OpenArc
CORPORATE ADVISORY

Weekly Market Brief

NOTABLE MARKET EVENTS

Macroeconomic Data: The final S&P Global US Manufacturing PMI came in at 55.1 in May, continuing to expand but falling slightly short of the 55.3 estimate. The ISM Employment Index rose to 48.6, above both the 46.4 prior reading and the 48.2 estimate. Construction Spending rose +0.4% month over month in April, ahead of the +0.2% estimate. Job Openings surprised to the upside, with 7.61 million openings recorded in April, as the JOLTS Openings Rate climbed to 4.6% from 4.2% the prior month. MBA Mortgage Applications slipped -2.5% for the week ending May 29th, an improvement from the -8.5% decline the prior week. The ISM Services Index expanded further in May, rising to 54.5 from 53.6, though the ISM Services Employment Index edged down to 47.9 from 48.0, signaling continued softness in sector labor conditions. New orders for US manufactured durable goods jumped +8.0% in April, beating the +7.9% estimate and marking the strongest increase since May 2025, driven by a surge in demand for transportation equipment, particularly nondefense aircraft and parts, which soared +21.5%.

Economic Policy: The Fed released its Beige Book on Wednesday, painting a picture of modest growth alongside persistent inflationary pressure. Overall economic activity increased at a slight to moderate pace in 10 of the 12 Fed districts, with energy related costs tied to the conflict in the Middle East remaining the primary driver of inflation across much of the country. Employment remained stable, though businesses expressed growing concern over deteriorating consumer sentiment, with six month outlooks showing little change in anticipated growth amid elevated uncertainty and early signs of weakening consumer spending. Traders continue to price in rate hikes through year end, with markets now implying a +69% probability of a hike at the December meeting.

Business: Shares of Broadcom **(NYSE: AVGO)** fell -12% on Thursday after the company held its AI targets steady at 10 gigawatts in 2027 and $100 billion plus long term, disappointing investors who had expected a guidance raise in line with prior quarters. Q2 and Q3 AI chip revenue both fell short of buy side estimates, and the company's full year AI chip revenue guidance of $56 billion missed the $57.6 billion consensus. CrowdStrike **(NYSE: CRWD)** declined over -3% despite a slight Q2 earnings beat, as the stock had already rallied nearly +60% year to date heading into the print and was trading at a significant premium. Nvidia **(NYSE: NVDA)** surged +6% on Monday after unveiling a new PC chip called RTX Spark, with the announcement sending shares of competing chipmakers lower on the day.

Markets: Risk assets were mostly under pressure to kick off June. Precious metals pulled back, with spot gold and silver declining -1.44% and -1.87% respectively. Bitcoin sank -13.6% as investors rotated attention towards upcoming IPOs and trades tied to the AI infrastructure buildout. WTI crude rallied +6.5% on continued uncertainty stemming from the Middle East, while the dollar rose +0.47% to cap off the week.

SUMMARY

Equities were mixed to kick off June, with the Dow leading at +1.76%, the S&P 500 edging higher at +0.27%, and the Nasdaq slipping -0.32%, as the 10-year Treasury yield rose +2 basis points to 4.47%. Economic data was broadly constructive, with the ISM Services Index climbing to 54.5, durable goods orders surging +8.0% on a +21.5% jump in nondefense aircraft, Job Openings surprising to the upside at 7.61 million, and Construction Spending beating estimates at +0.4% month over month. The Fed's Beige Book painted a picture of modest growth alongside persistent inflationary pressure, with Middle East energy costs driving inflation across 10 of 12 districts and businesses flagging deteriorating consumer sentiment; markets are now pricing a +69% probability of a rate hike at the December meeting. On the corporate side, Broadcom (NYSE: AVGO) fell -12% after holding AI targets steady and missing buy side revenue estimates, CrowdStrike (NYSE: CRWD) declined over -3% despite a slight earnings beat after rallying +60% year to date, and Nvidia (NYSE: NVDA) surged +6% after unveiling its new RTX Spark PC chip. Risk assets were broadly under pressure, with Bitcoin sinking -13.6%, spot gold -1.44%, and spot silver -1.87%, while WTI Crude surged +6.5% on Middle East uncertainty and the dollar gained +0.47% on the week.

ETF	Description	1 Week	YTD
XLY	Cons Disc	-3.93%	-1.80%
XLP	Cons Stap	-2.83%	+5.61%
XLE	Energy	+3.16%	+31.40%
XLF	Financials	+1.79%	-4.71%
XLV	Health Care	+0.80%	-1.76%
XLI	Industrials	+1.36%	+13.56%
XLB	Materials	+0.51%	+13.83%
XLRE	Real Estate	-0.02%	+10.04%
XLK	Technology	+3.38%	+34.17%
XLC	Comm Services	-3.05%	-3.92%
XLU	Utilities	-1.55%	+2.93%
SMH	Semis	+4.62%	+74.25%

10-YEAR TREASURY YIELD

Current Rate: 4.47% (as of June 4, 2026)

Week-to-Date Movement: +2bps (from 4.45% on May 28, 2026)

MAJOR U.S. EQUITY INDICES PERFORMANCE

S&P 500: 7,563.63 → 7,584.31 (+0.27% WTD)

Dow Jones Industrial Avg: 50,668.97 → 51,561.93 (+1.76% WTD)

Nasdaq Composite: 26,917.47 → 26,830.96 (-0.32% WTD)

All performance figures and market events are sourced from Bloomberg as of market close 06/04/26 using the prior Friday's market open as the start date.

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