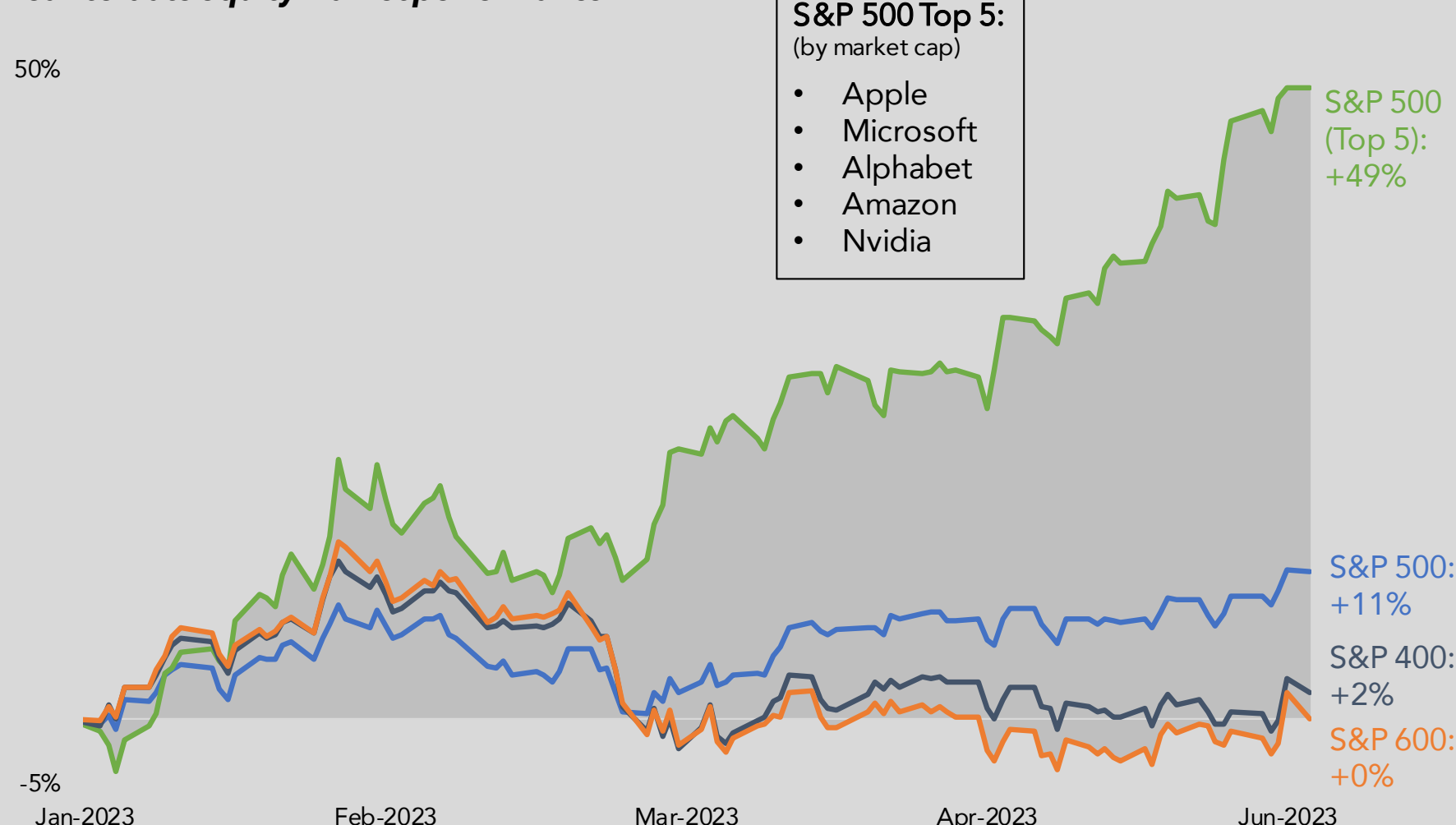


Chart of the Day

Global markets are sending “mixed signals” on the health of the US and global economy. While a “soft landing” remains possible, the history of elevated inflation and rapid Fed tightening cycles suggest that a “hard landing” is more likely. Yesterday, June 5th, the S&P 500 crossed a bull-market threshold, up 20% from the low on October 12th. The breadth of the rally, however, has been narrow.

Equities More Optimistic, But Breadth of Rally Remains Narrow

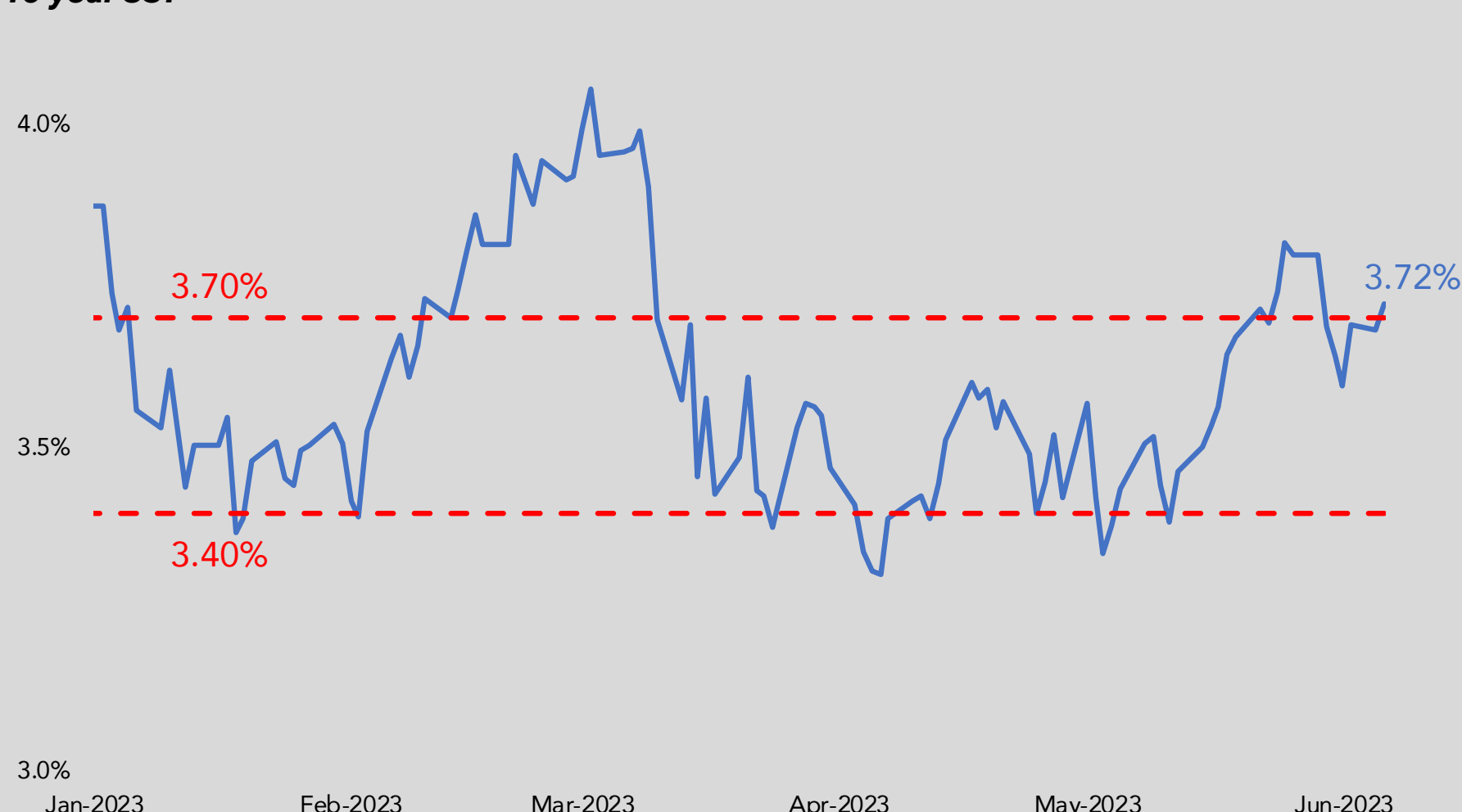
Year-to-date equity market performance



US rates markets have been quite “range bound” over the last 6 months, vacillating between more and less optimistic scenarios for inflation, Fed policy and the economy.

Rates More Cautious and Range Bound

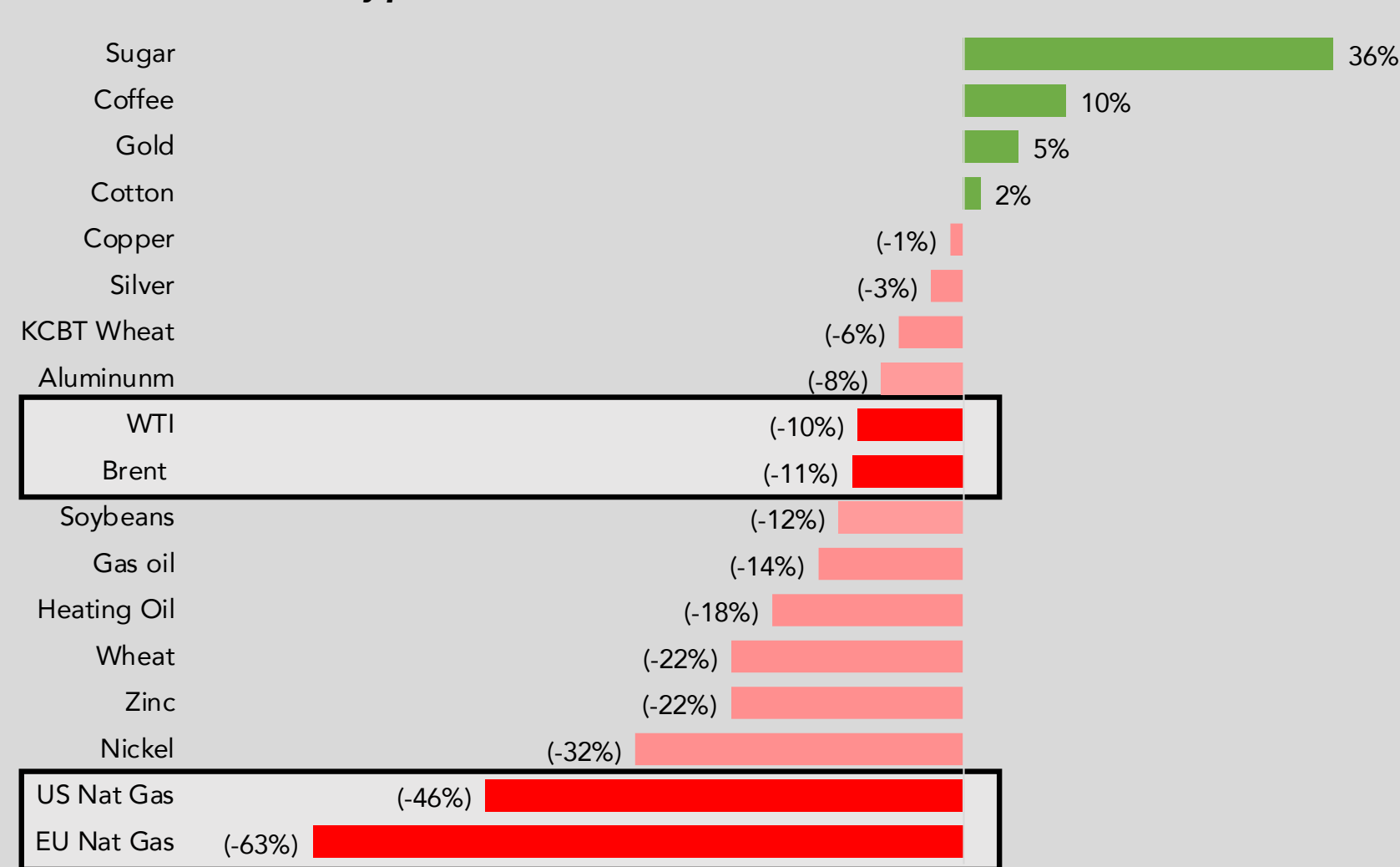
10 year UST



Bearish macro sentiment on the demand side has driven sharp declines in global commodity prices in 2023, outweighing bullish micro drivers from structurally tight supply side dynamics in global energy, industrial metals and agriculture markets.

Bearish Macro Sentiment Outweighing Tight Supply For Global Commodities

Year-to-date commodity performance



Source: (1-3) Bloomberg. Data as of June 5, 2023.

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“Macro stability isn’t everything, but without it, you have nothing.”