



**The Weekly Market Update – 6/15/26: Elusive Peace Deal Close, Oil Markets Optimistic**

Major Indices (Price Returns)	Close	Last Week	Quarter-to-Date	Year-to-Date	Trailing 12-Months	All-Time High	% to High
S&P 500	7,431.46	0.65%	13.83%	8.56%	25.71%	7,609.78	2.4%
Dow Jones Industrial Average	51,202.26	0.66%	10.49%	6.53%	21.13%	51,561.93	0.7%
NASDAQ Composite	25,888.84	0.70%	19.91%	11.39%	35.45%	27,093.90	4.7%
Russell 2000	2,943.99	3.90%	17.93%	18.62%	42.48%	2,943.99	0.0%
MSCI EAFE (USD)	3,103.02	0.95%	9.31%	7.27%	19.33%	3,179.91	2.5%
MSCI Emerging Markets (USD)	1,715.97	-0.08%	22.82%	22.19%	48.27%	1,789.14	4.3%
Bloomberg Commodity Index	129.42	-2.41%	-4.30%	17.99%	29.44%	237.95	83.9%
Barclays U.S. Aggregate Bond	92.93	0.49%	-0.34%	-1.22%	1.55%	112.07	20.6%

Source: FactSet

**Investor sentiment has surged as a Middle East peace agreement can ease potential economic headwinds created by elevated interest rates and inflation.** The United States (confirmed by President Trump) and Iran (confirmed by Iranian officials) have agreed to a memorandum of understanding (MOU) to end the military conflict that began nearly four months ago on 2/28/26. While a resolution has remained elusive over multiple weeks (a ceasefire has held for nearly 70 days) despite repeated comments from the president that an agreement was very close, this is the first MOU. If all goes well this week, on Friday 6/19 in Geneva, Switzerland, the peace deal will be signed. For investors, a full opening of the Strait of Hormuz is imperative, and that is expected post closure, but traffic remains limited for now. We expect much discussion about the potential for sustained lasting peace, especially as details of the 14-page agreement are released. Investment markets surged, with the S&P 500 equity index up +1.7% in early Monday trading. Oil markets have reacted positively with U.S. oil (as measured by West Texas Intermediate crude (WTI)) trading at \$80 per barrel (bbl). WTI has not closed below \$80/bbl since 3/4/26, in the early days of the war, and just one month ago, on 5/15/26, WTI traded at \$105 (now down -24% from that level). While still above the \$67/bbl pre-war price, we believe that oil markets now reflect a successful reopening of the Strait of Hormuz. Once the Strait is open, we expect oil exports to flow, although damaged supply chains will take a while (2-3 months) to fully recover. Investors are likely to look past that process as, ultimately, lower oil prices will stimulate global economic growth. In the U.S., according to the Automobile Club (AAA), the national average for unleaded gasoline was \$4.06 per gallon (gal) on 6/15/26, down -10.4% from \$4.53 one month ago (5/15). Gas remains substantially above the 2/27/26 (pre-war) national average of \$2.98/gal., with more improvement expected. A sustained move lower in gas prices (even slowly) should lead to favorable inflation trends (lower) and provide a boost to consumer confidence.

**The Federal Reserve Bank (Fed) meets to discuss monetary policy this week, ushering in a new leader: the Kevin Warsh era.** On the surface, this week's Fed meeting sets up as uneventful. The Fed is expected to hold its overnight fed funds interest rate target range unchanged at 3.50% to 3.75% (same level since December 2025) despite last week's report that consumer inflation (as measured by the consumer price index, or CPI) jumped to +4.2% year-over-year (Y/Y), the highest level in three years. Core CPI (excludes food and energy prices) increased +2.9% Y/Y, the highest in eight months. This was less attention-grabbing, but still above the Fed's +2.0% target and reflective of some emerging price pressure. We expect the Warsh Fed to move slowly on interest rates, especially with expectations for an end to the war. The Fed, however, could remove its easing bias (a view that rates will be lower over the medium term). Of most interest to us is Chair Warsh's view on communication going forward. Will press conferences be held at every meeting? Will the Fed publish its Summary of Economic Projections? And will the Fed add metrics to its inflation calculations?

**U.S. economic activity appears solid in the second quarter (2Q26), potentially exceeding expectations.** The FactSet 2Q26 consensus estimate of U.S. economic growth (as measured by gross domestic product, or GDP) was +1.7% on 6/15, below a +2.1% estimate at the end of March. But the Atlanta Fed GDPNow estimate, which tracks GDP data as reported, was +3.3% as of 6/9/26. At this point, reported data is only about half completed (April and some May), creating ongoing uncertainty. But if solid trends hold, along with an Iran peace deal, further equity gains are possible, in our view.

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**Market Indices:** The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. Indices provide a general source of information on how various market segments and types of investments have performed in the past. Index performance assumes the reinvestment of all distributions, but does not assume any transaction costs, taxes, management fees, or other expenses. You may not invest directly in an index. Past performance is not an indicator of future results. The S&P 500 Index is a market cap weighted index that is designed to measure the US large-cap equity performance. The index is composed of the 500 leading publicly traded US companies based on size, liquidity, industry, and profitability criteria. The Dow Jones Industrial Average is a price weighted index that tracks 30 large, exchange-traded companies trading on the New York Stock Exchange (NYSE) and the NASDAQ. The NASDAQ Composite Index measures all NASDAQ domestic and international based common type stocks listed on The NASDAQ Stock Market. Today the NASDAQ Composite includes over 3,000 companies. The Russell 2000® Index is a market cap weighted index that measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The MSCI EAFE® Index (Europe, Austral, Asia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US and Canada. The MSCI EAFE® Index (Europe, Austral, Asia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The S&P 500 Equal Weight Index is compiled by S&P Dow Jones. It is an equal-weight version of the widely used S&P 500. The index includes the same constituents as the capitalization-weighted S&P 500, but each company is allocated a fixed weight, or 0.2%, of the index total at each quarterly rebalance.

The Global Industry Classification Standard (GICS) is a four-tiered, hierarchical industry classification system. Companies are classified quantitatively and qualitatively. Each company is assigned a single GICS classification at the Sub-Industry level according to its principal business activity. MSCI and S&P Dow Jones Indices use revenues as a key factor in determining a firm's principal business activity. The 11 sectors are: Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate, and Utilities.

FactSet is a data aggregation software utilized by D.A. Davidson's Wealth Management Research. The FactSet consensus refers to the aggregate of all analysts' estimates from firms that submit estimates to FactSet for a given financial metric. Calculations on the percentage price change on indices are provided by FactSet.

Gross domestic product (GDP) is a measure of economic growth and refers to the monetary measure of the market value of all final goods and services produced within a country's borders within a specific time period. Real GDP is adjusted for the impact of inflation. GDP numbers are compiled by the Bureau of Economic Analysis (BEA), a division within the U.S. Department of Commerce. Quarterly GDP is reported as a percentage change from the prior quarter, annualized. The BEA also reports data as a year-over-year percentage change from the same period one year prior. The most recent GDP report can be found at [www.bea.gov](http://www.bea.gov). Major components of GDP include personal consumption expenditures, non-residential fixed investment, residential investment, government expenditures and adjustments for inventories and net exports (imports). Non-Residential Fixed Investment includes several subcategories including software and information processing equipment that measure investment in technology. Imports of goods and services are subtracted from GDP data (products are not produced or performed in the U.S) while exports are added to GDP. The first revision of 1Q26 U.S. GDP was released on 5/28/26 and can be found at [www.bea.gov](http://www.bea.gov).

The consumer price index (CPI) is a measure of average change, over time, in the prices paid by urban consumers for a market basket of goods and services. It is reported monthly by the U.S. Bureau of Labor Statistics. The U.S. Personal Consumption Expenditures (PCE) Price Index is an indicator of the growth in consumer spending and measures the value of goods and services purchased by persons who reside in the U.S. It is reported monthly by the Bureau of Economic Analysis. PCE inflation is the percentage rate of change in the price index for personal consumption expenditures (PCE).

S&P 500 earnings growth reflects the year-over-year change in operating earnings on a per share basis. Earnings data are aggregated for all S&P 500 constituents and are measured according to the relative market capitalization weights for each company. Estimated earnings are the combined FactSet estimates of analysts covering each company included in the index.

The Treasury yield curve displays the market interest rate across different contract lengths for U.S. Treasury securities, indicating the relationship between the interest rate and the time ("term") to maturity. The yields of the 2-year and 10-year U.S. Treasury notes are widely followed barometers of the current U.S. interest rate environment. Treasury security data used in calculating interest rate spreads is obtained directly from the U.S. Treasury Department, through FactSet.

The Bureau of Labor Statistics (BLS) compiles U.S. labor statistics from two monthly surveys. The household survey measures labor force status by demographics, while the establishment survey measures nonfarm employment and data by industry. The nonfarm payrolls component of the establishment survey is drawn from private businesses and government entities. The nonfarm payrolls number is among the most widely used data points to assess U.S. employment trends. The unemployment rate is the percentage of the labor force that is jobless and actively willing and available to work.

The Federal Reserve Bank's Open Market Committee (FOMC) consists of twelve members – the seven members of the Board of Governors of the Federal Reserve System, the president of the Federal Reserve Bank of New York, and four of the remaining eleven Federal Reserve Bank presidents, who serve one-year terms on a rotating basis. The FOMC holds eight regularly scheduled meetings per year. At these meetings, the Committee reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

The term "monetary policy" refers to the actions undertaken by a central bank, such as the Federal Reserve, to influence the availability and cost of money and credit to help promote national economic goals. The Board of Governors of the Federal Reserve System is responsible for the discount rate and reserve requirements, and the Federal Open Market Committee is responsible for open market operations. The Federal Reserve influences the demand for, and supply of, balances that depository institutions hold at Federal Reserve Banks and, in this way, alters the federal funds rate. The federal funds rate is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.

U.S. oil prices are often described using the price per barrel of West Texas Intermediate (WTI). This is a high quality low density crude oil grade sourced primarily from the Permian basin. Futures contracts and spot prices are traded on the New York Mercantile Exchange (NYMEX). Data on the economics of oil price changes on the retail price of gasoline can be found from the Federal Reserve Bank of St. Louis and the U.S. Energy Information Administration (EIA).

The Strait of Hormuz is located in the gulf between Oman and Iran. According to the U.S. Energy Information Administration, an estimated 20 million barrels per day are transported on ships through the Strait on a daily basis. This includes liquified natural gas (LNG) as well and is an essential waterway for Gulf energy exports.

The Automobile Club (AAA) monitors daily fuel prices in the U.S., which can be tracked at: [gasprices.aaa.com](https://gasprices.aaa.com).

As of 6/15/26, there was no official peace agreement between the U.S. and Iran, although officials with both countries confirmed that a memorandum had been agreed to regarding a 14-page agreement. Key issues include the status of the Strait of Hormuz and Iran's long-term nuclear program.

The Federal Reserve Bank of Atlanta publishes a "GDP tracker," which measures current quarter economic growth trends as data is reported. The growth rate of real gross domestic product (GDP) is a key indicator of economic activity, but the official estimate is released with a delay. GDPNow forecasting model provides a "nowcast" of the official estimate prior to its release by estimating GDP growth using a methodology similar to the one used by the US Bureau of Economic Analysis. The report is not a forecast, but rather gives an estimate of the growth trend from data as reported.