

Weekly Market Recap

The week in review

- May payrolls rose 172k
- The unemployment rate held steady at 4.3%
- ISM Mfg. / Svcs. PMIs were 54.0 / 54.5

The week ahead

- CPI
- PPI
- Consumer sentiment

Thought of the week

U.S. companies have an enviable problem: they're drowning in cash. Since their prior peak in 2021, S&P 500 profit margins have risen 170bps to 15.6%. While the money pot has grown, so too have its uses. CEOs are preparing for the AI era, with capex expected to grow 33% in 2026 on top of 23% in 2025. The hyperscalers alone are projected to spend \$700bn this year, hitting 100% of their operating cash flow, and they're not the only ones. Capex for the rest of the S&P 500 is on track to reach \$840bn, up 11% from 2025. While uses vary among non-hyperscalers, companies are investing in modernizing their tech stacks so they can effectively apply AI. M&A activity has also remained remarkably strong. 1Q26 announced volumes were the second highest ever, outdone only by the quarter before.

All this investment is pressuring shareholder returns. While buybacks are at a record in absolute terms, growth is slowing, up just 4% in 1Q26. Hyperscaler buybacks are down 64% y/y as management continues to allocate more cash to capex. As market cap has risen faster than repurchases, the S&P 500 buyback yield is near 5-year lows at 1.9%. The dividend yield is similarly weak at 1.3%, the lowest in over 25 years. All in all, S&P 500 companies are investing aggressively in an uncertain future, at the expense of shareholder returns. With the top 10 sitting at over 40% of the index, a view on each company's strategy has never been more important.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	7384	-2.55	13.35	8.43	25.85	79.96
Dow Jones 30	50867	-0.21	10.15	6.63	22.23	60.06
Russell 2000	7042	-2.91	13.71	14.71	36.83	63.48
Russell 1000 Growth	3264	-4.02	15.13	3.87	22.32	89.48
Russell 1000 Value	1433	-0.68	10.58	12.91	27.56	65.40
MSCI EAFE	3074	-1.38	9.45	8.22	20.40	60.44
MSCI EM	1717	-1.93	23.43	23.31	48.79	89.47
NASDAQ	25709	-4.65	19.22	10.92	34.06	98.44

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.80	-0.54	-0.12	-0.17	4.43	12.02
U.S. Corporates	5.26	-0.59	0.62	0.08	5.19	16.42
Municipals (10yr)	3.40	0.30	1.55	0.75	6.47	10.63
High Yield	7.43	-0.42	1.77	1.26	6.78	29.11

Key Rates	Levels (%)					
	6/5/26	5/29/26	3/31/26	12/31/25	6/5/25	6/5/23
2-yr U.S. Treasuries	4.17	3.98	3.79	3.47	3.92	4.46
10-yr U.S. Treasuries	4.55	4.45	4.30	4.18	4.40	3.69
30-yr U.S. Treasuries	5.01	4.99	4.88	4.84	4.88	3.89
10-yr German Bund	3.04	2.96	3.02	2.86	2.57	2.36
SOFR	3.62	3.63	3.68	3.87	4.29	5.06
3-mo. EURIBOR	2.31	2.27	2.08	2.03	1.95	3.49
6-mo. CD rate	1.81	1.80	1.85	1.88	1.91	1.92
30-yr fixed mortgage	6.60	6.63	6.48	6.25	6.92	7.03
Prime Rate	6.75	6.75	6.75	6.75	7.50	8.25

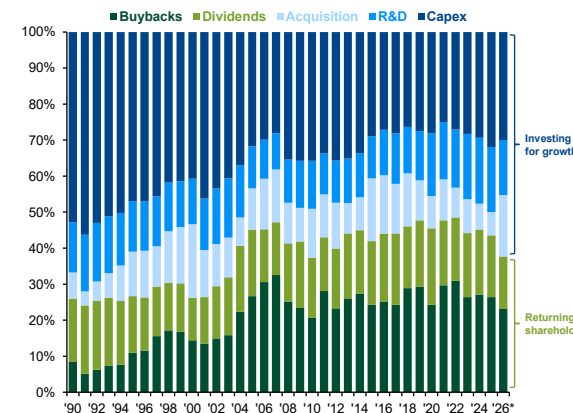
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
20.57	5.17	1.05	63291	
19.81	5.44	1.58	22341	
25.41	2.21	1.05	3259	
25.52	11.83	0.48	33836	
16.85	3.11	1.66	33331	
15.33	2.26	2.50	21271	
11.98	2.37	1.59	12317	
25.49	6.94	0.51	43707	

Currencies	Levels		
	6/5/26	12/31/25	6/5/25
\$ per €	1.16	1.17	1.15
\$ per £	1.34	1.35	1.36
¥ per \$	160.27	156.75	143.48

Commod.	Levels		
	6/5/26	12/31/25	6/5/25
Oil (WTI)	90.57	57.26	64.06
Gasoline	4.31	2.81	3.13
Natural Gas	3.23	4.00	2.86
Gold	4365	4368	3375
Silver	72.66	71.99	35.80
Copper	13731	12504	9834
Corn	4.20	4.37	4.42
BBG Idx	339.28	276.25	252.99

Chart of the Week

S&P companies are investing for growth
Distribution of non-operating outlays



Style Returns

	V	B	G
L	-0.7	-2.5	-4.0
M	-0.6	-1.0	-2.5
S	-1.9	-2.9	-3.8
	V	B	G
L	12.9	8.4	3.9
M	13.5	10.7	1.8
S	16.0	14.7	13.5

S&P 500 Sector Returns

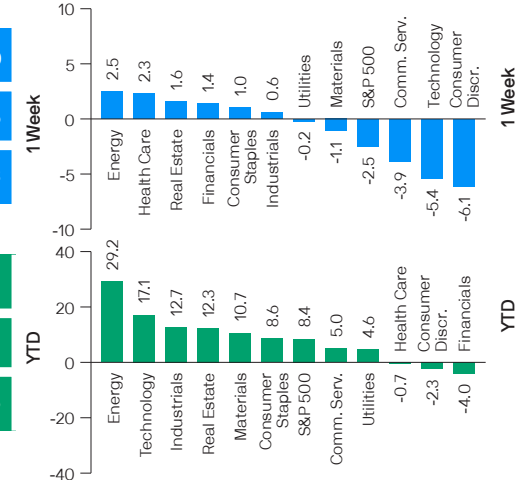




Chart of the Week: Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management. *2026 data are as of the 1Q26 earnings season.

Thought of the week: Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Data as of June 3, 2026.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using

First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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