US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.215 (-2.0 bps)	Bond Buyer 40 Yield:	4.47 (-2 bps)
6 Mo. T-Bill:	5.302 (-4.6 bps)	Crude Oil Futures:	69.95 (-0.15)
1 Yr. T-Bill:	5.213 (3.0 bps)	Gold Spot:	1,957.98 (-3.21)
2 Yr. T-Note:	4.714 (11.8 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.311 (7.0 bps)	US High Yield:	8.59 (-9 bps)
5 Yr. T-Note:	3.983 (7.0 bps)	BB:	7.07 (-3 bps)
10 Yr. T-Note:	3.761 (2.2 bps)	B:	8.78 (-11 bps)
30 Yr. T-Bond:	3.852 (-2.8 bps)		

Short duration Treasury yields rose significantly over the course of the week while longer duration Treasury yields remained flat as the Federal Reserve Bank did not raise interest rates during the June 14th meeting, despite a hawkish tone. Yields rose moderately to begin the week on Monday and Tuesday as investors continued to speculate that the Fed would pause rate hikes this month. On Tuesday, the Consumer Price Index rose 4.0% year over year, compared to estimates of a 4.1% rise. Short duration Treasury yields rose to their highest level since March as investors began to expect that the Fed would not cut interest rates as much by the end of the year. On Wednesday, the Fed did indeed announce that there would be no interest rate hike in June but signaled strongly that they would increase rates again soon, even as early as at the next meeting in July. Fed President Jerome Powell also said that “Not a single person on the committee wrote down a rate cut this year, nor do I think it is at all likely to be appropriate.” The Fed said that they will continue to monitor economic conditions and that they will continue to fight inflation with rate hikes. The market implied probability of a 25-basis-point interest rate hike within the next two meetings was 86% to start the week and ended the week at 93%. However, the market implied Federal Funds Rate at the end of 2023 started the week at 5.06 and ended the week at 5.21. Major economic reports (related consensus forecasts, prior data) for the upcoming holiday-shortened week include Tuesday: May Housing Starts (1399k, 1401k); Wednesday: Jun 16 MBA Mortgage Applications (n/a, 7.2%); Thursday: Jun 17 Initial Jobless Claims (260k, 262k), May Existing Home Sales (4.25m, 4.28m), May Leading Index (-0.8%, -0.6%); Friday: S&P Global US Manufacturing PMI (48.5, 48.4).

US Equities			
Weekly Index Performance:		**Market Indicators:**	
The Dow®:	34,299.12 (1.31%)	Strong Sectors:	Info Tech, Materials, Consumer Discretionary
S&P 500®:	4,409.59 (2.62%)		
S&P MidCap 400®:	2,580.07 (1.56%)	Weak Sectors:	Energy, Financials, Utilities
S&P SmallCap 600®:	1,204.80 (0.35%)		
Nasdaq Composite®:	13,689.57 (3.26%)	NYSE Advance/Decline:	1,813 / 1,303
Russell 2000®:	1,875.47 (0.58%)	NYSE New Highs/New Lows:	276 / 56
		AAII Bulls/Bears:	45.2% / 22.7%

Last week, the S&P 500 Index posted the third best week of the year as it returned 2.62%. The index closed the week at 4,409.59 and is within 400 points of its all-time closing high of 4,796.56 on January 3, 2022. Appearing to brush off current headwinds, the index continues to climb and is up 15.78% YTD. The index posted daily gains last week with Friday showing the only loss with a 37 basis point decline. Equity investors were focused and eager for the outcome of FOMC’s meeting last week, as the Federal Reserve continues its aggressive fight against inflation. As expected, FOMC paused their rate hike leaving the upper bound at 5.25%. However, Fed Chairman Jerome Powell stated that the Fed is committed to decreasing inflation to their 2% goal and there would likely be more rate hikes this year. Equities declined on Wednesday after his statement, but recovered, posting an 11 basis point gain on the day. Year-over-year CPI came in at 4.00% for May, 10 basis points lower than expected. U.S. initial jobless claims were reported at 262K last week, though higher than the consensus estimate of 245K. The information technology sector led equity markets higher last week with strong performances by **Intel Corp**, **Oracle Corp**, **Hewlett Packard Enterprise Company**, and **NVIDIA Corp**, all posting returns of 10% or more. Consumer discretionary was also a leading sector with **Carnival Corp** being the best performing stock in the S&P 500 Index last week, returning 20.70%. The stock jumped on Monday as analysts from Bank of America and JPMorgan boosted their recommendations and increased their price targets. The analysts’ positive outlook for the cruise line industry also helped **Norwegian Cruise Line Holdings Ltd** climb 11.42%. **Humana Inc.** was the worst performing name in the index last week, declining 13.19%. The stock opened lower on Wednesday along with other managed health care companies **Elevance Health Inc.**, **CVS Health Corp**, **Centene Corp** and **UnitedHealth Group Inc.** after an executive from the latter revealed that seniors were increasingly electing to undergo surgeries that were postponed during the pandemic, raising costs for insurers. Earnings announcements expected this week include **FedEx Corp**, **Darden Restaurants Inc.**, **FactSet Research Systems Inc.**, and **CarMax Inc.**