

Weekly Market Report

June 2 to June 6, 2026

For educational and informational purposes only. Not financial advice.

OVERVIEW

Mid-June 2026 markets are navigating a post to May payrolls pause with a live June 17 to 18 cut window. The 9 to 11 June cluster, May U.S. CPI, ECB decision, PPI, and claims, is the next gatekeeper for insurance-cut pricing.

Cross asset performance on our research table (8 June): Gold (+4.2% 1M, " 5.0% 1W) leads on the month, followed by Nasdaq (+3.8% / " 4.5% 1W) and S&P (+2.5% / " 2.5% 1W); bitcoin lagged (" 5.4% 1M, " 11.3% 1W) while gold is +28.4% on one year. S&P/Nasdaq correlation is 0.95; Bitcoin beta to the S&P is 0.71.

Nominal 10Y yields near ~4.6% keep duration sensitive. Favor quality balance sheets, barbell inflation hedges, and explicit gold sleeves when oil moves headline CPI faster than core services, see the performance table and sector appendix.

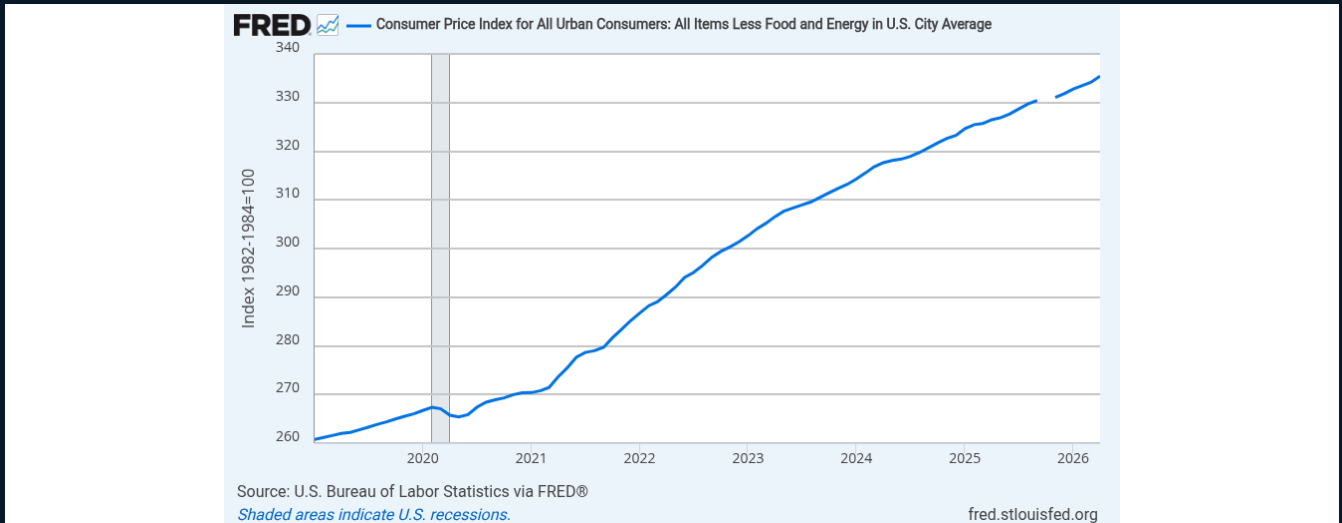
PERFORMANCE TABLE

Instrument	1M	6M	1Y	1Y %ile	5Y %ile
Gold (USD/oz)	+4.2%	+16.8%	+28.4%	99	100
Nasdaq 100	+3.8%	+14.2%	+24.5%	88	97
S&P 500	+2.5%	+10.8%	+19.3%	92	98
Nikkei 225 (Japan)	+2.1%	+11.4%	+18.7%	94	99
iShares IG Corp Bond (LQD)	+0.8%	+2.4%	+4.6%	78	65
STOXX Europe 50	-0.6%	+4.1%	+8.4%	82	88
CSI 300 (China)	-1.8%	-3.2%	-5.9%	96	78
Hang Seng Index (Hong Kong)	-2.3%	-1.5%	-2.1%	96	90
Bitcoin (BTC-USD)	-5.4%	+22.1%	+45.8%	85	92

Note: Rows ranked by one-month return (highest first); the 1M column is highlighted as the sort key. Same proxy ETFs, figures, and percentile methodology as the Research page performance table (1M/6M/1Y vs ~30/180/365 calendar days). Percentile ranking shows where current price level stands relative to historical price levels. ETF proxy closes in this batch: Jun 5, 2026 to Jun 8, 2026 (proxies may refresh on different sessions).

CHARTS OF THE WEEK

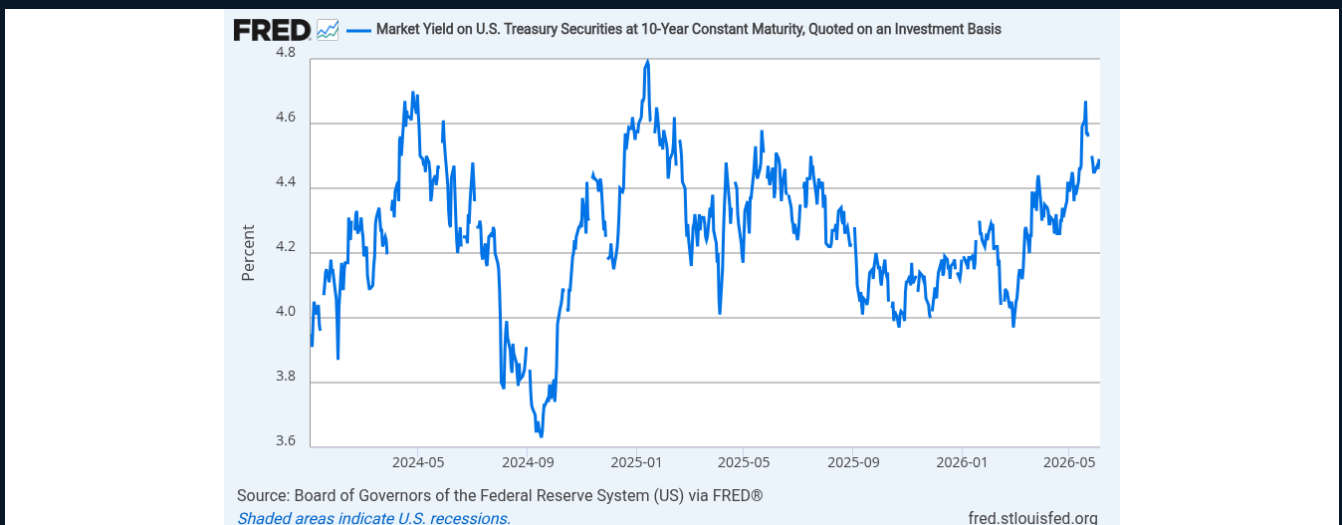
Core CPI (all items less food & energy; into May print)



Source: FRED, Federal Reserve Bank of St. Louis; series CPILFESL (consumer price index, all urban consumers, all items less food and energy, U.S. city average, monthly, BLS). Chart retrieved June 2026.

May U.S. CPI (10 Jun) is the master variable for the June FOMC cut debate. Core services remain sticky in the index trend; a hot core MoM print can delay insurance-cut pricing even when headline inflation eases on energy.

U.S. 10-year Treasury yield (nominal discount rate into CPI week)



Source: FRED, Federal Reserve Bank of St. Louis; series DGS10 (market yield on U.S. Treasury securities at 10-year constant maturity, daily). Chart retrieved June 2026.

Nominal 10Y yields pushed toward ~4.6% through late May, keeping duration and long-growth multiples under pressure. The 9 to 11 June cluster, May CPI, ECB rates, PPI, and claims, is the next test for whether June OIS cut pricing holds after payrolls.

Commentary: AVANTAS Research

TOP CATALYSTS

1. Editor's pick: May CPI and the ECB before June FOMC

With May payrolls in the rearview, the 9 to 11 June cluster, existing home sales, May U.S. CPI, crude inventories, and the ECB rate decision, is the next gatekeeper for the June 17 to 18 cut window. Gold leads our 8 June performance table at +4.2% on one month.

Market Impact:

Barbell duration, quality equities, and gold; June OIS pricing remains the master variable, sticky core CPI or hawkish ECB tone can delay cuts; softer headline inflation or dovish ECB messaging revives insurance-cut bets.

Further Reading:

- [Federal Reserve — June 2026](#)
- [ECB — Monetary policy](#)

2. Gold Leads 1M (+4.2%); U.S. Growth Firm; BTC Soft on the Week

Our 8 June table: gold +4.2% and +28.4% on one year; Nasdaq +3.8% / " 4.5% 1W; S&P +2.5% / " 2.5% 1W; bitcoin " 5.4% 1M and " 11.3% 1W. Gold correlates at only 0.08 with the S&P.

Market Impact:

Favor quality growth with pricing power and explicit inflation hedges; use Japan and sector screens when you want idiosyncrasy versus 0.95 U.S. equity correlation.

Further Reading:

- [Reuters — Markets](#)
- [Avantas Research — performance table](#)

3. 10Y Yield & CPI: Nominal Discount Rate into Print Week

Nominal 10Y yields near ~4.6% keep duration heavy; May CPI consensus at 4.2% YoY with sticky core services tightens the June FOMC calculus. FRED charts frame the rate and gold bid into the 9 to 11 June cluster.

Market Impact:

Barbell front-end carry with quality balance sheets; trim fragile growth if CPI or ECB messaging reprice yields higher.

Further Reading:

- [FRED — DGS10](#)
- [FRED — Gold fixing](#)

4. AI Capex Hangover: ROI Over Spend

Hyperscalers still guide for elevated AI infrastructure spend, but investors want free-cash-flow conversion, not capex alone. Technology lags U.S. sector momentum on one month while energy and defensives lead into CPI week.

Market Impact:

Barbell proven cash-generators with selective supplier exposure; trim names where capex growth outpaces revenue without a credible monetization path.

Further Reading:

- [Avantas Research — AI capex hangover](#)
- [Avantas Research — May payrolls playbook](#)

5. Data Week: CPI, ECB, PPI & Claims (9 to 11 June)

Calendar (GMT+8): Tue existing home sales; Wed May U.S. CPI (headline and core), crude inventories; Thu ECB rates and press conference with PPI and jobless claims. Key inputs before the 17 to 18 June FOMC.

Market Impact:

Rates and the dollar remain the transmission mechanism; headline CPI surprises move June cut odds within hours.

Further Reading:

- [Avantas Research — economic calendar](#)
- [CME FedWatch](#)

MARKET THEMES

BY REGION

US economy & markets

United States: Post to May payrolls with a live June 17 to 18 window; our 8 June table shows gold +4.2%, Nasdaq +3.8%, and S&P +2.5% on one month while Mag 7 faces AI capex ROI scrutiny. May CPI (10 Jun) and the ECB decision (11 Jun) are the next gatekeepers for insurance-cut pricing.

Europe & Asia

Europe: STOXX Europe 50 is " 0.6% on one month as energy and trade headlines keep dispersion wide; the ECB rate decision and press conference (11 Jun) matter for bank multiples and duration.

Commodities & credit

Commodities: Gold is +4.2% on one month and +28.4% on one year, near-zero correlation to the S&P (0.08) while oil still feeds headline CPI into the CPI week.

Cross asset read

Cross asset: the performance table ranks gold (+4.2% 1M) and U.S. growth atop one-month returns while bitcoin trails, hedges are not interchangeable; use the correlation matrix before sizing sleeves.

MARKET OUTLOOK

Near term outlook (3 to 6 months):

The next three to six months hinge on the 9 to 11 June cluster (May U.S. CPI, ECB decision, PPI, claims) validating a June 17 to 18 insurance cut, and whether Q2 earnings broaden beyond Mag 7. Gold (+4.2% 1M) leads our 8 June table; Nasdaq (+3.8%) and S&P (+2.5%) are firm while bitcoin is " 5.4% on the month but +45.8% on one year.

Medium term outlook (6 to 12 months):

If core inflation cools and labor softens without a hard landing, markets can re-price gradual easing; sticky core CPI, firm 10Y yields near ~4.6%, or hawkish ECB tone would delay cuts and favor quality and shorter duration. Bitcoin correlates at 0.71 with the S&P and " 0.22 with gold, size sleeves by correlation, not narrative.

Long term outlook (12+ months):

Energy security, supply-chain resilience, and AI infrastructure remain multi-year themes. Portfolios that blend regional diversification (Nikkei 0.42 vs. S&P), explicit inflation hedges, and disciplined duration fare better when geopolitics and oil drive repeated volatility spikes.

Asset Class Impact of the Week

■ Underweight
 ■ Neutral
 ■ Overweight

Asset	View	Commentary
US Equities	 +1	Constructive / selective. Post to May payrolls with a live June cut window; S&P +2.5% and Nasdaq +3.8% on one month, favor quality growth with pricing power while Mag 7 AI capex ROI stays under scrutiny into CPI week.
International Equities		Neutral / selective. Nikkei +2.1% on one month; Hang Seng " 2.3% and CSI 300 " 1.8%, country ETFs and sector screens beat broad passive beta.
Fixed Income		Neutral / barbell. Nominal 10Y near ~4.6% with two-way breakevens; LQD is +0.8% on one month and +2.4% on six months, May CPI (10 Jun) and ECB (11 Jun) set the tone before June FOMC.
Commodities	 +1	Constructive / tactical. Gold +4.2% on one month and +28.4% on one year (0.08 corr. to S&P); oil still feeds headline CPI. Crude inventories (10 Jun) matter for energy beta.
Cryptocurrency	 -1	Cautious / tactical. Bitcoin is " 5.4% on one month with 0.71 correlation to the S&P, size as liquidity-sensitive risk beta into the CPI print.

Source: AVANTAS Research Analysis

LATEST AVANTAS RESEARCH ARTICLES

1. May Payrolls & the June Cut Window: Three Scenarios for June 17 to 18

With May payrolls in the rearview, May CPI and ECB messaging are the next gatekeepers for the June 17 to 18 meeting. We map three cut/hold/pause scenarios and how to position duration, quality growth, and inflation hedges.

Read article: <https://www.avantasresearch.com/research-article.html?article=may-payrolls-june-cut-window-2026>

2. China PMI & Asia Divergence: Japan Leads, Mainland PMI Week

Asia-Pacific markets are bifurcated: gold and U.S. growth lead on one month while Hang Seng and CSI 300 lag. We map China manufacturing PMI scenarios, cross-border linkages, and how to balance U.S. tech concentration with Japan idiosyncrasy.

Read article: <https://www.avantasresearch.com/research-article.html?article=china-pmi-asia-divergence-2026>

3. AI Capex Hangover: Hyperscaler Spending, Margins, and the Next Leg of the Rally

Hyperscalers still guide elevated AI spend, but investors want free-cash-flow conversion. We map capex intensity, margin trends, and sector winners as the Mag 7 narrative shifts from growth-at-any-cost toward ROI discipline.

Read article: <https://www.avantasresearch.com/research-article.html?article=ai-capex-hangover-2026>

ECONOMIC CALENDAR

Key releases for the week of 9–11 June 2026 (GMT+8): existing home sales, May U.S. CPI, crude inventories, ECB rate decision and press conference, PPI, and jobless claims—inputs for the live June 17–18 FOMC window.

Date	Time (GMT+8)	Event	Country	Forecast	Previous	Impact
Tue 9th	22:00	Existing Home Sales (May)	US	4.08M	4.02M	High
Wed 10th	20:30	CPI (MoM) (May)	US	0.3%	0.6%	High
Wed 10th	20:30	Core CPI (MoM) (May)	US	0.5%	0.4%	High
Wed 10th	20:30	CPI (YoY) (May)	US	4.2%	3.8%	High
Wed 10th	22:30	Crude Oil Inventories	US	-	-7.974M	High

Date	Time (GMT+8)	Event	Country	Forecast	Previous	Impact
Thu 11th	01:00	10-Year Note Auction	US	-	4.468%	High
Thu 11th	20:15	Deposit Facility Rate (Jun)	EU	2.25%	2.00%	High
Thu 11th	20:15	ECB Interest Rate Decision (Jun)	EU	2.40%	2.15%	High
Thu 11th	20:30	PPI (MoM) (May)	US	0.7%	1.4%	High
Thu 11th	20:30	Initial Jobless Claims	US	225K	225K	High
Thu 11th	20:45	ECB Press Conference	EU	-	-	High

NEXT WEEK EXPECTATIONS

Focus: week of 9 to 11 Jun 2026 (GMT+8), Tue: existing home sales (May); Wed: May U.S. CPI (headline and core MoM/YoY), crude inventories; Thu: 10Y note auction, ECB deposit facility and main refinancing rates, PPI (May), jobless claims, and ECB press conference. Headline CPI consensus near 4.2% YoY, sticky core can delay June cuts; softer headline or dovish ECB messaging revives insurance-cut pricing. All times GMT+8; figures indicative.

RISK WATCHLIST

- CPI week: May U.S. CPI (10 Jun) and core services can reprice June OIS and the 10Y near -4.6% in hours.
- ECB decision (11 Jun): hawkish tone can cap duration rallies and support the dollar vs. EM.
- Mag 7 guidance: AI capex ROI scrutiny can hit Nasdaq despite positive 1M tape (+3.8%).
- Asia dispersion: mainland proxies lag while gold (+4.2% 1M) and U.S. growth hold up.
- Liquidity gaps: bitcoin (" 11.3% 1W) and month-end flows can amplify Cross asset volatility.

SECTOR PERFORMANCE

US Sector Equity Tracker (SPDR Benchmarks, as of 8 June 2026)

1. Short & Medium-Term Sector Momentum

Macro & sector shifts into CPI week (rows ranked by 1M return). Energy and defensives lead as oil and headline inflation stay in focus; technology and discretionary lag on the month as duration and earnings expectations soften post-payrolls. Gold +4.2% 1M on our Cross asset table reinforces the inflation-hedge bid alongside energy.

Sector ETF	Ticker	1M Return	3M Return
Energy	XLE	+2.1%	+14.2%
Cons. Staples	XLP	+1.4%	+2.6%
Utilities	XLU	+1.1%	+7.8%
Health Care	XLV	+0.6%	-0.4%
Financials	XLF	-0.3%	+3.1%
Industrials	XLI	-0.8%	+2.9%
Materials	XLB	-1.1%	+1.8%
Communication	XLC	-1.8%	+9.2%
Cons. Discretionary	XLY	-2.4%	-1.2%
Technology	XLK	-3.2%	+8.5%

2. Long-Term Sector Performance & Post-Correction Trajectories

Sector ETF	Ticker	1Y Return	2Y Return
Technology	XLK	+74.2%	+126.8%
Financials	XLF	+24.8%	+60.4%
Consumer Discretionary	XLY	+14.6%	+48.9%
Industrials	XLI	+16.1%	+30.2%
Communication Services	XLC	+10.5%	+40.8%
Health Care	XLV	+7.0%	+12.8%
Energy	XLE	-8.8%	-5.2%

3. Sector Risk & Efficiency Matrix (Rolling 1-Year Window)

Sector ETF	Annualized Volatility	Sharpe Ratio	Beta (vs S&P 500)
Energy (XLE)	22.4%	1.8	0.88
Technology (XLK)	21.8%	2.6	1.28
Financials (XLF)	14.3%	1.4	0.84
Industrials (XLI)	13.2%	0.9	0.87
Consumer Discretionary (XLY)	17.6%	0.5	1.02
Communication Services (XLC)	16.2%	0.4	0.95
Health Care (XLV)	11.0%	0.2	0.64

Source: SPDR sector ETF benchmarks; 1M/3M/1Y/2Y total returns and rolling 1Y risk metrics. Editorial snapshot 8 June 2026.

European Sector Equity Tracker (STOXX Europe 600, as of 8 June 2026)

Ranked by one month return (highest first). Energy and utilities lead on commodity income and defensive positioning; ECB decision (11 Jun) matters for banks and duration-sensitive sectors.

Sector	1-Month	6-Month*	1-Year
Energy	+2.8%	+12.4%	+32.6%
Utilities	+1.6%	+6.2%	+20.1%
Banks	+1.2%	+9.8%	+24.2%
Healthcare	+0.4%	+4.6%	+9.8%
Industrials	+0.1%	+5.1%	+12.4%
Technology	-1.4%	+8.2%	+22.6%
Telecoms	-1.8%	+2.4%	+6.2%
Automobiles	-2.2%	+0.8%	+8.4%
Financial Services	-2.6%	+3.2%	+10.1%
Basic Resources / Materials	-3.8%	-1.6%	-0.4%

Source: STOXX Europe 600 sector benchmarks (indicative). Editorial snapshot 8 June 2026.

Asia Pacific Sector Equity Tracker (MSCI AC Asia Pacific, as of 8 June 2026)

Ranked by one month return (highest first). Energy and financials anchor regional leadership; mainland property and growth headlines keep real estate and staples soft. Japan and Korea tech still support longer-horizon IT returns despite near-term profit taking.

Sector	1-Month	6-Month*	1-Year
Energy	+2.2%	+11.8%	+28.4%
Financials	+1.4%	+9.2%	+17.8%
Industrials	+0.6%	+6.4%	+14.2%
Information Technology	+0.2%	+12.6%	+36.8%
Telecommunications	-0.4%	+3.6%	+8.8%
Consumer Discretionary	-1.2%	+3.8%	+18.4%
Materials	-1.6%	+0.4%	+4.2%
Utilities / Infrastructure	-2.0%	+2.2%	+16.2%
Consumer Staples	-2.4%	-0.6%	+1.4%
Healthcare	-2.8%	-1.2%	+0.2%

Source: MSCI AC Asia Pacific sector benchmarks (indicative). Editorial snapshot 8 June 2026.

Notable multi-regional trajectories

Gold and energy beta: Gold leads our Cross asset table (+4.2% 1M) while energy sectors top regional equity snapshots, consistent with an inflation-hedge bid into CPI week rather than uniform risk-on.

U.S. growth vs. Asia lag: Nasdaq and S&P remain positive on one month but Hang Seng and CSI 300 lag, illustrating persistent Asia dispersion when mainland growth and property headlines stay soft.

Duration sensitivity: Technology and discretionary sit at the bottom of U.S. sector momentum as nominal 10Y yields near ~4.6% keep long-duration multiples under pressure ahead of May CPI and the ECB decision.

Sources: Reuters; Montanaro Asset Management; AVANTAS Research.
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