



# June Market Review

**Markets rallied** in June closing out a strong first half dominated by risk on sentiment driven by resiliency in economic data rather than actual strength. Both May CPI and PCE numbers showed continued declines in headline annual inflation numbers, boosting confidence that inflation in the U.S. is headed back to a normal level or even the Fed's long-term target of 2%.

**Equity market gains** in June were more broad-based than most of what markets have experienced in 2023 to date. Investment styles in terms of value and growth as well as by size in terms of large cap and small cap stocks participated in the June rally.

Index	Month	YTD
US Large Cap (S&P 500)	6.6%	16.9%
US Small Cap (Russell 2000)	8.1%	8.1%
Non-US Stock (MSCI EAFE Net)	4.6%	12.1%
Emerging Markets (MSCI Emg. Markets Net)	3.9%	5.1%
MSCI All Country World Index	4.5%	13%

**Interest rates** were modestly higher in June as the Fed paused rate hikes but signaled more hikes to come by year end if necessary. The 10-year US Treasury yield rose from 3.64% at the end of May to 3.81% and the 2-year Treasury yield rallied from 4.40% to 4.87%. The 2-Year and 10-Year yield curve inverted further to 106bps, a historically low level reached in March during the regional bank crisis.

Index	Month	YTD
High Grade Taxable Bond (Bloomberg US Aggregate)	-0.4%	2.1%
Municipal Bonds (Bloomberg 1-10 Year Muni. Bond)	0.7%	1.5%
Investment Grade Bonds (Bloomberg Corporate Inv. Grade)	0.4%	3.2%
High Yield Bonds (Bloomberg Corporate High Yield)	1.7%	5.4%

**Commodities** rebounded 4.0% in June which reduced year to date losses to 7.8% led by oil as OPEC cut production further amid weaker than expected global demand. West Texas Intermediate (WTI) was up 3.8% for the month while Gold fell 2.2% as inflation cooled and risk on sentiment dominated the markets.

Index	Month	YTD
Commodities (Bloomberg Commodity Index)	4.0%	-7.8%

All Year-to-Date numbers are as of June 30, 2023. Indices mentioned are unmanaged and cannot be invested into directly. Research data provided by Summit Trail Advisors, LLC.

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