

CAPITAL MARKETS REPORT - JUNE 15, 2026



Birmingham (866) 405-6864
Baton Rouge (800) 421-6182
Shreveport (866) 453-5150
Little Rock (800) 737-0535

SERVICE BEYOND COMPARISON

- **Inflation Reaches Three-Year High as Energy Costs Continue to Drive Price Pressures**
- **Consumer Sentiment Improves, but Confidence Remains Historically Weak**
- **Announcement of a U.S.–Iran Agreement Support Energy Market Stabilization and Growth Outlook**

--> Inflation remained the dominant economic theme last week as consumer prices accelerated to their fastest annual pace in more than three years, driven largely by elevated energy costs stemming from the conflict in the Middle East. While some underlying inflation measures showed signs of moderation, rising fuel prices continue to pressure household budgets and have pushed real wage growth into negative territory. The persistence of inflation has reinforced expectations that the Federal Reserve will maintain a cautious stance, with markets increasingly pricing in the possibility of additional policy tightening later this year if price pressures fail to ease. Recent market pricing suggests investors are placing greater odds on a rate hike than they were just a month ago.

--> Despite the inflation backdrop, consumers received a modest boost from easing concerns about future gasoline prices and inflation expectations. Consumer sentiment ticked up for the first time in four months, although confidence remains near historically depressed levels as households continue to grapple with elevated living costs, geopolitical uncertainty, and concerns about the broader economic outlook. While the last report suggests some stabilization in attitudes, consumers remain highly sensitive to further increases in energy, transportation, and other everyday expenses.

--> Geopolitical developments remain fluid, with markets closely monitoring the announcement of a peace deal in the Middle East and its potential impact on global energy supplies. While concerns surrounding disruptions to shipping routes and regional energy infrastructure have eased somewhat from their peak levels, significant uncertainty remains regarding the trajectory of the conflict and its broader economic implications. Oil prices have retreated from recent highs, providing some relief to financial markets and helping temper near-term inflation concern. Despite the peace proposal, investors and policymakers alike continue to view geopolitical risks as a key factor shaping the economic outlook in the months ahead.

Market Last Week			
	6/5/2026	6/12/2026	Weekly Change In Bps
2 yr. Note	4.15%	4.09%	-6
5 yr. Note	4.27%	4.21%	-6
10 yr. Note	4.53%	4.48%	-5
30 yr. Bond	5.00%	4.97%	-3
SOFR Rate	3.61196%	3.63312%	2.116

Data This Week			
Date/Time (ET)	Economic Data	Market Estimate	Prior Report
6/15/2026 8:30 AM	Empire Manufacturing (Jun)	13.7	19.6
6/15/2026 9:15 AM	Industrial Production MoM (May)	0.10%	0.70%
6/15/2026 9:15 AM	Capacity Utilization (May)	76.2%	76.10%
6/16/2026 8:30 AM	Import Price Index YoY (May)	5.7%	4.2%
6/16/2026 8:30 AM	Housing Starts (May)	1430k	1465k
6/16/2026 8:30 AM	Building Permits (May P)	1418k	1423k
6/17/2026 7:00 AM	MBA Mortgage Applications (Jun 12)	N/A	10.80%
6/17/2026 8:30 AM	Retail Sales Advance MoM (May)	0.50%	0.50%
6/17/2026 2:00 PM	FOMC Rate Decision (Jun 17)	3.50%-3.75%	3.50%-3.75%
6/18/2026 8:30 AM	Initial Jobless Claims (Jun 13)	225k	229k
6/18/2026 8:30 AM	Philadelphia Fed Business Outlook (Jun)	10	-0.4
6/18/2026 10:00 AM	Leading Index (May)	0.10%	0.10%

Securities offered through FNBB Capital Markets Division ("FNBB"). FNBB is a division First National Bankers Bank, member FDIC, and is registered with the SEC as a bank dealer and regulated by the OCC. Securities products are: NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE, INCLUDING LOSS OF PRINCIPAL • NOT INSURED BY ANY STATE OR FEDERAL AGENCY. Treasury instruments are subject to interest rate and liquidity risk if they are sold before their full maturity date. As a result, there may not be a market if you need to sell or it may sell for much less than face value. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations. The market and economic data is historical and is no guarantee of future results. The information in this report has been prepared from data believed to be reliable, but no representation is being made as to its accuracy and completeness. No chart, graph, or other figure provided should be used to determine which securities to buy, sell or hold. Past performance is not indicative of future results. Investing involves risks and each investor must be willing and able to accept those risks, including the loss of principal. This piece is intended for institutional use only and not intended for retail distribution. Portions of this material were prepared with the assistance of artificial intelligence technology, specifically OpenAI, which was utilized to summarize certain source materials. All content has been reviewed for accuracy and compliance; however, no representation is made as to the completeness of AI-assisted summaries.