Benefit Financial Services Group

MONDAY MORNING RECAP - June 1, 2026

Last Week

Dow Jones Industrial Average (DJIA)	51,032.46	+452.76	+0.90%
S&P 500 Index	7,580.06	+106.59	+1.43%
NASDAQ Composite Index	26,972.62	+628.65	+2.39%
U.S. 10 yr. Treasury Note Yield	4.45%	-11 Basis Points	
Gold ($ per troy oz.)	$4,560.50	+$37.30	+0.82%
WTI Oil ($ per barrel)	$87.36	-$9.24	-9.57%

Market Summary

Global Equities: US equities rose last week, notching their 22nd all-time high this year on the back of AI-related enthusiasm and growing hopes of a resolution to the conflict in the Middle East. With software stocks surging as companies pursue deeper integration of agentic AI tools, the S&P 500 ended the week up 1.43%. The STOXX 600 also benefited from geopolitical developments and the tech rally but saw more muted gains of 0.27%. Japan's TOPIX rose 1.66%, as strong domestic growth and AI optimism attracted foreign flows for the eighth consecutive week through May 23.

Fixed Income: Bond yields retreated last week as oil prices slid and core PCE inflation rose slightly less than consensus expected. The 2-Year and 10-Year US Treasury yields ended the week down at 3.98% and 4.45%, respectively. German Bund yields also fell, even though inflation in France, Italy and Spain jumped in May and ECB policymakers noted that the April decision to keep rates unchanged, rather than hike, was a "close call." The 10-Year German Bund yield ended the week down at 2.94%.

Commodities: Oil prices declined further as investors have become increasingly optimistic about a potential end to the US-Iran conflict. Oil prices plunged by about 20% in May, experiencing their largest decline since COVID. WTI and Brent Crude ended the week down at $87.36 and $92.05/bbl, respectively. Gold rebounded last week as bond yields and the dollar fell, ending the week up at $4,560.50.

FX: The US dollar index fell, ending the week down –0.30% on the news of a potential US-Iran ceasefire extension. The dollar weakened against the euro, ending at $1.16, with inflation picking up in a range of European economies and bolstering the case for rate hikes. On the other hand, the dollar was roughly flat against the yen at ¥159.27, edging back toward the levels that prompted official intervention a month ago.

Economic Summary

Geopolitics: On Friday, Axios reported that US and Iranian negotiators have tentatively reached an agreement to extend the ceasefire by 60 days, during which the Strait of Hormuz will be reopened and the two parties will hold nuclear talks. President Trump has yet to give his final approval, stating that he needs to “take a few days to think about it.” The US and Iran continued to attack one another throughout the week while flows through the Strait of Hormuz remained limited.

Inflation: Headline PCE inflation accelerated to 3.8% year-over-year in April, in line with consensus expectations but its highest rate since May 2023 and nearly double the Fed’s 2% target. Core PCE inflation, which excludes food and energy prices, rose to 3.3% YoY, slightly below expectations. Tokyo Core CPI, which excludes fresh food, increased to 1.3% YoY in May, below expectations of 1.5% and down from 1.5%, suggesting softer underlying inflation and easing some near-term pressure on the BoJ.

Activity: US Q1 real GDP growth was revised down 0.4pp to an annualized rate of 1.6%, reflecting downgrades to consumer spending and inventory accumulation. The savings rate fell to 2.6% in April, its lowest level since 2022 and down from 3.2% in March, indicating that dissaving may be supporting consumer spending. Euro area consumer confidence for May came in at -19, an improvement from the -20.6 read in April, pointing to household sentiment that remains weak but stable.

Labor: US initial jobless claims rose by 5k to 215k for the week ended May 23, slightly above the consensus forecast of 213k. Initial claims are still near historic lows, suggesting that most companies are not resorting to layoffs despite recent high-profile announcements of job cuts. Outside of the US, the Japanese labor market remains tight, with the unemployment rate falling to 2.5% in April, below consensus expectations of 2.7% and down from 2.7%.

Key Economic Releases

Monday, June 1:
Euro Area Unemployment (Prior: 6.2%)
US ISM Mfg. PMI (Prior: 55.3)

Tuesday, June 2:
Euro Area CPI YoY (Prior: 3.0%)
US JOLTS Job Openings (Prior: 6.87M)

Wednesday, June 3:
US ISM Non-Mfg. PMI (Prior: 53.6)
Euro Area S&P Global Composite PMI (Prior: 47.5)

Thursday, June 4:
US Initial Jobless Claims (Prior: 215k)

Friday, June 5:
US Unemployment Rate (Prior: 4.3%)
US Nonfarm Payrolls (Prior: 115k)
Euro Area GDP YoY (Cons: 0.8%, Prior: 1.2%)

Source: Goldman Sachs Asset Management: “Market Monitor”, 5/29/2026

“AI” refers to Artificial Intelligence. “PCE” refers to Personal Consumption Expenditures. “ECB” refers to European Central Bank. “WTI” refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. “Brent” refers to a global benchmark for oil prices worldwide. “Bbl” refers to barrel. “Oz” refers to ounce. “FX” refers to foreign exchange. “Core PCE” refers to Personal Consumption Expenditures, excluding food and energy prices. “YoY” refers to year-over-year. “CPI” refers to Consumer Price Index. “BoJ” refers to Bank of Japan. “Real GDP” refers to Gross Domestic Product, adjusted for inflation