

Investment Weekly: Less Is Warsh

For the week ended June 18, 2026

Commentary

Last week, America kept spending, put the brakes on building houses, and handed the Fed to a new chair who walked in convinced the Fed's problem is that it talks too much. Markets ran on two engines: a tech rally that carried stocks and a U.S.-Iran peace framework that sent oil prices lower, providing some relief to the spring's inflation scare.

Stocks: U.S. equities finished the short week higher. The S&P 500 rose 0.9% while the Nasdaq climbed 2.4%. Technology and industrials led, while energy lagged as crude fell on peace prospects. Growth beat value and large caps beat small caps.

Rates: U.S. Treasuries split down the curve. The 10-year yield eased to about 4.46% as lower oil took heat out of the inflation worry, while short-term yields rose on the Fed's hawkish hold.

Commodities and currencies: Crude oil fell more than 10% as the U.S. and Iran agreed to a framework to end the conflict, dropping prices to a 3-month low. Gold eased as the U.S. dollar rose to a new 2026 high.

The Fed: The FOMC held its benchmark rate at 3.50%–3.75% at its June meeting, the fourth straight pause. Nearly half of Fed officials now predict a rate hike in 2026 instead of a cut. New Fed Chair Kevin Warsh proved to be a man of few words: he refused to mark a dot on a chart he'd just called useless, trimmed the official meeting statement to 130 words (down from the usual 300–400 in the Powell era), then formed a task force to study why the Fed talks too much.

Retail sales: May sales rose 0.9% to \$763.7 billion, roughly double April's revised 0.4%, with the control group up 0.7% and online up 1.5%. Part of the gain is consumers paying more at the pump, not carrying more out of the store.

Housing: Starts fell 15.4% to a 1.177 million rate, the slowest since May 2020, and permits slipped 0.7% to 1.413 million. The 30-year mortgage rate approaching a one-year high has builders discounting what they've already got instead of breaking new ground.

Jobs: Initial jobless claims for the week ending June 13 fell 4,000 to 226,000. Continuing claims for the week ending June 6 increased 24,000 to 1,810,000, which means people are taking longer to land their next job.

Leading indicators: The Conference Board's Leading Economic Index rose 0.1% to 99.3 in May, its second straight monthly gain, driven almost entirely by rising stock prices and the gap between short- and long-term interest rates. Consumer expectations stayed the heaviest drag.

Market data

Index prices (\$)	06/18/2026	12/31/2025
Dow Jones Industrial Average	51,565	48,063
S&P 500	7,501	6,846

Returns (%)	1wk	QTD	YTD	3mo
Equities				
S&P 500	0.93	15.19	10.20	13.56
S&P Mid Cap 400	-0.13	12.59	15.41	13.11
S&P Small Cap 600	-0.03	15.64	19.70	17.54
Russell 1000	0.84	14.76	9.96	13.24
Russell MidCap	0.04	11.98	13.43	11.73
Russell 2000	1.22	19.64	20.70	20.57
Dow Jones Industrial Average	0.71	11.73	8.16	12.02
NASDAQ Composite	2.43	22.99	14.43	19.90

Fixed income				
Bloomberg U.S. Aggregate	0.14	0.54	0.49	0.46
Bloomberg Global Aggregate	-0.05	1.04	-0.04	0.46
Bloomberg High Yield Bond	0.09	2.32	1.81	2.04
S&P / LSTA Senior Loan	0.22	1.54	0.75	1.51
JPM EMBI+ Emerging Markets Bond	0.37	4.27	3.71	3.11

S&P 500 sectors				
Technology	3.06	33.57	21.37	29.53
Materials	-0.36	3.51	13.58	6.88
Consumer discretionary	0.81	9.31	-0.74	7.80
Health care	-2.86	1.95	-3.03	1.96
Utilities	0.53	-2.42	5.64	-3.55
Consumer staples	-2.74	0.65	8.38	0.96
Energy	-6.56	-12.99	20.29	-8.05
Financials	0.41	8.49	-1.65	9.97
Industrials	2.65	11.83	16.99	9.82
Communication services	1.10	12.00	4.22	6.70
Real Estate	-3.16	7.36	10.33	5.12

Equity style performance				
Large cap value	0.24	13.67	16.05	13.47
Large cap growth	1.44	15.82	4.50	12.98
Mid cap value	-0.21	12.25	16.39	12.67
Mid cap growth	0.94	11.00	3.95	8.49
Small cap value	-0.20	14.93	20.62	17.38
Small cap growth	2.52	24.21	20.72	23.59

International equities				
MSCI EAFE	1.24	11.88	10.63	8.43
MSCI U.K.	-2.03	3.01	5.09	1.09
MSCI Europe ex-U.K.	0.55	13.17	8.61	10.61
MSCI Japan	5.16	18.07	19.85	12.02
MSCI AC Asia ex-Japan	4.83	32.68	31.18	20.33
MSCI Emerging Markets	4.36	28.87	28.74	18.79
MSCI ACWI	1.40	15.75	12.15	12.83

Source: FactSet.

Market data, cont'd

As of:	Last close	Prior week	Year end	3 mos ago
U.S. bond rates (%)				
U.S. federal funds target rate	3.75	3.75	3.75	3.75
U.S. 2yr Treasury	4.18	4.08	3.48	3.76
U.S. 10yr Treasury	4.46	4.48	4.18	4.26
U.S. 20yr Treasury	4.91	4.98	4.79	4.86
U.S. 30yr Treasury	4.90	4.97	4.86	4.88
High yield (Merrill U.S. Corporates)	6.65	6.65	6.42	6.65
Consumer rates (%)				
30yr mortgage rate	6.55	6.56	6.25	6.34
Prime rate	6.75	6.75	6.75	6.75
Commodities				
Gold (USD/oz)	\$4,246	\$4,239	\$4,341	\$4,896
Crude oil (USD/bbl)	\$75.85	\$84.88	\$57.42	\$95.46
Copper (LME \$/mt)	\$13,612	\$13,603	\$12,504	\$12,503
Gasoline (USD/gal)	\$4.49	\$4.49	\$3.10	\$3.79
Exchange rates				
\$ per €	1.15	1.16	1.17	1.15
\$ per £	1.32	1.34	1.35	1.34
¥ per \$	161.17	160.14	156.75	158.16
U.S. Dollar Index	100.85	99.75	98.32	100.09

Source: FactSet.

Index definitions

Bloomberg Global Aggregate Bond Index measures a wide range of global government, government-related, corporate and securitized fixed-income investments, all with maturities greater than one year.

Bloomberg High Yield Bond Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Bloomberg U.S. Aggregate Index is a bond market index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$250 million.

Dow Jones Industrial Average is a price-weighted average computed from the stock prices of 30 of the largest and most widely held public companies in the U.S., adjusted to reflect stock splits and stock dividends.

FTSE EPRA / NAREIT Global Real Estate Index represents general performance trends of the equity securities of real estate companies involved in the ownership, disposition and development of income-producing properties worldwide.

JPMorgan Emerging Markets Bond Index Plus (EMBI+) tracks total returns for traded foreign currency denominated debt instruments in the emerging markets which meet minimum criteria for face value outstanding and market trading liquidity.

MSCI ACWI Index is a free float-adjusted market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world, capturing large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries.

MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

MSCI Europe ex-U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed European markets except the U.K..

MSCI U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in the U.K..

MSCI Asia ex-Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed Asian markets except Japan.

MSCI Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in Japan.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 23 countries.

Municipal Bond Index is a bond index that includes investment-grade, tax-exempt fixed-rate bonds with long-term maturities (greater than two years) selected from issues larger than \$50 million.

NASDAQ Composite Index is a market capitalization weighted index of the performance of domestic and international common stocks listed on the Nasdaq Stock Market including over 2,800 securities.

Large Growth: Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

Large Value: Russell 1000 Value Index measures the large-cap value segment of the U.S. equity market including Russell 1000 companies with lower price-to-book ratios and lower expected growth.

Midcap Growth: Russell MidCap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

Midcap Value: Russell MidCap Value Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with lower price-to-book ratios and forecasted growth.

Small Cap Growth: Russell 2000 Growth Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with higher price-to-value ratios and forecasted growth.

Small Cap Value: Russell 2000 Value Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with lower price-to-value ratios and forecasted growth.

S&P 500 Index is a widely regarded as the best single gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy.

S&P 500 Sectors are defined as the GICS (Global Industry Classification Standard) sectors which provide standardized industry definitions consisting of 10 sectors, 24 industry groups, and 67 industries.

The S&P MidCap 400 includes 400 companies and represents almost 6% of the U.S. markets. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 3.3 billion to USD 11.8 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The S&P SmallCap 600 includes 600 companies and represents almost 3% of the U.S. market. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 750 million to USD 3.3 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity market and includes approximately 1,000 of the largest securities based on market capitalization and representing approximately 92% of the U.S. market.

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) changes in laws and regulations and (4) changes in the policies of governments and/or regulatory authorities. The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

Past performance is no guarantee of future results.

©2026 Voya Investments Distributor, LLC • 200 Park Ave, New York, NY 10166 • All rights reserved.

voyainvestments.com

Not FDIC Insured • May Lose Value • Not Bank Guaranteed • Not a Deposit

VOYA® INVESTMENT
MANAGEMENT