Clarus Wealth Advisors

Market Watch

June 22, 2026

Primary Market Drivers

Earnings & Economic Data

Earnings season is over and we will have to wait until the week of July 13th for the next round to begin. However, this week we will see results from Micron Technology (MU 6/24). MU has been one of the strongest stocks in the market this year as memory shortages have caused prices, and thus revenues, to skyrocket. All eyes will be on Micron's announcement, particularly forward guidance for clues as to how sustainable its moonshot trajectory appears. It's a big report for the "offseason" of earnings and will certainly drive action this week. Turning to economic data, Core PCE (6/25) headlines the slate that also includes PMI Manufacturing & Services (6/23), New Home Sales (6/24), Durable Goods Orders (6/25), Q1 GDP 2nd Revision (6/25), Personal Spending & Income (6/25), and Wholesale Inventories (6/26). Core PCE is expected at +0.4% following hot CPI and PPI reports this month.

Fed Policy

The Fed held rates steady at its last meeting, as expected. New Fed Chair Kevin Warsh took his first press conference and announced a lot of changes in store for the Fed under his watch. He introduced five "task forces" that were responsible for reviewing and introducing new practices - Fed communications, data sources, inflation frameworks, productivity, and balance sheet. When asked about timelines, he was optimistic that despite still searching for talent to fill out the task forces that each would be up and running in several weeks and fully formed by the end of the year. He also announced the end of forward guidance from Fed, citing the inefficiencies it causes financial markets and overall muted usefulness in an ever-changing geopolitical landscape. All in all, it was a major break from Powell-era norms and Warsh communicated committments to flexibility, accountability, and getting a much tighter handle on inflation.

Iran Conflict

The US and Iran reached an interim agreement last week to end hostilities, reopen the Strait of Hormuz, lift the US naval blockade, and relieve sanctions. It included a 60-day window for permanent truce talks with heavy emphasis on Iran's nuclear program. The MOU was signed and almost immediately tensions rose following Iran briefly closing the Strait following Israeli strikes in Lebanon. Talks remain ongoing but reports of stalls are popping up, though its difficult to confirm exactly where we stand today. We will have to wait and see how this newest "deal" plays out, but expect the situation to remain fluid as parallel issues remain. Nevertheless, it seems we're closer to the end than we have been in some time. Oil has pulled back to its lowest level since early March as the markets signal that this time could be different.

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		6/18/2026
Category	*Ticker*	*YTD%*
Domestic Equity		
S&P 500	SPY	10.09%
Dow Jones	DIA	8.08%
Large-Cap Growth	QQQ	20.71%
Large-Cap Value	IVE	7.56%
Mid Caps	MDY	14.83%
Small Caps	IWM	20.58%
International Equity		
Developed Intl	EFA	10.44%
Emerging Markets	EEM	30.04%
Fixed Income		
Core Bonds	AGG	0.66%
Corporate Bonds	LQD	0.88%
High Yield Bonds	HYG	1.74%
ST Treasuries	IEI	-0.32%
LT Treasuries	TLT	1.41%
International Bonds	BNDX	1.21%

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
Historically Strong Earnings Growth	Rate Cut Expectations Diminished	**Micron Technology (MU) Earnings (6/24)**
AI & Tech Revolution Long-Term Theme	Iran Peace Plan Tenuous	**Iran Talks Continue, Monitoring Strait**
Stable Labor Market	Oil Prices Remain Elevated	**May Core PCE (6/25)**
Strong US GDP	Inflation Creeping Higher	Fed policy signals
Stocks Trading Near All-Time-Highs	Interest Rates Remain Elevated	Stocks back near all-time highs

Portfolio Manager Commentary

Ken Hartley, CFA

For all the “Seinfeld” fans out there, do you remember the character “The Maestro”? His real name was Bob. He became offended anytime someone addressed him as Bob. He was the conductor of a makeshift orchestra at a local senior’s center. Bob was very serious about his craft, but he was not Leonard Bernstein. I’ll try and bring this around to what I’m writing about today.

Alan Greenspan, former Federal Reserve Chairman, died last night at the age of 100. He was arguably the best Fed Chairman the country has had since Paul Volker. Mr. Greenspan led the Fed during a period of economic growth that was, at the time, unparalleled. He also was a benefactor of some of the most impressive productivity gains this country has ever seen (thank you - Internet). Greenspan coined the phrase “irrational exuberance” to describe the equity markets during his reign. But he was also the originator of the phrase “green chutes” to describe the economy he saw coming out of an economic slowdown. A giant in finance, he was given the nickname “The Maestro” for his ability to conduct monetary policy. The Maestro, dead at age 100.

Since Greenspan left the Fed there has been a succession of individuals that can only be described as “economic paramedics”. Ben Bernanke (Helicopter Ben) devised ways to create liquidity for financial markets just like a magician pulls rabbits from his hat. During the financial crisis 2007-2008, he came up with the idea of expanding the balance sheet of the Fed to levels never seen in history. “QE” or quantitative easing, the term for the federal reserve’s effort to flood the global economy with liquidity by printing US dollars to buy distressed fixed income securities of all kinds. The global financial markets gave Bernanke a standing ovation for his creativity. Never mind the long-term economic effects that we are still feeling today (reduced value of the dollar, persistent inflation).

As Don points out in his summary of the new Fed Chair (Kevin Warsh), the stage is set for “a new sheriff in town”. The financial markets recoiled last week when Warsh held his first presser. The punch bowl not only is running of liquidity, Warsh may take the bowl away completely.

Don Moenning

Kevin Warsh's first press conference as Fed Chair was a significant breath of fresh air for yours truly. After watching Jerome Powell trudge through highly repetitious, low energy, often entirely predictable pressers for years, Warsh's energy and performance felt novel.

Warsh was adamant that the Fed needed to do better and it wasn’t just focused on one area. His first major announcement was the introduction of five new “task forces” designed to review the current state of and suggest new policies and procedures for Fed communications, data sources, inflation frameworks, productivity, and the balance sheet. It will be interesting to see who mans these task forces and how effective they are, but the simple notion of addressing these areas head on is a good start.

Take data sources, for example. When asked about it at the press conference, Warsh went into a short diatribe over how the Fed, home to some of the brightest economic minds on the planet, routinely uses data that is stale, backwards looking, collected via survey or other antiquated methods, and uses that as primary inputs to make extremely important policy decisions. If it sounds crazy, it’s because it is. Warsh discussed getting better real time data, leveraging the private sector, and perhaps incorporating AI into the Fed’s plans for data in the future. It all makes sense, but it begs the question "how in the world were they not already doing this?"

Warsh also axed forward guidance from the Fed. Part of his reasoning was something I’ve been thinking about for years – It makes the market inefficient. Traders spend so much time, energy, and dollars trying to figure out every little piece of data’s impact on how it will affect what the Fed will project that it trivializes the greater picture by prioritizing pricing in the guessing game over the reality. How many times have we seen “good news is bad news” and just accepted that as “the way it goes in this environment?” Warsh recognized this and believes markets will just have to decide for themselves what data points mean in real time, and that these reactions will be more useful data points for the Fed. I agree wholeheartedly, though I think it will take the market some time to break the habit.

Finally, Warsh spent a lot of time communicating and reiterating commitments to price stability, flexibility, and accountability. While he was trying to move away from people projecting out what the Fed will look like moving forward, it was no doubt a hawkish take on inflation. 2% remains the goal, and the general tone of his words were that the Fed was going to do everything in its power to make that a reality.

We will have to wait and see what this Fed shapes up to be under Warsh’s leadership, but from just one press conference I’m certain it won’t look anything like it did under Jerome Powell. Whether you agree with his plans and early actions, it was refreshing to hear somebody motivated to make some meaningul, productive, and long-overdue changes at the Federal Reserve.

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