SpaceX completed the largest IPO in history, raising \$75 billion at a \$1.77 trillion valuation, with shares surging 19% on their first day of trading.³
- Headline inflation accelerated, with the Consumer Price Index (CPI) rising 0.5% month-over-month (MoM) and 4.2% year-over-year (YoY), both in line with expectations, but up from 3.8% annually in April.
 - The increase was primarily driven by higher energy prices, which accounted for more than half of the monthly gain, along with continued increases in shelter and food.
- Core CPI, which excludes the volatile food and energy categories, increased 0.2% MoM, below the 0.3% consensus and 2.9% YoY, in line with expectations and only modestly above April's 2.8% pace.
 - Softer readings in motor vehicle insurance and new vehicles helped offset gains in medical care and airline fares.
- Producer inflation surprised to the upside, with the headline Producer Price Index (PPI) rising 1.1% MoM, above the 0.7% consensus, and 6.5% YoY, accelerating from 5.7% in April to its fastest pace since 2022.
 - The upside surprise was driven largely by a 10.7% jump in energy prices, particularly in gas prices.
- Core PPI was more moderate, increasing 0.4% MoM, slightly below the 0.5% consensus, while remaining at 4.9% YoY, below expectations for 5.4%, and unchanged from April.
 - Inflation pressures outside of energy remain relatively moderate despite elevated headline readings.
- Consumer sentiment improved modestly, with the University of Michigan preliminary index rising to 48.9 from a record low of 44.8 in May, beating expectations and marking the first increase in four months.

How does the most recent economic data impact you?

- The Iran truce reduced one of the biggest near-term risks, but it is still more of a pause than a durable resolution, so investors are likely to keep a geopolitical premium in place until the situation proves stable.
- CPI and PPI were firm enough to keep inflation front and center, which means the Federal Reserve (Fed) has less room for interest rate cuts.
- SpaceX's debut was well absorbed, supporting risk appetite without changing the broader macro story.



A LOOK FORWARD¹

- This holiday-shortened week, investors will be focused on U.S. retail sales and the June Federal Open Market Committee (FOMC) meeting, highlighted by Kevin Warsh's first policy decision and press conference as Chair.

How does this week's slate of economic data impact you?

- Investors will be looking for evidence that consumer demand remains healthy and whether the Fed reinforces a patient stance on rate cuts amid still elevated inflation and a resilient economy.



MARKET UPDATE⁴

Market Index Returns as of 6/12/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	0.66%	14.10%	9.15%	25.84%	21.00%	13.47%
NASDAQ	0.71%	20.07%	11.71%	34.22%	24.88%	13.81%
Dow Jones Industrial Average	0.68%	10.90%	7.36%	23.39%	16.48%	10.32%
Russell Mid-Cap	2.38%	11.88%	13.33%	23.57%	16.59%	8.16%
Russell 2000 (Small Cap)	3.93%	18.17%	19.22%	41.91%	17.40%	6.18%
MSCI EAFE (International)	0.97%	10.27%	8.90%	21.60%	16.19%	8.39%
MSCI Emerging Markets	0.02%	23.41%	23.21%	46.88%	21.99%	7.02%
Bloomberg US Agg Bond	0.52%	0.39%	0.35%	4.86%	4.18%	0.05%
Bloomberg High Yield Corp.	0.45%	2.22%	1.71%	7.09%	8.88%	4.24%
Bloomberg Global Agg	0.41%	1.09%	0.01%	2.00%	3.47%	-1.71%



OBSERVATIONS

- Major U.S. large-cap indexes rebounded modestly this week, with the S&P 500 gaining +0.66%, the NASDAQ rising +0.71%, and the Dow Jones Industrial Average adding +0.68%.
- Small and mid-cap stocks outperformed their large-cap peers as their Russell Mid Cap Index advanced +2.38% and the Russell 2000 surged +3.93%, reflecting broadening market participation.
- International equities also posted positive returns with developed markets (MSCI EAFE) gaining +0.97%, while emerging markets were little changed, edging up +0.02%.
- Fixed income markets moved higher across the board, with U.S. bonds returning +0.52%, the high yield bonds gaining +0.45%, and international bonds advancing +0.41%.



BY THE NUMBERS

SpaceX Shatters IPO Record: SpaceX completed the largest initial public offering in history, raising \$75 billion by selling more than 555 million shares at \$135 each, implying an IPO valuation of \$1.77 Trillion. On its first day of trading, the stock climbed 19% to close at \$160.95, lifting the company's market capitalization to about \$2 trillion and making it one of the world's most valuable public companies. The offering also made Elon Musk the world's first trillionaire on paper, reflecting the value of his substantial ownership. Despite the enthusiasm, the company reported a \$4.3 billion first-quarter net loss, with some analysts arguing its valuation is well above traditional discounted cash flow estimates. Looking ahead, investors will be watching whether SpaceX can justify its premium valuation through continued growth in launch services, Starlink, and AI-related initiatives.⁵

Droughts Over: It was a historic weekend for sports fans in New York and Carolina as two franchises finally ended decades-long championship droughts. The New York Knicks captured their first NBA title since 1973, defeating the San Antonio Spurs to bring home a championship 53 years in the making and erase one of the longest title droughts in major American sports. Meanwhile, the Carolina Hurricanes claimed the Stanley Cup with a game 6 victory over the Vegas Golden Knights, securing the franchise's first championship since 2006. The Hurricanes' title capped a dominant postseason run and marked their second Stanley Cup in team history. Together, the victories delivered long-awaited celebrations for two passionate fan bases that had spent years waiting for another championship moment.^{6,7}

Economic Definitions

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Federal Open Market Committee (FOMC): The FOMC is the body of the Federal Reserve System that sets national monetary policy. The FOMC makes all decisions regarding the conduct of open market operations, which affect the federal funds rate (the rate at which depository institutions lend to each other), the size and composition of the Federal Reserve's asset holdings, and communications with the public about the likely future course of monetary policy. The FOMC makes all decisions about the "stance" of U.S. monetary policy to help move the economy toward the congressionally mandated goals of maximum employment and price stability.

Producer Prices - PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100)

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: 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, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition, are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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¹ Data obtained from Bloomberg as of 6/12/26.

² [The US and Iran just announced an interim peace deal | www.atlanticcouncil.org](http://www.atlanticcouncil.org)

³ [SpaceX stock gains 19% its first trading day, closing out a historic IPO | NBCNews.com](http://NBCNews.com)

⁴ Data obtained from Morningstar as of 6/12/26.

⁵ [SpaceX stock gains 19% its first trading day, closing out a historic IPO | NBCNews.com](http://NBCNews.com)

⁶ [Knicks end 53-year title drought behind masterpiece by Jalen Brunson : NBC Sports](http://NBC Sports)

⁷ [Carolina Hurricanes win Stanley Cup | wfmynews2.com](http://wfmynews2.com)