



PACIFIC GLOBAL
Investment Management Company

Weekly Recap

June 12, 2026

Market Returns

INDEX ¹	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	51,202.26	335.48 / 0.66%	6.53%
S&P 500 [®]	7,431.46	47.72 / 0.65%	8.56%
Nasdaq	25,888.84	179.41 / 0.70%	11.39%
Russell 2000 [®]	2,943.99	110.49 / 3.90%	18.62%

	06/12/26 CLOSE	06/12/25 CLOSE
10-Year U.S. Treasury	4.48%	4.36%

Data: The Wall Street Journal, Federal Reserve

The Bottom Line

The prospects of an agreement between the U.S. and Iran provided a catalyst which reversed losses earlier in the week. Oil prices declined on the news of an agreement to reopen the Strait of Hormuz (“Strait”) in the coming days. Investors’ renewed confidence for lower inflation and economic growth rewarded the Russell 2000[®] Index (3.90%), in particular, which far outpaced the other major indices. The Nasdaq gained 0.70% for the week followed by the Dow Jones Industrial Average (0.66%) and the S&P 500[®] Index (0.65%). The yield on the 10-Year U.S. Treasury Note declined to 4.48% from 4.54% last Friday.

Terms of a peace deal emerged on Friday following days of uncertainties and retaliatory military strikes. Following word of the announcement that “a final, agreed upon text of the peace deal has been reached,” prices for Brent Crust receded from \$92.78 last Friday to \$86.84. Other oil-related news this week included reports that U.S. helicopters were escorting some tankers through the Strait; also, several Middle East countries (including Saudi Arabia, UAE and Iraq) are expediting the development of land-based pipelines which avoid the Strait.

The **May CPI** increased 0.5%, in line with consensus, and slightly below the April increase of 0.6%. Year-over-year, the **CPI** rose 4.2%, the highest reading in three years, as gasoline rose 23.5%. The **Core CPI** (excluding energy) increased 0.2%, below estimates (0.3%) and April (0.6%). Core inflation remained subdued as lower tariff pressures benefitted vehicle, software and household spending sectors. The **May PPI** rose 6.5% year-over-year and 1.1% for the month to repeat May’s downwardly revised reading. The **Core PPI** rose 4.9% year-over-year, below forecasts for a 5.4% surge. The preliminary **June University of Michigan Consumer Sentiment Index** rose more-than-expected to 48.9, up from May’s all-time low of 44.8. **Initial Jobless Claims** of 229,000 were higher than estimates (219,000) as were **Continuing Claims** (1.795 million) versus estimates (1.780 million).

Friday’s much-anticipated IPO of *SpaceX* closed well-above its opening price; the company closed its first trading day with a \$2.2 trillion valuation representing 3% of the \$75.6 trillion U.S. stock market. The upcoming

Anthropic and *OpenAI* IPOs will follow yet their timetables have not been announced. Still, the debates over **AI** profitability remains as *OpenAI* suggested that it may have to cut prices to compete with *Anthropic*.

The Federal Reserve next week will launch the tenure of Chair Warsh. Analysts do not anticipate any rate changes but Chair Warsh's post-meeting comments will be closely monitored. Looking ahead, investors will focus on updates from the U.S and Iran regarding the terms of a Memorandum of Understanding for a ceasefire. Meanwhile, most companies will enter a quiet period, including a likely suspension of any stock buybacks, in the run-up to the end of the quarter. The recent period of increased volatility is likely to continue on the ebb and flow of news headlines regarding events in the Middle East.

Due to next week's holiday-shortened schedule, we will not publish a Weekly Recap.

¹The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500[®] Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap[®] Index measures the 800 smallest companies within the Russell 1000[®] Index based on a combination of their market cap and current index membership. The Russell 2000[®] Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000[®] Index. It is not possible to invest in the Indices.

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