

# CAPITAL MARKETS REPORT - JUNE 1, 2026



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SERVICE BEYOND COMPARISON

- **Markets Look to U.S.–Iran Talks for Relief from Energy and Economic Risks**
- **Consumer Finances Face Growing Pressure as Inflation Weighs on Growth**
- **Jobless Claims Edge Higher, but Labor Market Remains Resilient**

Markets remained focused on developments in U.S.–Iran negotiations, with optimism surrounding a potential extension of the current ceasefire helping support investor sentiment. However, key issues—including the future of the Strait of Hormuz, Iran’s nuclear program, and regional security concerns—remain unresolved. While progress toward a broader agreement could ease pressure on energy markets and inflation, uncertainty surrounding the negotiations continues to pose a significant risk to the global economic outlook. Reports this morning that Iran has halted communication with the U.S. has bond yields and oil prices higher.

Consumer and economic data point to growing strain on household finances. Consumer confidence declined in May as elevated inflation and higher living costs weighed on spending intentions, particularly for homes, vehicles, and other large purchases. Although consumer spending continued to grow modestly and retailers reported generally solid earnings, inflation-adjusted incomes fell for a third consecutive month while the savings rate dropped to a multi-year low. First-quarter GDP growth was also revised lower, suggesting economic activity is slowing. At the same time, persistent inflation pressures are increasing expectations that the Federal Reserve may keep rates elevated for longer than previously anticipated.

The labor market remains relatively stable despite signs of slower economic momentum. Initial jobless claims rose modestly to 215,000, but continue to hover near historically low levels, indicating that layoffs remain limited. While hiring trends have softened and continuing claims have edged higher, the broader employment picture suggests businesses are maintaining workforces even as economic uncertainty and inflation pressures persist.

| Market Last Week |           |           |                      |
|------------------|-----------|-----------|----------------------|
|                  | 5/22/2026 | 5/29/2026 | Weekly Change In Bps |
| 2 yr. Note       | 4.12%     | 4.00%     | -12                  |
| 5 yr. Note       | 4.26%     | 4.14%     | -12                  |
| 10 yr. Note      | 4.56%     | 4.44%     | -12                  |
| 30 yr. Bond      | 5.06%     | 4.97%     | -9                   |
| SOFR Rate        | 3.60833%  | 3.61998%  | 1.165                |

| Data This Week       |   |                 |              |
|----------------------|---|-----------------|--------------|
| Date/Time (ET)       | Economic Data                           | Market Estimate | Prior Report |
| 6/1/2026<br>9:45 AM  | S&P Global US Manufacturing PMI (May F) | 55.3            | 55.3         |
| 6/1/2026<br>10:00 AM | ISM Manufacturing (May)                 | 53              | 52.7         |
| 6/1/2026<br>10:00 AM | Construction Spending MoM (Apr)         | 0.20%           | 0.60%        |
| 6/2/2026<br>10:00 AM | JOLTS Job Openings (Apr)                | 6865k           | 6866k        |
| 6/3/2026<br>8:15 AM  | ADP Employment Change (May)             | 120k            | 109k         |
| 6/3/2026<br>10:00 AM | Factory Orders (Apr)                    | 4.50%           | 1.50%        |
| 6/3/2026<br>10:00 AM | ISM Services Index (May)                | 53.8            | 53.6         |
| 6/3/2026<br>10:00 AM | Durable Goods Orders (Apr F)            | 7.90%           | 7.90%        |
| 6/4/2026<br>8:30 AM  | Initial Jobless Claims (May 30)         | 213k            | 215k         |
| 6/4/2026<br>8:30 AM  | Continuing Claims (May 23)              | 1780k           | 1786k        |
| 6/5/2026<br>8:30 AM  | Change in Nonfarm Payrolls (May)        | 85k             | 115k         |
| 6/5/2026<br>8:30 AM  | Unemployment Rate (May)                 | 4.30%           | 4.30%        |

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