

# Monthly Market Commentary

## Benchmark Returns AS OF JUNE 30, 2026

	MONTH	YTD
S&P 500	-0.95%	10.21%
Dow Jones Industrial Average	2.71%	9.76%
Nasdaq	-2.75%	13.13%

	MONTH	YTD
Bloomberg Agg Bond Index	0.24%	0.62%
Developed International	0.09%	9.84%
Emerging Markets	-1.36%	24.02%



## The Market's Midyear Mindset

The first half of 2026 concluded with U.S. financial markets delivering solid gains despite a challenging combination of geopolitical conflict, shifting monetary policy expectations, and changing market leadership. While investors entered the year focused on artificial intelligence, tariff policy, and slowing economic growth, they reached the midpoint of the year with renewed confidence that corporate America continues to generate healthy profits and that the U.S. economy remains on stable footing.

June encapsulated many of the themes that defined the year's first six months. Investors navigated the first Federal Open Market Committee (FOMC) meeting chaired by Kevin Warsh, the passing of former Federal Reserve Chairman Alan Greenspan, one of the most anticipated initial public offerings in history, and a notable broadening of equity market leadership beyond the technology sector. Choppy day-to-day trading throughout the month left major indices with mixed results, but they all achieved impressive recovery from their late-March lows.

Chair Warsh's inaugural FOMC meeting was among the month's most closely watched events. As expected, the Federal Reserve left short-term interest rates unchanged, but the tone differed meaningfully from previous meetings. Warsh emphasized restoring the Fed's focus on price stability while offering less forward guidance than markets had grown accustomed to receiving. Although policymakers acknowledged moderating economic growth, persistent inflation pressures and the lingering effects of higher energy prices left the Committee reluctant to signal near-term rate cuts. Instead, investors increasingly accepted that policy rates may remain elevated longer—or even move modestly higher should inflation prove stubborn.

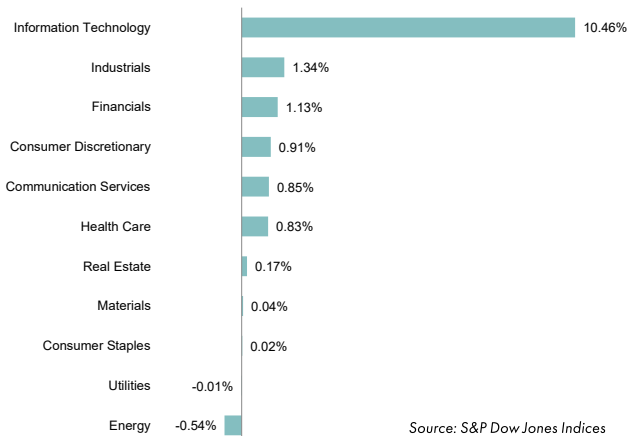
June also marked the passing of former Federal Reserve Chairman Alan Greenspan at age 100. Greenspan's nearly two-decade tenure shaped modern central banking and influenced generations of investors. While historians continue to debate aspects of his legacy, markets paused to recognize the architect of the so-called "Great Moderation" and the

policymaker whose decisions guided the economy through the 1987 stock market crash, the technology boom, and numerous financial crises.

Another historic milestone arrived with the long-awaited SpaceX initial public offering. The offering quickly became one of the largest and most successful IPOs in U.S. history, highlighting investors' continued appetite for transformational growth companies. With the successful debut of SpaceX setting the tone, investors increasingly turned their attention to the prospect of additional mega IPOs expected to reach the public markets later this year.

### S&P 500 Sector Contribution Q2 2026

S&P 500: 15.20%



Source: S&P Dow Jones Indices

As the chart above demonstrates, technology stocks continue to dominate returns as they have for the past several years. However, there was rotation beneath the market's surface in June. Industrials, financials, healthcare, and smaller-cap companies attracted increasing investor interest. This broadening reflects improving confidence that economic growth can remain durable without relying exclusively on a handful of mega-cap technology companies. Healthier market participation generally provides a stronger foundation for a durable bull market.

Geopolitical developments have remained an important driver of day-to-day volatility. Headlines surrounding the ongoing conflict involving the United States, Israel, and Iran periodically pushed oil prices sharply higher before easing as hopes for diplomatic progress improved. While energy markets experienced significant swings, investors generally looked through the short-term volatility, focusing instead on the resilience of corporate earnings and consumer spending.

The first half of 2026 demonstrated that markets can continue advancing despite uncertainty. As investors look toward the second half of 2026, many important issues lie ahead. Second-quarter earnings season will provide the next major test of whether profit growth continues to justify elevated equity valuations. Attention will also increasingly shift toward November's midterm elections, where potential changes in Congressional leadership could reshape fiscal policy, taxation, and regulation. Finally, markets will continue monitoring diplomatic efforts in the Middle East. A lasting resolution to the U.S.-Iran conflict would likely reduce geopolitical risk premiums, ease inflation concerns through lower energy prices, and improve visibility for both businesses and investors.

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