SMITH SHELLNUT WILSON
AN AFFILIATE OF 61BANK

Financial Week Newsletter

Summarized by Smith Shellnut Wilson

June 29, 2026

"It always seems impossible until it's done." Nelson Rolihlahla Mandela

MARKETS

Macro Recap: A closely watched inflation report showed price pressures running at their highest level in over three years. Thursday's Personal Consumption Expenditures (PCE) Price Index indicated a 4.1% annual increase for May, broadly matching economists' forecasts, while core PCE, which excludes food and energy, came in at 3.4%.

The government's final estimate for first-quarter economic activity showed GDP expanding at a 2.1% annualized pace, an upward revision from the prior 1.6% reading. According to the Commerce Department, the adjustment was largely driven by lower imports, which mathematically boost GDP, and helped offset softer consumer spending during the period.

Bitcoin briefly dipped below $59,000 on Thursday, its lowest level since September 2024, before rebounding to roughly $60,000 by Friday afternoon. Even with that recovery, the cryptocurrency remained significantly below its early-May high near $82,000 and well off its record peak of $126,000 set last October.

Energy markets saw notable weakness, with oil prices falling to roughly four-month lows as geopolitical tensions in the Middle East continued to ease. U.S. crude hovered near $69 per barrel on Friday, down more than 8% for the week and well below mid-May levels above $100. Despite the recent pullback, oil prices remain higher by roughly 20% year-to-date.

Consumer sentiment showed some improvement, breaking a three-month streak of declines that had pushed confidence to historic lows. The University of Michigan's final June reading rose to 49.5 from 44.8 in May, helped in part by easing gasoline prices. Longer-term inflation expectations also declined, falling to 3.3% from 3.9% in the prior month.

Equity Market Recap: Headline performance suggested a difficult week for equities, though the weakness was more narrowly concentrated than the major indices implied. The S&P 500 fell 2.0% while the Nasdaq Composite dropped 4.6%, largely due to continued pressure in semiconductor names and mega-cap technology stocks.

However, the broader market showed more resilience as investor flows rotated into other areas. The DJIA gained 0.6%, the Russell 2000 rose 1.0%, and the S&P Mid Cap 400 increased 0.7%, reflecting improving performance outside the largest growth-oriented names.

Fixed Income and Rates Recap: Treasury yields moved lower across maturities, reversing an early-week rise that had been driven by more hawkish Federal Reserve expectations. The 2-year yield declined approximately 15–17 basis points, from around 4.23%–4.24% to near 4.07%, while the 10-year yield fell roughly 12–13 basis points from about 4.51% to 4.38%. Yields declined as inflation data came in as expected, easing concerns about further acceleration, while falling oil prices and signs of slowing growth boosted demand for Treasuries.

Week Ahead: Attention will turn to the upcoming employment report, scheduled for release Thursday ahead of Friday's holiday-related market closure. The data will provide insight into whether recent labor market strength carried into June, following May's stronger-than-expected gain of 172,000 jobs, which marked the third consecutive upside surprise relative to consensus forecasts.

INDICES

	June 22 Open	June 26 Close	Weekly Change	Dec 31 2025	YTD Change
DJIA	51,565	51,876	0.6%	48,063	7.9%
S&P 500	7,501	7,354	-2.0%	6,846	7.4%
NASDAQ	26,518	25,298	-4.6%	23,242	8.8%
Russell 2000	2,980	3,010	1.0%	2,482	21.3%
KBW Bank Indx	179.8	182.4	1.5%	164.0	11.2%
Bitcoin	$63,962	$59,921	-6.3%	$87,648	-31.6%
Oil (WTI)	$77.54	$70.05	-9.7%	$57.42	22.0%
Gold	$4,156	$4,051	-2.5%	$4,319	-6.2%
Prime	6.75	6.75	0.00	6.75	0.00
Effective Fed Funds	3.63	3.63	0.00	3.64	-0.01
3m Tbill	3.74	3.74	0.00	3.63	0.11
2yr UST	4.18	4.11	-0.07	3.47	0.63
10yr UST	4.45	4.38	-0.08	4.17	0.21
2-10yr UST Spread	27	27	0	69	-42
2y AAA Muni/10y UST	56.6%	57.2%	0.6%	70.3%	-13.1%
10y AAA Muni/10y UST	65.3%	66.5%	1.3%	65.4%	1.1%
5yr Inflation Forecast	2.33	2.25	-0.08	2.27	-0.02

Week Ahead

- **Monday:** No major updates
- **Tuesday:** JOLTS, Case-Shiller Home Price Index, Consumer Conf.
- **Wednesday:** ADP Employment, ISM Manufacturing indx, Construction Spending
- **Thursday:** Nonfarm payroll, Factory orders, Weekly employment
- **Friday:** Market closed

ALL CONTENT IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD IN NO WAY BE CONSTRUED OR INTERPRETED AS A SOLICITATION TO SELL OR AN OFFER TO SELL ADVISORY SERVICES OR PRODUCTS.