June 1, 2026

Beacon Weekly Investment Insights

We enter week 13 of the Iran conflict without any resolution. Washington has confirmed receipt of a proposal from the Iranian leadership that the President and his cabinet are reviewing. Media reports seem to indicate that the two biggest hurdles, nuclear material and control of the Strait, would remain in the hands of the Iranians which, if accurate, will be a non-starter assuming the President holds steadfast to his demands. So, the punch-counterpunch continues.

Despite the continued uncertainties the markets seem confident that a resolution is imminent and that the President does not have the appetite for further military escalation. On the contrary, it appears he wants to exit as gracefully as possible to focus on domestic issues that are forefront on voters' minds entering the midterms. Record highs were established in all three major indices including the small cap Russell 2000. Oil prices have continued to retrace recent highs on the hope that a deal will be struck opening the Strait of Hormuz soon. Treasury yields followed crude lower too. For the widely watched S&P 500 it notched its ninth straight weekly gain, with four new closing highs in just the past week, for a grand total of 26 so far this year. Much of the strength can be attributed to the better-than-expected corporate earnings season now ending. Only a few stragglers remain like Broadcom, Dollar General, Lululemon, Palo Alto, CrowdStrike and Hewlett Packard Enterprises to name a few.

Thankfully, earnings have exceeded expectations by a wide margin, and the outlook for further strength is forecasted despite signs of stress in the macro environment. This past week the Personal Consumption Expenditures (PCE), Real GDP, Personal Income and Consumer Spending were either unchanged or lower. The K in the K-shaped economy continues to grow larger. Savings rates are down 3% in the last year to 2.3% and the delinquency rate is at a 15-year high. This indicates that much of the higher tax refunds are being gobbled up by higher fuel and food costs leaving little for discretionary spending, which was the hope of the administration. The Federal Reserve, under its new leader Kevin Warsh, will have no alternative but to leave rates unchanged for the foreseeable future with core inflation at 3.3% well above its 2% target. This clearly will irk the President who wants lower rates, but the circumstances are self-inflicted and it will take time to return to pre-war levels of growth and inflation to warrant a more dovish approach.

With these headwinds, war uncertainty, market highs, and a void in earnings reports for the next six weeks one must wonder if a classic "buy the rumor, sell the news" may be on the horizon. It should not be unexpected and may prove healthy for the market to consolidate before pushing to new highs later in the year.

Next week's economic data will provide more substantive clues as to the current state of things with ISM manufacturing and services, job openings, payroll, and unemployment are all set to be reported throughout the week. Additionally, Amazon Prime Day is being moved to June a month early, providing a better indicator of the strength of the consumer.

Market Scorecard:	5/29/2026	YTD Price Change
Dow Jones Industrial Average	$51,032.46	6.86%
S&P 500 Index	$7,580.06	11.27%
NASDAQ Composite	$26,917.47	16.33%
Russell 1000 Growth Index	$4,109.16	8.13%
Russell 1000 Value Index	$2,321.12	13.52%
Russell 2000 Small Cap Index	$2,919.34	18.15%
MSCI EAFE Index	$3,110.91	9.49%
US 10 Year Treasury Yield	4.47%	0 basis points
WTI Crude Oil	$87.40	86.65%
Gold $/Oz.	$4,540.40	5.25%

BeaconTrust 163 Madison Avenue, Suite 600 | Morristown, NJ 07960 | 973.377.8090 | BeaconTrust.com