

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.013 (1.0 bps)	GNMA (30 Yr) 6% Coupon:	111-05+/32 (2.72%)
6 Mo. T-Bill:	0.028 (0.8 bps)	Duration:	3.86 years
1 Yr. T-Bill:	0.038 (0.5 bps)	Bond Buyer 40 Yield:	3.42 (-1 bps)
2 Yr. T-Note:	0.145 (0.4 bps)	Crude Oil Futures:	69.62 (+3.30)
3 Yr. T-Note:	0.301 (0.3 bps)	Gold Spot:	1,891.59 (-12.18)
5 Yr. T-Note:	0.779 (-2.1 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.553 (-4.1 bps)	U.S. High Yield:	4.74 (1 bps)
30 Yr. T-Bond:	2.231 (-5.1 bps)	BB:	3.77 (-1 bps)
		B:	5.19 (4 bps)

U.S. Treasury bond yields were mixed last week. Treasury yields on the short end of the curve finished higher, while longer-term maturities finished lower during holiday-shortened week. Earlier in the week, the ISM Manufacturing and ISM Non-Manufacturing Indexes both beat consensus expectations. Most notably, manufacturing broadly expanded in May, growing slightly faster than in April. The week wrapped up with longer-dated Treasury yields falling as investors digested a weaker-than-expected jobs report. Nonfarm payrolls increased 559,000 in May, well short of the consensus expectation of 675,000. Despite missing the headline number, other indications point to the continued recovery of the labor market. Nearly half the states have cut overly generous jobless benefits, the unemployment rate dropped to 5.8% in May versus 6.1% in April, and average hourly earnings are up 2.0% versus a year ago. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: May NFIB Small Business Optimism (100.9, 99.8), April Trade Balance (-\$68.6b, -\$74.4b); Wednesday: June 4 MBA Mortgage Applications (n/a, -4.0%), April Final Wholesale Inventories MoM (0.8%, 0.8%); Thursday: May CPI MoM (0.4%, 0.8%), May CPI YoY (4.7%, 4.2%), June 5 Initial Jobless Claims (370k, 385k), May 29 Continuing Claims (n/a, 3771k), May Monthly Budget Statement (-\$160.0b, -\$225.6b); Friday: June Preliminary University of Michigan Sentiment (84.0, 82.9).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	34,756.39 (0.69%)	Strong Sectors:	Energy, Real Estate, Financials
S&P 500:	4,229.89 (0.64%)	Weak Sectors:	Health Care, Industrials, Consumer Discretionary
S&P Midcap:	2,728.67 (0.06%)	NYSE Advance/Decline:	2,317 / 1,171
S&P Smallcap:	1,383.80 (0.87%)	NYSE New Highs/New Lows:	688 / 51
NASDAQ Comp:	13,814.49 (0.49%)	AAII Bulls/Bears:	44.1% / 19.8%
Russell 2000:	2,286.41 (0.78%)		

The S&P 500 Index gained 0.64% last week, closing within 3 points of its all-time closing high of 4,232.60, set just four weeks prior on May 7. The index has steadily climbed back after hitting its mid-May lows as inflation fears weighed on the index with consumer discretionary and information technology taking the biggest hits. Investors have continued to digest inflation concerns against their expectations for the equities markets. Trading was mixed last week as some of these concerns weighed on growth stocks earlier in the week. The jobs report showed the U.S. added 559K jobs for the month of May, which was much higher than the 266K the previous month, but lower than the expected 675K. This led to Friday's rally with data conveying an improving employment picture in the U.S. recovery, but slower than expected, leading markets to assume the Federal Reserve will continue in its accommodative monetary policies. The S&P 500 Growth Index climbed 1.39% and the S&P 500 Information Technology Index climbed 1.92% on the day, erasing their declines from earlier in the week. Other positive employment data included the U.S. unemployment rate of 5.8%, the lowest since March of 2020 and U.S. initial jobless claims of 385K, which were lower than the previous week's claims of 406K. The expectation of a quicker recovery in global demand for crude oil helped it advance 4.98% last week, closing at \$69.62 per barrel on Friday, and helped the energy sector be the top performer as the S&P 500 Energy Index returned 6.70%. Nine out of the top ten performing stocks in the S&P 500 Index last week were energy names with **Devon Energy Corp** being the best performer, returning 19.20%. Other top performing energy names included **Schlumberger NV**, **Marathon Oil Corp**, **APA Corp**, **Occidental Petroleum Corp**, and several others. **AMC Entertainment Holdings Inc.** jumped 95% on Wednesday as retail investors and speculators continued to increase their positions in the heavily shorted stock. Social media has aided in enticing more investors to chase heavily shorted meme stocks in hopes of creating an uncomfortable short squeeze. The movie theater stock is up over 2,150% year to date. Some earnings announcements expected this week include **Brown-Forman Corp**, **Campbell Soup Co.**, **Marvell Technology Inc.**, **GameStop Corp**, **Vail Resorts Inc.**, **RH**, **Casey's General Stores Inc.**, **Thor Industries Inc.**, and many more.

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