WEALTH

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NDR Weekly Snapshots – 26 June 2026

Editors:
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Overview

⇧⇩ **denotes Position Change**

U.S. Economics

VENETA DIMITROVA, SENIOR U.S. ECONOMIST
ALEJANDRA GRINDAL, CHIEF ECONOMIST

JUNE 25, 2026

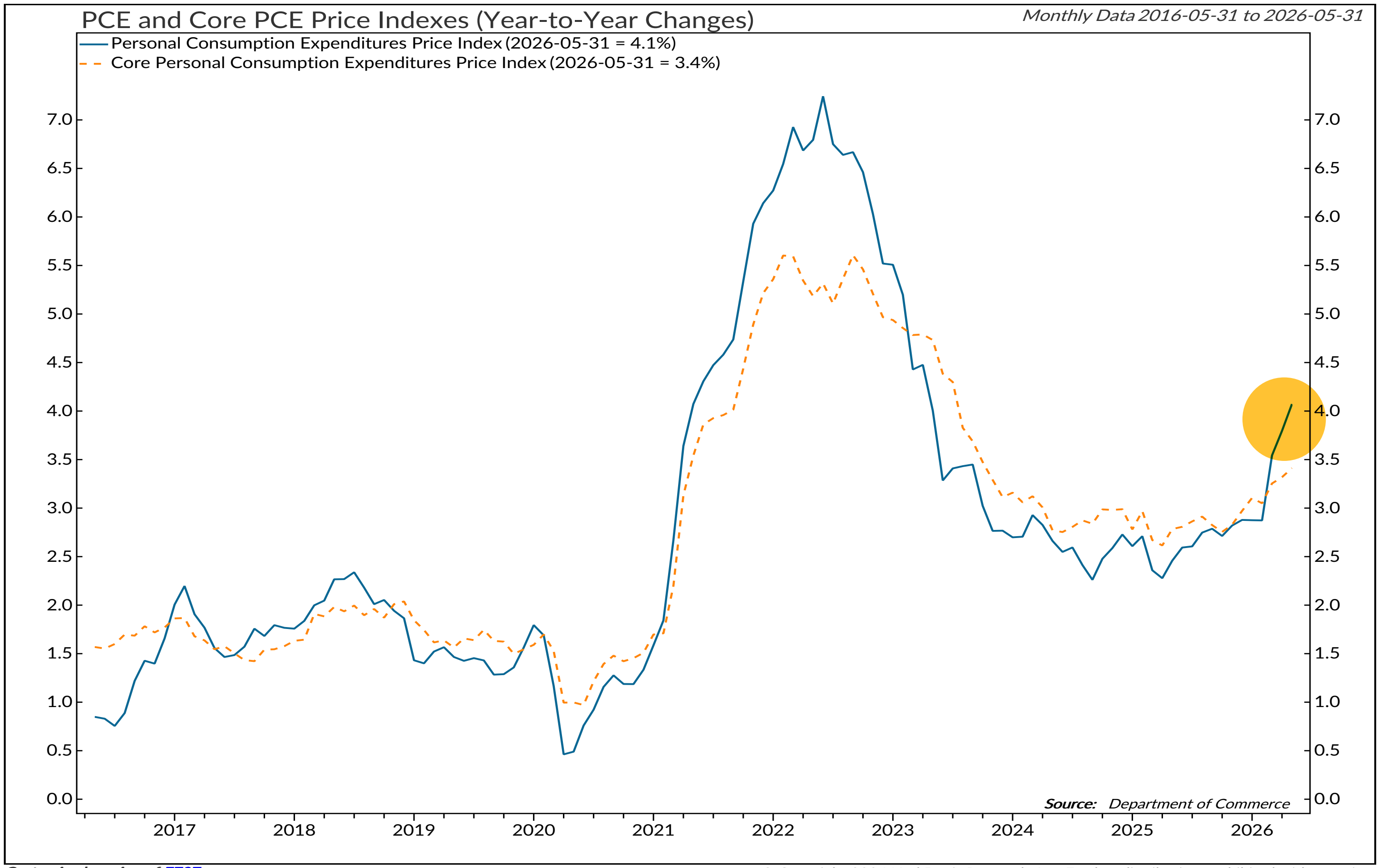
FULL PUBLICATION

Robust U.S. growth and inflation support a hawkish Fed

Key Takeaways

- PCE inflation rose to 4.1% in May, the highest level since April 2023. Core inflation climbed to 3.4%, the most since October 2023.
- While falling energy prices will help calm down headline inflation in the months ahead, the core is likely to remain stickier, due to hot services ex-energy and housing inflation and still elevated core goods inflation.
- This justifies the Fed's hawkish policy stance. We now expect one rate hike this year, most likely by September.

PCE inflation at highest level since April 2023



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ED CLISSOLD, CFA, CHIEF U.S. STRATEGIST
THANH NGUYEN, CFA, SENIOR QUANTITATIVE ANALYST

JUNE 23, 2026

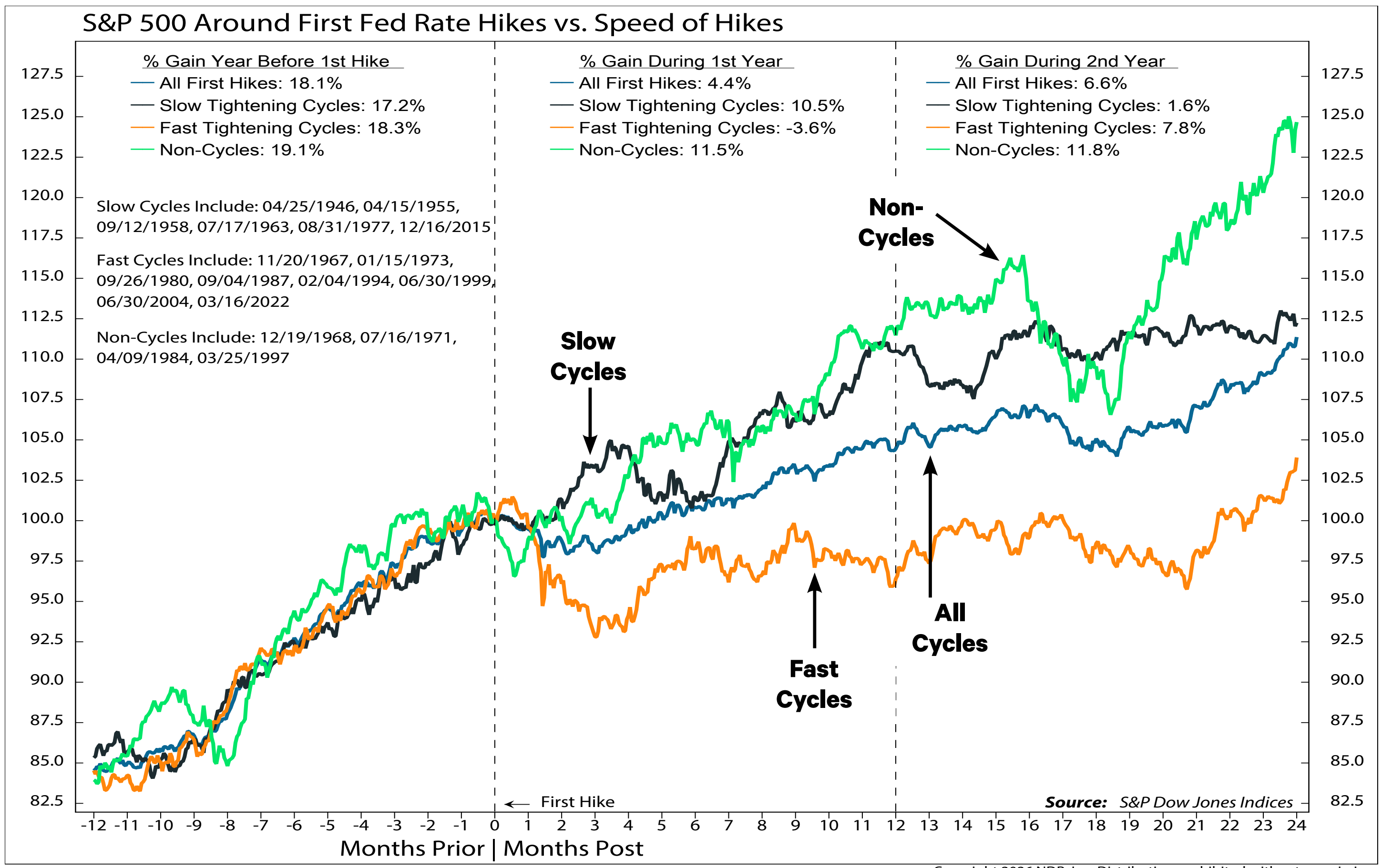
FULL PUBLICATION

Market implications of a hawkish Fed pivot

Key Takeaways

- Fed Chairman Warsh signaled a broad policy shift that could include a hike in the next few meetings.
- During non-cycles (one or two hikes), the S&P 500 has tended to pull back around the first hike and then rally.
- The 1971 and 1997 cases offer interesting parallels to the current backdrop.

S&P 500 weaker early in fast tightening cycles vs slow and non-cycles



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ROB ANDERSON, CFA, U.S. SECTOR STRATEGIST
THANH NGUYEN, CFA, SENIOR QUANTITATIVE ANALYST

JUNE 25, 2026

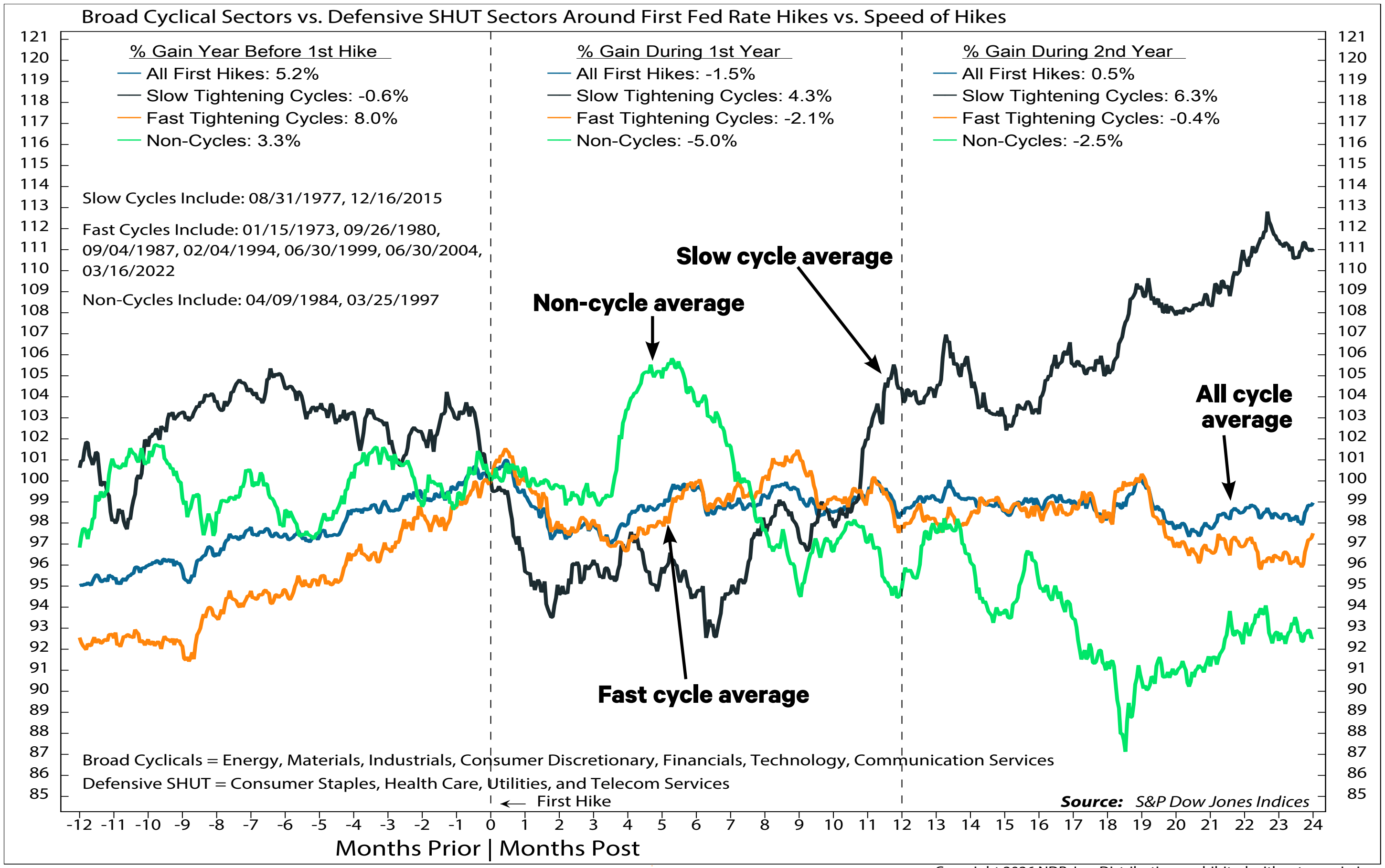
FULL PUBLICATION

A quick look at sector reactions to Fed tightening

Key Takeaways

- Leadership has tended to be cyclical heading into the first rate hike and more defensive in the immediate aftermath.
- Longer-term, leadership has been mixed, with more defensive leadership during aggressive tightening cycles.
- If the Fed hikes just once or twice, history suggests it won't be enough to derail the bull market.

Slow hiking cycles have been supportive of cyclical > defensive leadership



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PAT TSCHOSIK CFA, CMT, CHIEF THEMATIC STRATEGIST
PHILIPPE MOULS, CFA, ANALYST

JUNE 24, 2026

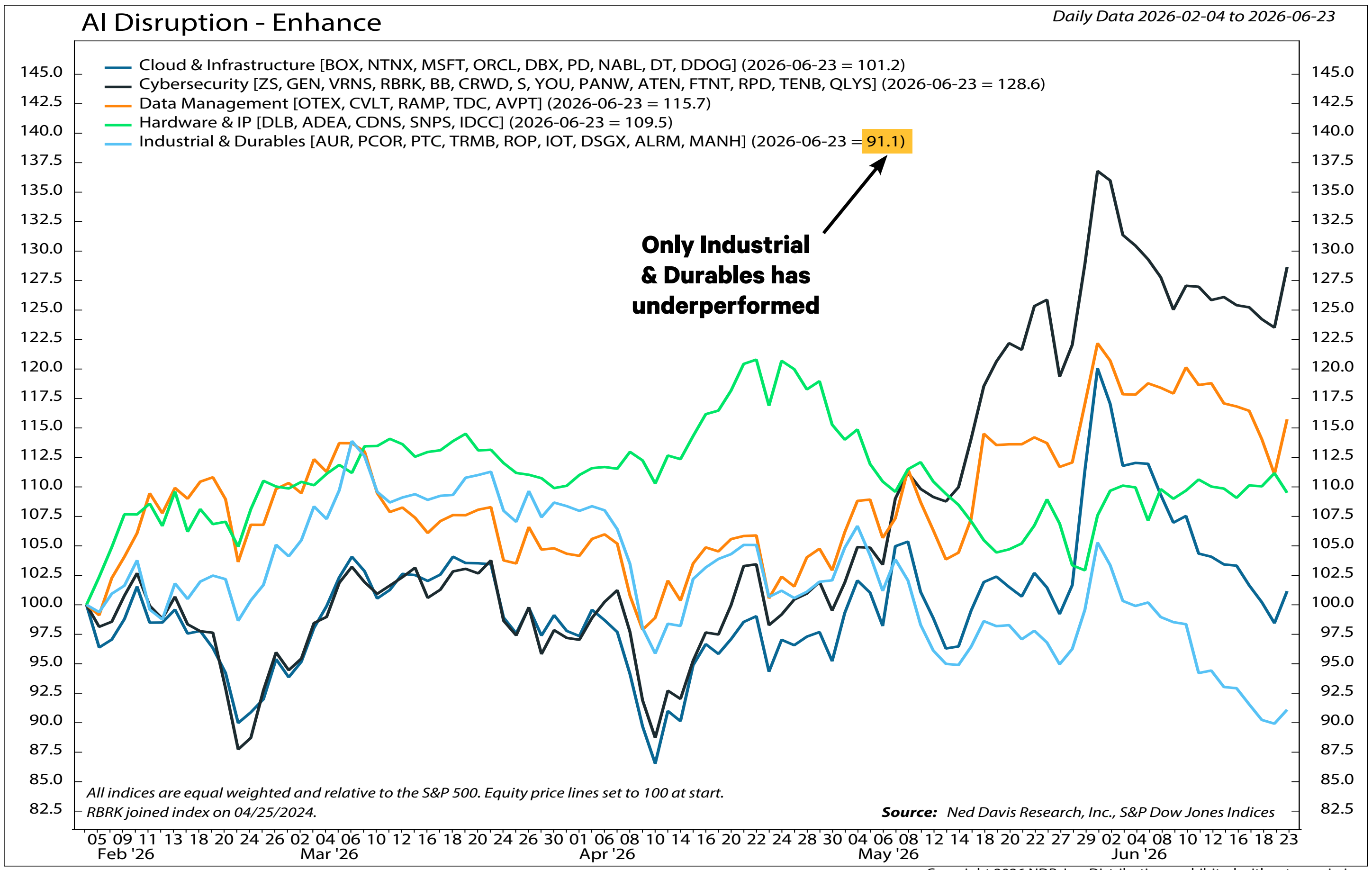
FULL PUBLICATION

Revisiting AI: Software friend or foe

Key Takeaways

- After nearly five months of volatility and performance since our February report, our conclusions have held up. Look to Enterprise Software over Application Software as a group that is harder to replace by agentic AI.
- Second, focus on software companies that can benefit from increased AI usage like Cybersecurity and Cloud Infrastructure.
- Third, a massive re-rating is still underway and we believe it is too early to overweight a broad software basket like ETF IGV.

All 'Enhance' category industries except Industrial & Durables have performed well



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JOSEPH F. KALISH, CHIEF GLOBAL MACRO STRATEGIST

JUNE 22, 2026

FULL PUBLICATION

Positioning for tighter monetary policy

Key Takeaways

- Warsh kept inflation expectations anchored, which is a good sign for bond investors.
- The FOMC and Warsh were more hawkish than we expected and we expect a rate hike by September.
- Raising rates sends a clear message that the Fed is committed to delivering price stability. Warsh could then pivot to balance sheet reductions to tighten monetary policy.

2-year yields have always risen into a first rate hike

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Asset Performance around Fed Easing and Tightening Cycles

- **Report:** BMS_598.RPT
- **Run Date:** 2026-05-25

Event Type: First Hike

2-Year Treasury (3-Year before 1976)

First Rate Hike	Value (%)	BP Change							
		252 days before	189 days before	126 days before	63 days before	63 days after	126 days after	189 days after	252 days after
1971-07-16	6.68	-86	-27	109	144	-119	-172	-68	-90
1973-01-15	6.23	127	23	45	21	47	120	54	73
1977-08-31	6.59	9	119	47	35	52	100	153	189
1980-09-26	12.40	230	110	-249	346	47	92	208	417
1984-04-09	11.55	197	81	98	89	145	35	-156	-117
1987-09-04	8.26	196	202	183	58	-54	-104	-22	19
1994-02-04	4.42	26	63	36	22	184	180	263	276
1997-03-25	6.33	61	3	17	48	-30	-53	-64	-75
1999-06-30	5.53	4	106	93	54	15	68	106	90
2004-06-30	2.70	138	109	84	107	-9	42	110	95
2015-12-16	1.02	44	39	36	32	-18	-32	-25	27
2022-03-16	1.95	182	174	174	128	125	192	228	186
Mean	6.14	94	84	56	90	32	39	66	91
Median	6.28	94	94	66	56	31	55	80	81

- **Source:** Federal Reserve Board

Report Notes:
- **Source:** Bloomberg Finance L.P., Federal Reserve Board, Haver Analytics, S&P Dow Jones Indices, S&P GSCI
- Days = U.S. market days

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JOSEPH F. KALISH, CHIEF GLOBAL MACRO STRATEGIST

JUNE 24, 2026

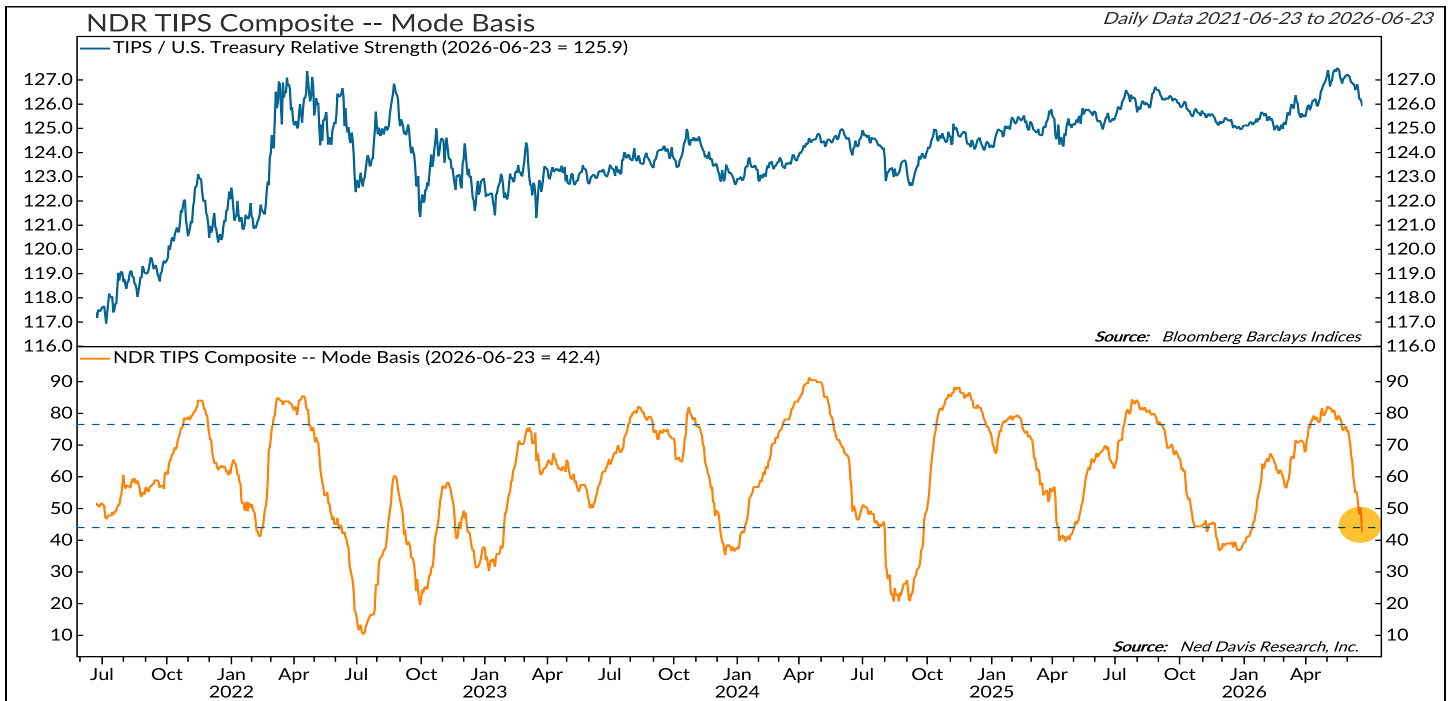
FULL PUBLICATION

Closing out TIPS and twos trades

Key Takeaways

- We closed out our TIPS overweight and 2-year note trades as our TIPS model moved to a bearish reading. A shift in Fed policy leaves little upside for 2Y Treasury for now.
- The TIPS/Treasury ratio has broken down, as inflation expectations have fallen.
- Although we expect the Fed to hike once, the market may price in more than that.

TIPS Composite moved into bearish zone



TIPS / U.S. Treasury Relative Strength Performance Full History: 1997-12-31 to 2026-06-23		
TIPS Composite is	% Gain/ Annum	% of Time
Above 76.5	5.68	25.66
44.0 - 76.5	1.53	52.58
Below 44.0	-5.23	21.76
Buy/Hold = 1.05% Gain/Annum		

TIPS / U.S. Treasury Relative Strength Performance Chart View: 2021-06-23 to 2026-06-23		
TIPS Composite is	% Gain/ Annum	% of Time
Above 76.5	2.24	21.96
44.0 - 76.5	1.74	58.38
Below 44.0	-0.45*	19.66
Buy/Hold = 1.41% Gain/Annum		
* Cases less than one year are not annualized		

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TIM HAYES, CMT, CHIEF GLOBAL INVESTMENT STRATEGIST

JUNE 23, 2026

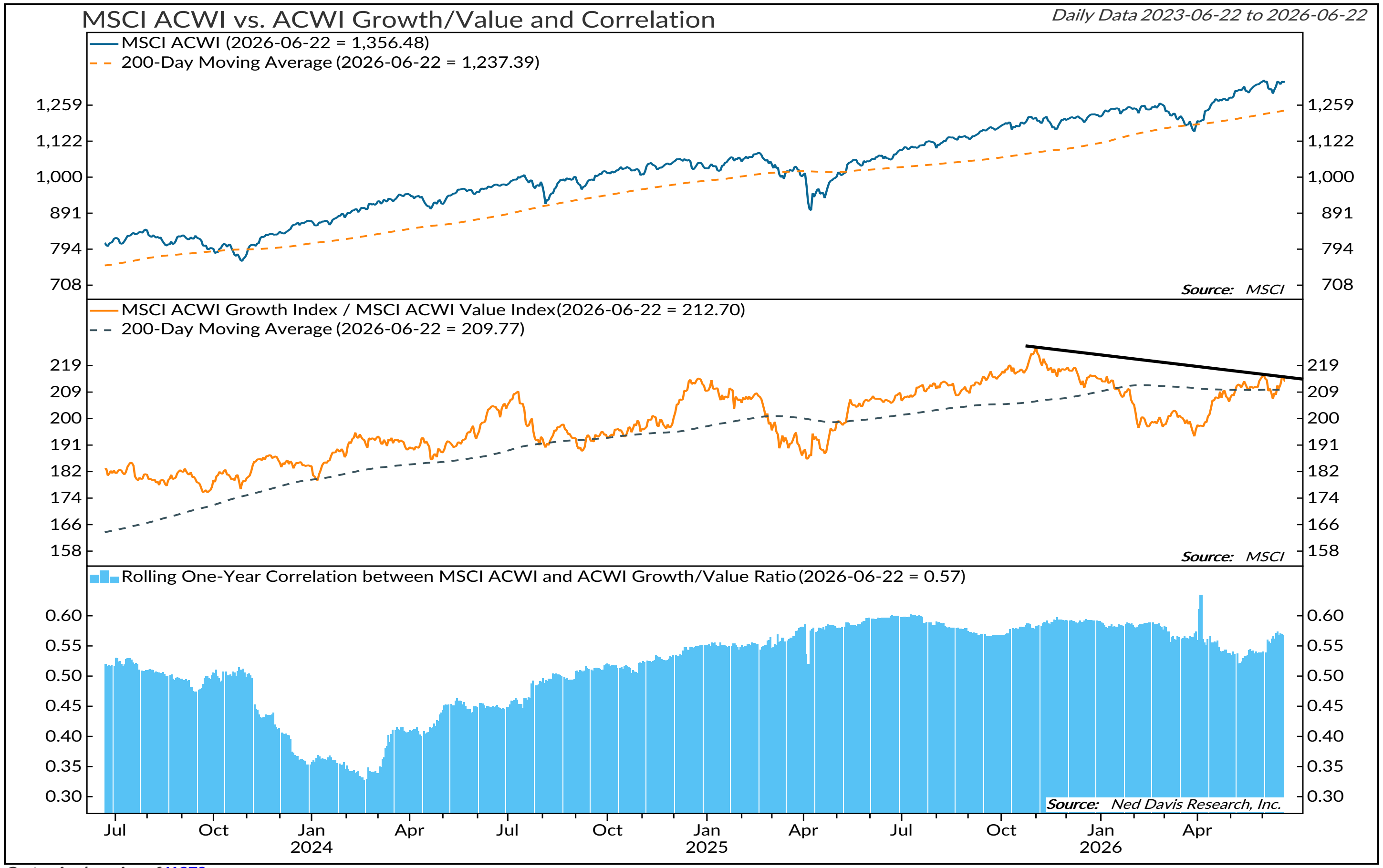
FULL PUBLICATION

Comebacks in Value versus Growth

Key Takeaways

- Growth/Value has been diverging from ACWI and the move has been influenced by Tech versus Financials.
- Financials remain the cheapest and Tech most expensive sectors respectively, with ongoing Tech earnings growth now in question.
- Correlations support prospects for Financials to outperform Tech if bond yields continue to rise and global markets decline.

Growth/Value correlates with ACWI



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Commodities

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MATT BAUER, CFA, COMMODITY STRATEGIST

JUNE 25, 2026

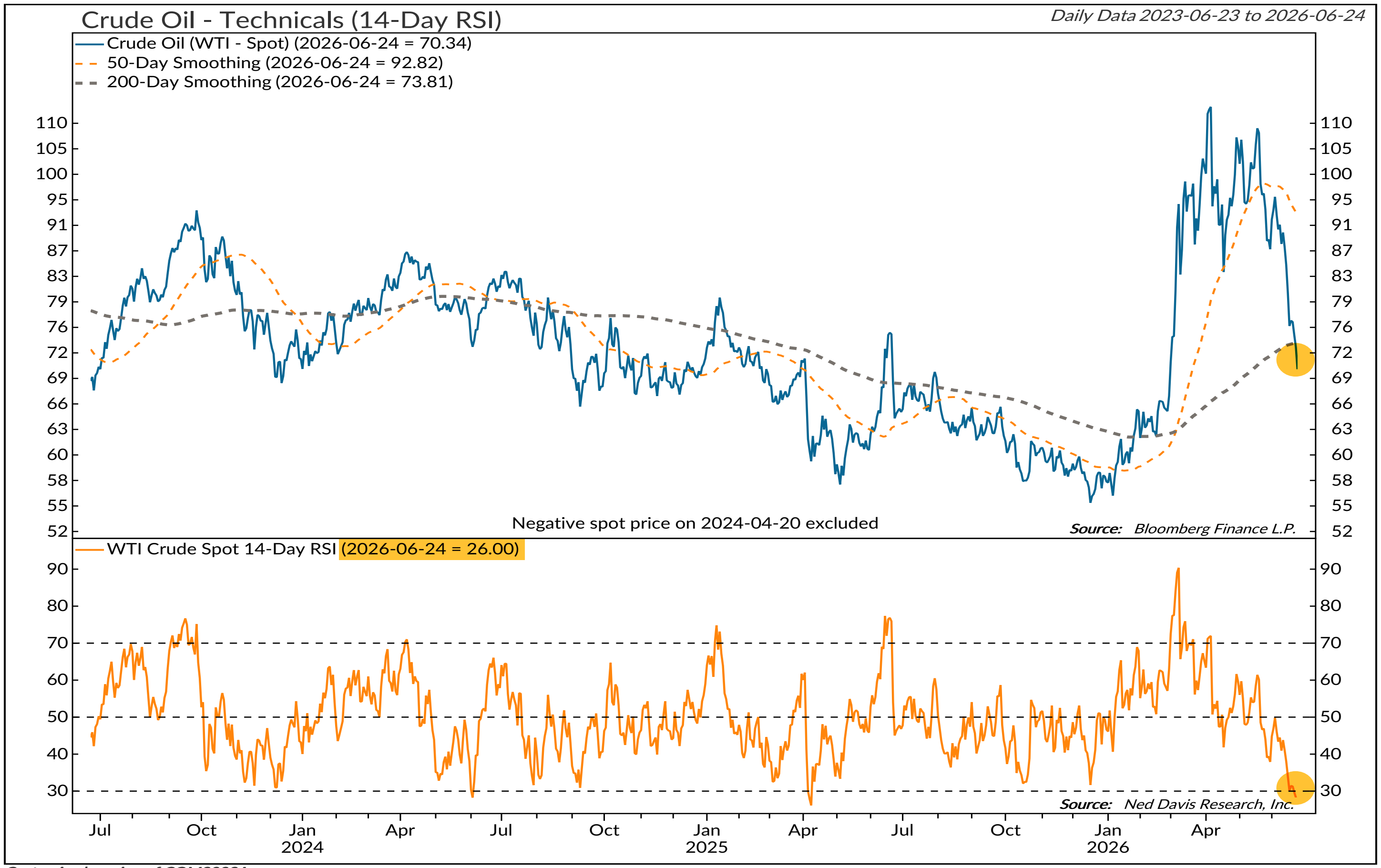
FULL PUBLICATION

Crude: Returning to neutral

Key Takeaways

- We returned our outlook on crude to neutral, with near-term risk/rewards considerably more balanced.
- The decline was quicker and more direct than anticipated, sentiment has normalized and speculative short positioning remains elevated.
- Flows are recovering, but below pre-conflict levels, inventories still need to be replenished, and renewed hostilities remain a risk.

Market has priced in normalization before normalization is complete



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ROB ANDERSON, CFA, U.S. SECTOR STRATEGIST

JUNE 24, 2026

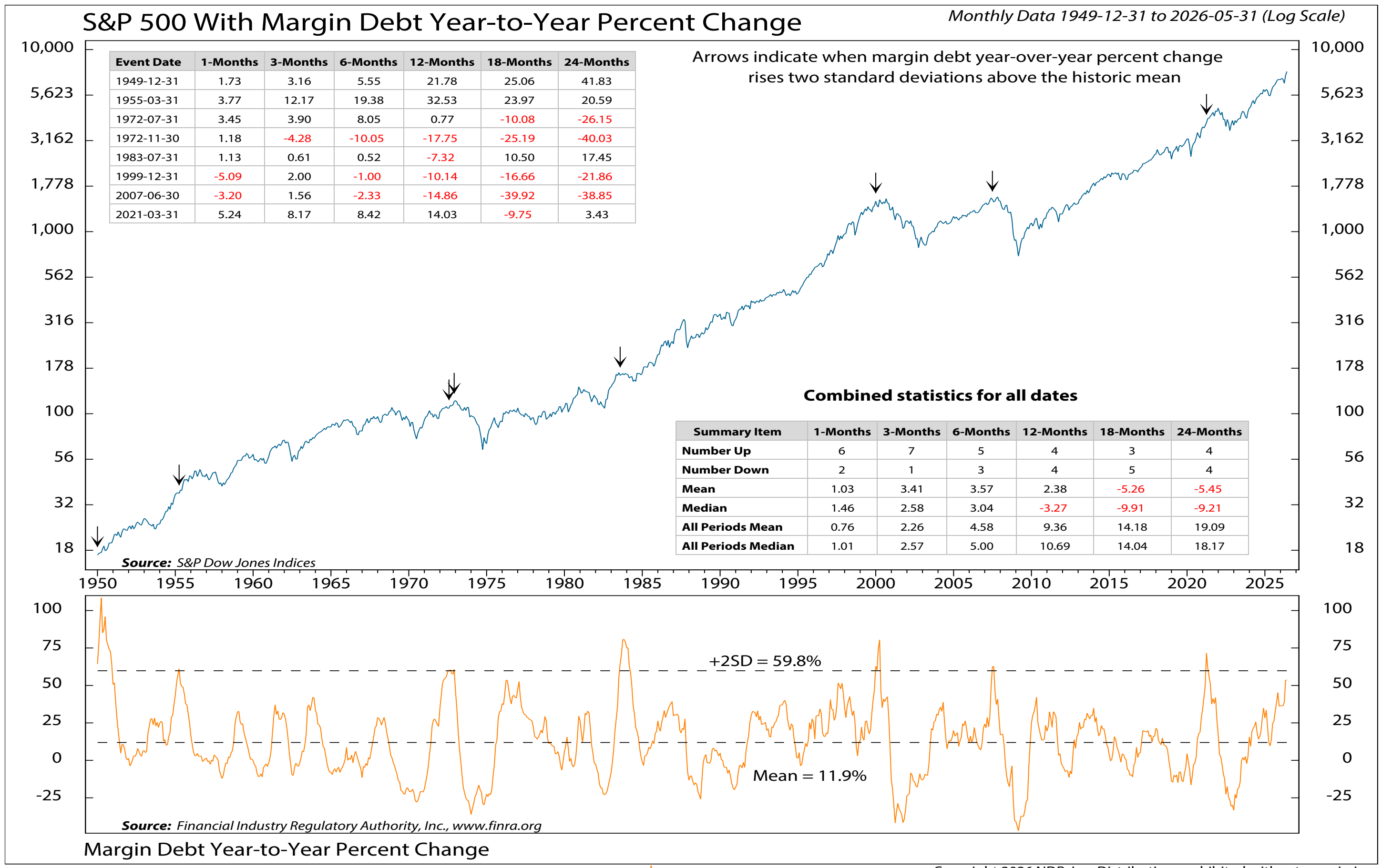
FULL PUBLICATION

Signs of excess with similarities and differences to 2000

Key Takeaways

- Signs of a late-cycle environment for stocks have grown, including from valuations, IPOs, buybacks, and margin debt.
- Several other sentiment gauges are not at levels consistent with prior tops.
- The Fab Five Model remains neutral thanks to a bullish Tape Component. NDR maintains a moderate overweight to equities.

Big rise in margin debt has been bearish for stocks



Event Date	1-Months	3-Months	6-Months	12-Months	18-Months	24-Months
1949-12-31	1.73	3.16	5.55	21.78	25.06	41.83
1955-03-31	3.77	12.17	19.38	32.53	23.97	20.59
1972-07-31	3.45	3.90	8.05	0.77	-10.08	-26.15
1972-11-30	1.18	-4.28	-10.05	-17.75	-25.19	-40.03
1983-07-31	1.13	0.61	0.52	-7.32	10.50	17.45
1999-12-31	-5.09	2.00	-1.00	-10.14	-16.66	-21.86
2007-06-30	-3.20	1.56	-2.33	-14.86	-39.92	-38.85
2021-03-31	5.24	8.17	8.42	14.03	-9.75	3.43

Combined statistics for all dates

Summary Item	1-Months	3-Months	6-Months	12-Months	18-Months	24-Months
Number Up	6	7	5	4	3	4
Number Down	2	1	3	4	5	4
Mean	1.03	3.41	3.57	2.38	-5.26	-5.45
Median	1.46	2.58	3.04	-3.27	-9.91	-9.21
All Periods Mean	0.76	2.26	4.58	9.36	14.18	19.09
All Periods Median	1.01	2.57	5.00	10.69	14.04	18.17

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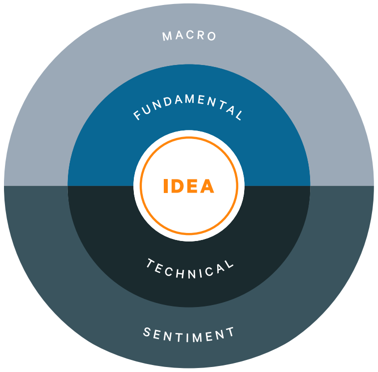

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