

Primary Market Drivers

Earnings & Economic Data

Last week, May CPI and PPI both came in soft at +0.1% m/m (vs expectations for +0.2%), suggesting inflation remains subdued despite the general consensus that tariff policy would cause a significant short-term spike. This week's economic calendar is diverse, with Imports & Exports (6/17), Retail Sales (6/17), Industrial Production & Capacity Utilization (6/17), Business Inventories (6/17), NAHB Housing Market Index (6/17), Housing Starts & Building Permits (6/18), Philadelphia Fed Index (6/20), and Leading Economic Indicators (6/20) all on tap. Expect the Retail Sales figure to be watched closely as investors gauge the state of the US consumer. On the earnings front, we are officially in between seasons and the calendar is light. We will see a handful of announcements, though none figure to be particularly impactful. Companies reporting this week include Lennar (LEN 6/16), Jabil (JBL 6/17), Accenture (ACN 6/20), CarMax (KMX 6/20), Carnival (CCL 6/20), Darden Restaurants (DRI 6/20), and Kroger (KR 6/20).

Fed Policy

The Fed's next policy decision arrives this Wednesday, 6/18. Expectations for a rate cut are nonexistent (99.9% chance of "no change"), though it will be interesting to see if Powell has changed his stubborn tone following mixed labor market data, persistent soft inflation data, and global central banks continuing to cut rates. Many are critical of the Fed's hesitant stance, pointing to the logic that by the time the "meaningful weakness" it's looking for actually shows up data, they would already be behind the curve. On the other hand, with strong earnings growth, a solid labor market, and a resilient consumer, the argument that the US economy "needs" rate cuts isn't particularly strong either. We'll learn more on Wednesday.

Tariffs

Representatives from the US and China met in London last week to negotiate further on trade, which resulted in an agreement being reached. The framework outlines 55% tariffs against China and 10% against the US. Magnet and rare earth minerals will be supplied upfront by China, and Chinese students can remain at and enter US universities. This latest development represents another significant de-escalation between the two nations, which will be positive for markets. Elsewhere, we continue to wait on additional trade deal details to be communicated. India has made headlines in recent weeks, specifically regarding the first phase or "early tranche" of a bilateral trade agreement that is expected to be finalized before the 90-day reciprocal tariff pause, set to expire on July 9th. Expect tariffs to remain in focus over the next month ahead of this deadline.

All referenced market information, statistics, and economic data were gathered from StreetAccount, a paid subscription data service provided by FactSet Research Systems Inc.

Market Returns 6/13/2025

Category	Ticker	YTD%
Domestic Equity		
S&P 500	SPY	2.17%
Dow Jones	DIA	-0.13%
Large-Cap Growth	QQQ	3.23%
Large-Cap Value	IVE	0.41%
Mid Caps	MDY	-3.10%
Small Caps	IWM	-5.25%
International Equity		
Developed Intl	EFA	18.01%
Emerging Markets	EEM	12.65%
Fixed Income		
Core Bonds	AGG	2.75%
Corporate Bonds	LQD	2.82%
High Yield Bonds	HYG	3.35%
ST Treasuries	IEI	3.37%
LT Treasuries	TLT	0.61%
International Bonds	BNDX	1.61%



Performance data and stock chart were gathered from eSignal, a paid market screening application provided by Intercontinental Exchange, Inc.

Current Environment Summary

What's Working	What's Not	What's Next
Inflation Falling	Tariff Policy Uncertainty	Fed Policy Decision (6/18)
Fed Easing Cycle	Global Economic Uncertainty	May Retail Sales (6/17)
Strong Earnings Growth	Fed Inaction / Global Easing	Earnings: LEN (6/16), CAN (6/20), KR (6/20)
Strong Labor Market	Equity & Bond Market Volatility	Monitoring Israel / Iran Developments
Consumers Still Spending	Stubborn Elevated Interest Rates	S&P 500 1.6% from all-time highs
Trade & Global Investment Deals	Israel / Iran War	Markets Closed 6/17

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