



Market Overview

Weekly Market & Economic Overview

Edition: June 23, 2025

**Data through 6/20/25, unless otherwise stated*

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Market Movement

Fixed Income & Yield Curve	<ul style="list-style-type: none"> • Yields fell slightly on the front and middle part of the curve, as the Curve steepened slightly • FED rate expectations were largely unchanged during the week after the June FOMC meeting, with markets still anticipating 2 cuts in 2025 with the first cut to occur in September or October • Broad Fixed Income posted gains, with spread sectors outperforming
Equity	<ul style="list-style-type: none"> • Broad US Markets were mixed to marginally positive • Value stocks, small-caps and equal-weighted indices outperformed during the week • Financials and Energy were among the big winners, while Healthcare and Communications lagged most • International markets lagged the US, with Europe being the biggest drag on performance
Other Markets	<ul style="list-style-type: none"> • US Dollar strengthened compared to other major currencies • Broad commodity prices rose, led by Oil and Natural Gas

Top Market News

June FOMC Meeting	<ul style="list-style-type: none"> • FOMC unanimously decided to hold rates steady at 4.25%-4.50% • Median projection of members expects 2 rate cuts for 2025; however, 7 of the 19 members now expect no rate cuts in 2025, signaling a growing difference of opinions among members • Summary of Economic Projections reflected a more pessimistic tone among members, with GDP estimates revised downward, while unemployment and inflation expectations were revised upward • Chair Powell reiterated his message of “wait-and-see”, while remaining data dependent
Retail Sales & Gas Prices	<ul style="list-style-type: none"> • May Retail Sales disappointed by declining -0.9% (vs -0.1% in April), led largely by Auto spending • 7 of the 13 major categories declined, with Auto sales, Gas Stations, and Restaurant purchases representing the most notable declines • “Control Group” sales, which exclude more volatile categories, actually beat expectations at +0.4%, signaling a disparity as to where consumer are spending amid tariff concerns • Gasoline Prices in the US rose about \$0.08 last week, according to AAA, with the potential for more price increases depending upon how the Iran conflict evolves • Consumer spending is a key piece of the US economy, so it will be important to pay attention to how spending changes amid potential rising gas prices and inflation uncertainty
Housing Market	<ul style="list-style-type: none"> • Housing starts and building permits both declined to their lowest levels in 5 years, with housing starts declining -9.8% MoM • Homebuilder Sentiment (NAHB) also declined to its lowest level since 2022 • Increasing home inventory and elevated mortgage rates are among the key factors contributing to potential concern for the housing market and prospective homebuyers

Top Events to Watch For This Week

Core PCE	<ul style="list-style-type: none"> • Core PCE, the FED’s preferred inflation measure, will be released Friday • May’s PCE inflation is expected to rise 0.10% MoM (0.10% in April) and 2.60% YoY (2.50% in April) • Markets will continue to monitor Core PCE, as investors consider the future path of inflation and rate cuts this year, both of which might be materially impacted by tariff actions
Personal Income & Spending	<ul style="list-style-type: none"> • May’s Personal Income & Spending releases will also report Friday • Personal Spending is anticipated to decelerate to 0.10% MoM (vs 0.20% MoM in April) • Personal Income is also expected to decelerate to 0.30% MoM (vs 0.80% MoM in April)
Earnings Continue	<ul style="list-style-type: none"> • Light calendar of earnings releases this week • Q1 earnings season is ending, as markets approach the end of calendar Q2 2025 • Notable issuers include FedEx, Micron, Carnival Cruise Lines, and Nike

Geopolitical & Other News Highlights

US Strikes Iran Nuclear Sites

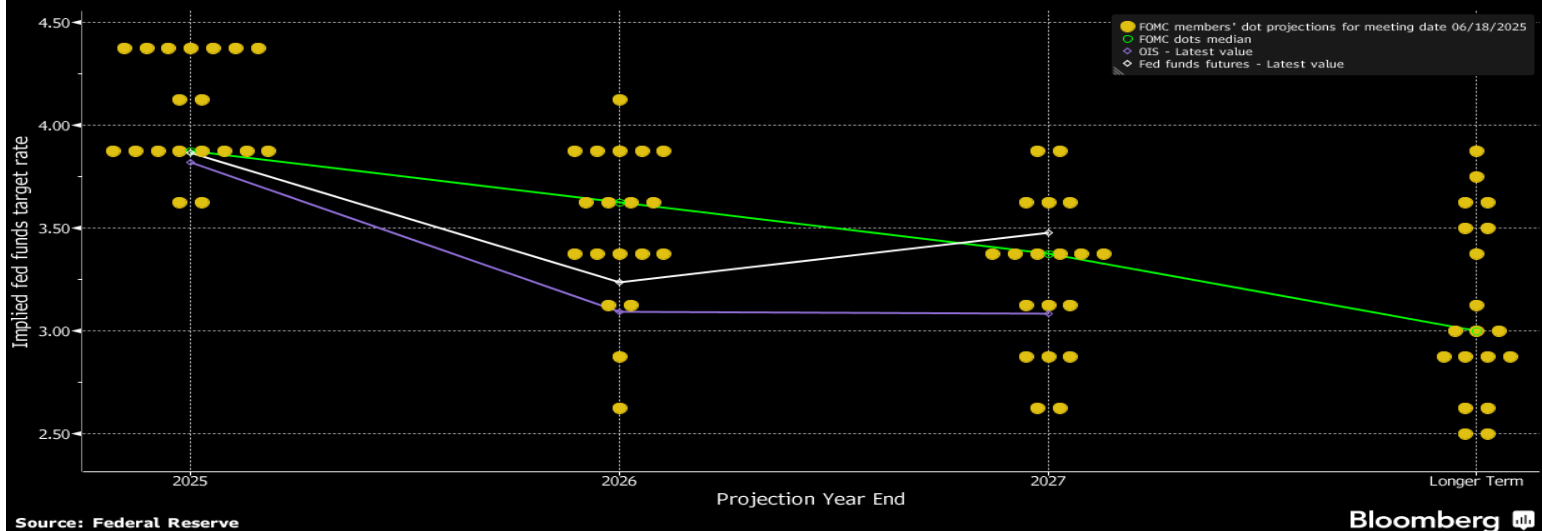
- On Saturday, the US launched a targeted strike on 3 key Iranian nuclear facilities in Fordow, Isfahan, and Natanz
- The most notable strikes were carried out by the B-2 aircraft, which dropped 12 GBU-57 Massive Ordnance Penetrators bombs, marking the first use of the bombs in active conflict
- Iran vowed to respond, but how and the extent are still serious unknowns
- Among potential retaliations would be disrupting the Strait of Hormuz, which would impact the transportation of Oil, causing prices to potentially spike

Global Central Bank Decisions

- Several central banks had policy decisions last week, with most deciding to hold rates steady
- US, Japan, and England all held interest rates steady for this month
- Switzerland and Norway both cut their policy rates by 0.25%, with Norway's cut coming by surprise after citing decelerating inflation

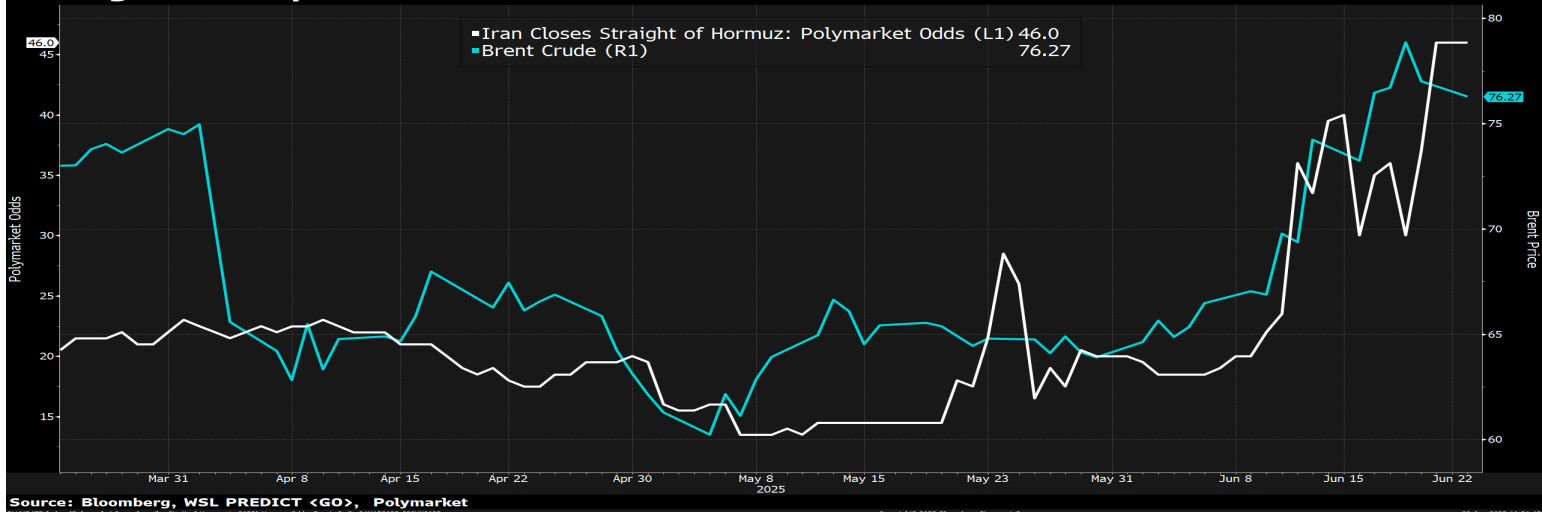
Charts of The Week

The Fed's June Dot Plot



Straight of Hormuz in Focus

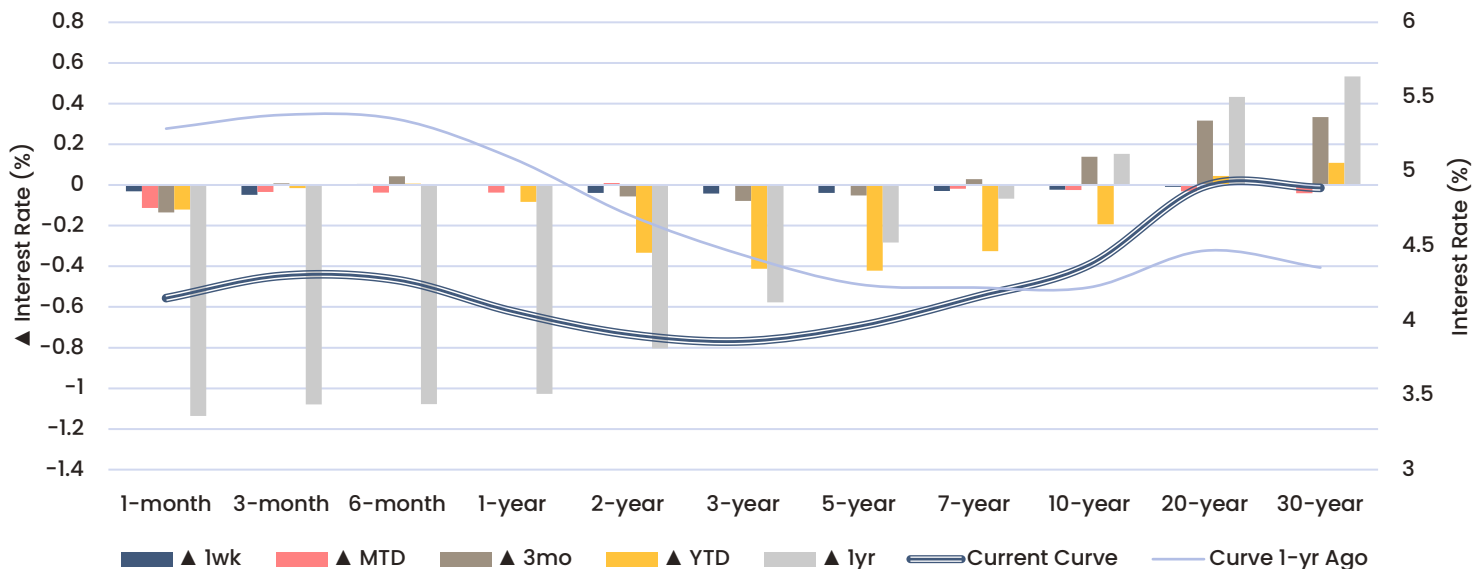
Betting markets put closure odds around 50%



- Yields fell slightly on the front and middle part of the curve
- Yield curve steepened slightly

Data as of 6/20/25	Yield Curve Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Yield Curve Levels							
1-month	4.15	-0.03	-0.11	-0.14	-0.12	-1.14	0.61
3-month	4.30	-0.05	-0.03	0.01	-0.01	-1.08	0.62
6-month	4.27	0.01	-0.04	0.04	0.01	-1.08	0.58
1-year	4.06	0.00	-0.04	0.00	-0.08	-1.03	0.54
2-year	3.91	-0.04	0.01	-0.06	-0.33	-0.80	0.56
3-year	3.86	-0.04	0.00	-0.08	-0.41	-0.58	0.60
5-year	3.96	-0.04	0.00	-0.05	-0.42	-0.28	0.72
7-year	4.15	-0.03	-0.02	0.03	-0.33	-0.07	0.84
10-year	4.38	-0.02	-0.03	0.14	-0.19	0.15	1.01
20-year	4.90	-0.01	-0.03	0.32	0.04	0.43	1.19
30-year	4.89	0.00	-0.04	0.33	0.11	0.53	1.33
Yield Curve Spreads							
2yr vs. 10yr	46.53	1.62	-3.14	19.62	14.00	96.10	0.45
2yr vs. 30yr	97.99	3.57	-4.70	39.22	43.92	134.31	0.54
5yr vs. 10yr	41.25	1.70	-2.27	18.92	22.55	43.47	0.84
5yr vs. 30yr	92.71	3.65	-3.83	38.52	52.78	81.69	0.80

Yield Curve Summary



- Breakeven inflation levels increased across the curve, spurred by rising oil prices among increasing Middle East tensions
- Long-end inflation breakeven levels remain near the Fed 2% target, while short-end levels remain elevated as markets assess tariff impacts

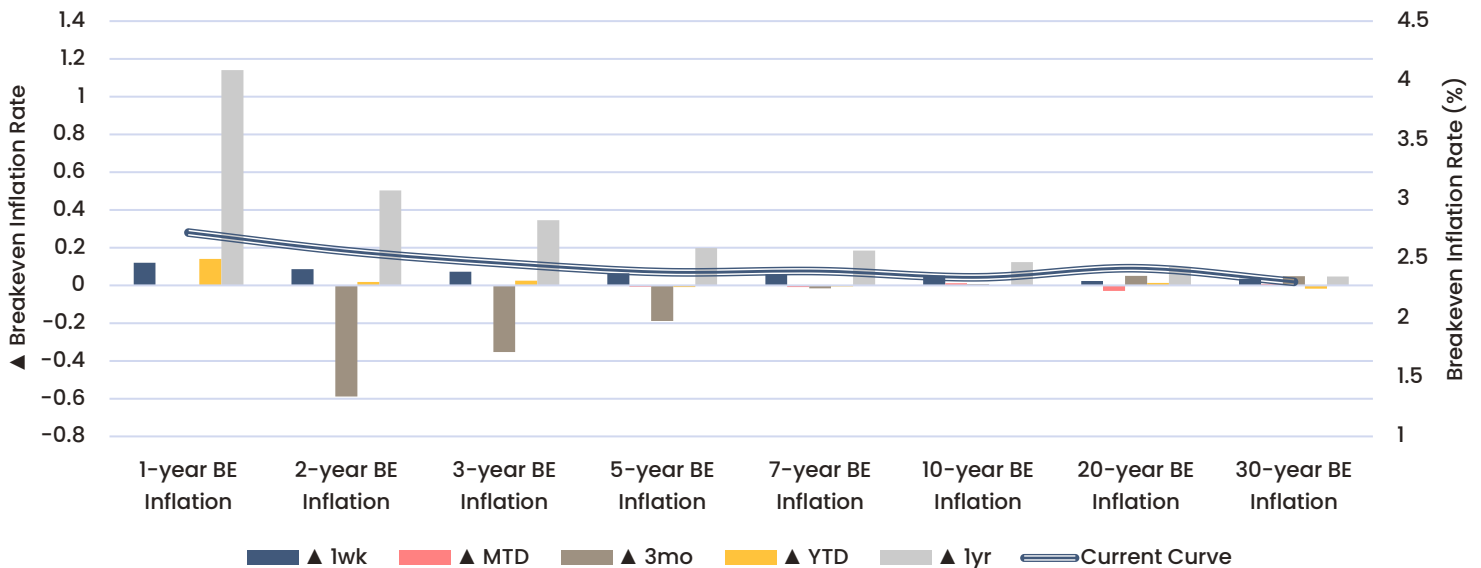
Data as of 6/20/25

Inflation Breakeven Curve Movement							Range
Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr		vs. 5yr Range

Yield Curve Levels

1-year	2.72	0.12	---	---	0.14	1.14	0.08
2-year	2.56	0.09	---	-0.59	0.02	0.50	0.06
3-year	2.46	0.07	---	-0.35	0.03	0.35	0.03
5-year	2.39	0.06	-0.01	-0.19	-0.01	0.20	-0.01
7-year	2.39	0.06	-0.01	-0.02	-0.01	0.18	0.14
10-year	2.34	0.05	0.01	0.01	0.00	0.12	0.19
20-year	2.42	0.02	-0.03	0.05	0.01	0.10	0.49
30-year	2.30	0.03	0.01	0.05	-0.02	0.05	0.31

US Breakeven Inflation Curve



- Markets expectations for rate cuts were largely unchanged
- Markets still expect the first rate cut to be in September or October
- Markets price in 3.64 cuts (~91bps total) by June 2026

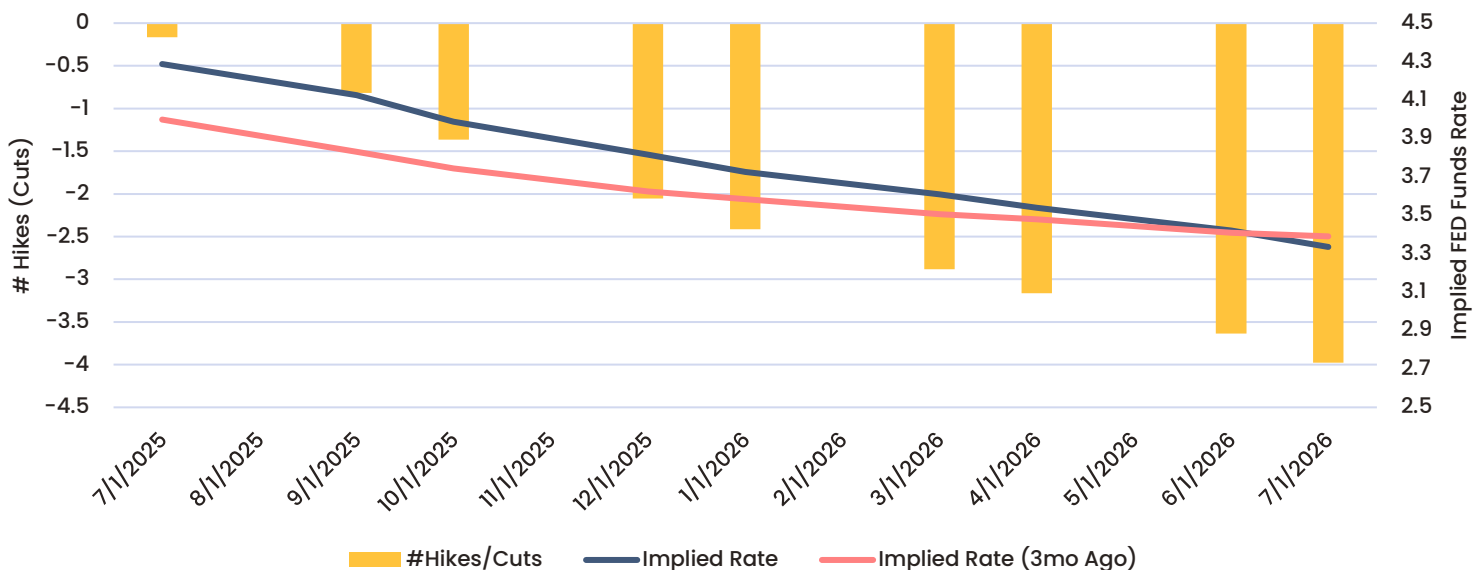
Data as of 6/20/25

	FED Meeting Expectations					Change	
	Implied Rate	#Hikes/Cuts	% Hike/Cut	Imp. Rate Δ	Implied Rate (3mo Ago)	▲ Implied Rate (3mo)	▲ Implied Rate (1wk)
Future FED Meetings							
7/30/2025	4.29	-0.17	-16.50	-0.04	4.00	0.29	0.01
9/17/2025	4.13	-0.82	-65.00	-0.21	3.83	0.30	0.01
10/29/2025	3.99	-1.37	-55.00	-0.34	3.74	0.24	0.00
12/10/2025	3.82	-2.06	-68.90	-0.52	3.62	0.19	-0.01
1/28/2026	3.73	-2.42	-36.10	-0.61	3.58	0.14	-0.01
3/18/2026	3.61	-2.88	-46.70	-0.72	3.51	0.10	-0.01
4/29/2026	3.54	-3.17	-28.30	-0.79	3.48	0.06	-0.02
6/17/2026	3.42	-3.64	-47.00	-0.91	3.41	0.01	-0.02
7/29/2026	3.34	-3.98	-34.00	-1.00	3.39	-0.06	-0.04
9/16/2026	3.25	-4.30	-32.80	-1.08	3.43	-0.17	-0.04

June FOMC Meeting (6/17 -6/18) Preview

- Rates were left unchanged at 4.50% target, in-line with market expectations
- Powell remained consistent with his “wait and see” commentary
- FED Dot Plot revealed that the median expectation from the committee remains 2 cuts in 2025; however, an increasing number of members now expect no cuts this year

Interest Rate Probabilities (WIRP)

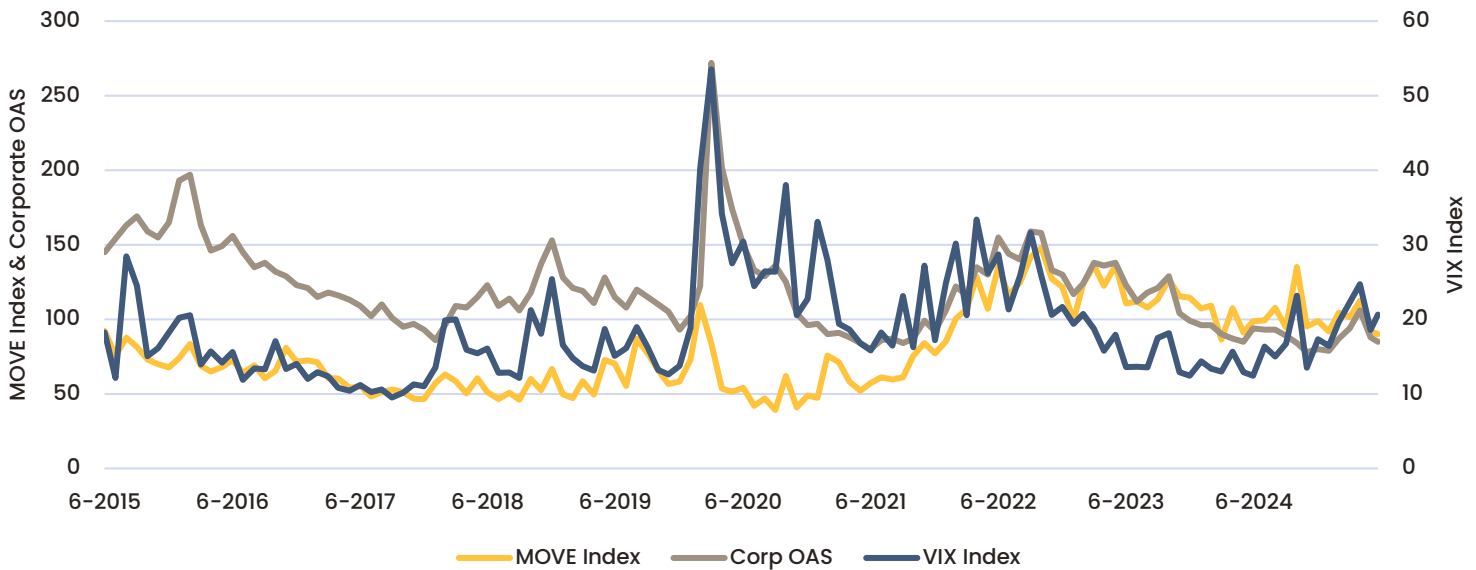


- Equity Market VIX decreased slightly
- Bond Market Volatility (MOVE) also decreased
- Corporate spreads were unchanged

Data as of 6/20/25

	Volatility Movement						Range
	Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr	vs. 5yr Range
Volatility Measures							
VIX Index	20.62	-0.20	2.05	0.82	3.27	8.14	0.05
Move Index	90.10	-5.21	-2.01	-5.64	-8.70	-7.89	-0.20
IG Corp Spread	85.0	0.00	-3.00	-5.00	5.00	-8.00	-1.01

Volatility Measures



- Broad Fixed Income indices were positive on the week, led mostly by carry returns
- Spread sectors outperformed

Data as of 6/20/25

Total Returns						Characteristics	
1wk	MTD	3mo	YTD	1yr		Duration	YTW

Bloomberg Index Total Returns

Aggregate	0.26%	0.49%	0.24%	2.95%	4.12%	6.01	4.68
Intermediate Aggregate	0.25%	0.40%	0.82%	3.25%	5.25%	4.41	4.53
1-3yr Aggregate	0.16%	0.23%	1.06%	2.50%	5.55%	1.82	4.11
US Treasury	0.24%	0.30%	0.10%	2.81%	3.54%	5.78	4.19
Government-Related	0.22%	0.52%	0.79%	3.40%	4.69%	5.28	4.65
US Agency	0.20%	0.24%	0.81%	2.77%	4.95%	3.24	4.38
Corporate	0.28%	0.71%	0.48%	2.99%	4.70%	6.74	5.16
A-Rated	0.30%	0.63%	0.43%	2.98%	4.41%	6.72	5.03
BBB-Rated	0.27%	0.81%	0.65%	3.09%	5.28%	6.54	5.35
High-Yield	0.29%	0.77%	1.85%	3.47%	9.22%	2.83	7.30
Securitized	0.27%	0.61%	0.17%	3.08%	4.46%	5.88	5.08
CMBS	0.23%	0.38%	1.30%	3.62%	6.39%	3.94	4.88
ABS	0.17%	0.35%	0.98%	2.40%	5.67%	2.57	4.58
MBS	0.27%	0.63%	0.08%	3.05%	4.32%	6.05	5.10

Excess Returns						Characteristics	
1wk	MTD	3mo	YTD	1yr		OAS	DTS

Bloomberg Index Excess Returns

Aggregate	0.15	0.17	0.06	0.56	33.05	1.95
Intermediate Aggregate	0.11	0.10	0.08	0.44	29.39	1.28
1-3yr Aggregate	0.02	0.06	0.10	0.22	15.15	0.29
US Treasury	0.00	0.00	0.00	0.00	-0.83	0.00
Government-Related	0.19	0.47	0.50	0.75	44.16	2.31
US Agency	-0.03	0.03	0.08	0.24	10.60	0.34
Corporate	0.32	0.65	0.15	1.78	84.89	5.71
A-Rated	0.24	0.61	0.16	1.50	71.85	4.84
BBB-Rated	0.43	0.71	0.16	2.15	104.65	6.82
High-Yield	0.52	0.83	0.55	3.78	304.14	9.09
Securitized	0.24	-0.01	0.00	0.35	41.83	2.31
CMBS	0.11	0.32	0.28	1.28	85.45	3.45
ABS	0.10	0.18	-0.04	0.77	57.06	1.51
MBS	0.25	-0.03	-0.01	0.29	38.85	2.20

- US Markets were mixed to marginally positive, with Value and Small Cap outperforming
- Financials and Energy were among the winners, while Healthcare and Communications lagged
- International markets underperformed US, with Europe dragging performance

Data as of 6/20/25

	Total Returns					Characteristics	
	1wk	MTD	3mo	YTD	1yr	P/E TTM	P/E FI
United States							
S&P 500	-0.12%	1.05%	5.74%	2.12%	10.49%	25.34	22.28
NASDAQ	0.22%	1.80%	10.13%	1.06%	10.54%	41.55	28.36
Dow Jones	0.07%	-0.01%	1.06%	0.06%	9.76%	22.40	20.23
S&P 500 Equal-Weighted	0.21%	0.68%	2.27%	2.03%	9.42%	20.29	18.00
Russell 3000	-0.04%	1.10%	5.63%	1.74%	10.89%	26.10	22.37
Russell Midcap	0.60%	0.97%	4.72%	2.04%	12.08%	22.55	19.24
Russell 2000	0.44%	2.18%	2.34%	-4.82%	5.97%	50.75	27.38
Russell 1000 Value	0.26%	0.87%	1.31%	3.39%	10.68%	19.59	17.67
Russell 1000 Growth	-0.35%	1.14%	9.85%	0.87%	11.40%	34.33	28.25
International							
Emerging Markets	0.05%	3.12%	5.35%	12.26%	11.88%	15.20	12.86
China	-0.31%	0.60%	-2.50%	-1.29%	12.48%	15.57	13.00
EAFE	-1.45%	-0.90%	4.74%	16.28%	14.51%	16.46	15.22
Europe	-1.50%	-2.11%	-0.90%	8.41%	7.99%	15.24	14.68
Japan	1.50%	1.15%	2.82%	-1.37%	1.49%	17.79	19.51
Comparisons							
USA vs. Int'l	1.41%	2.00%	0.89%	-14.54%	-3.62%	9.64	7.16
Value vs. Growth	0.61%	-0.27%	-8.54%	2.53%	-0.72%	-14.74	-10.58
Mkt Breadth	0.33%	-0.37%	-3.47%	-0.09%	-1.07%	-5.06	-4.27
Small vs. Large	0.56%	1.13%	-3.40%	-6.94%	-4.51%	25.40	5.10
EAFE vs. EM	-1.50%	-4.02%	-0.61%	4.02%	2.63%	1.26	2.36
US Sectors (All-Cap)							
Russell 3000	-0.04%	1.10%	5.63%	1.74%	10.89%	26.10	22.37
Communication Services	-1.48%	0.54%	9.52%	5.48%	20.76%	23.66	21.47
Consumer Discretionary	-0.01%	-0.82%	10.03%	-1.76%	18.51%	29.49	26.82
Consumer Staples	-0.44%	-1.91%	1.30%	7.65%	9.15%	18.68	18.29
Energy	0.66%	9.05%	-2.60%	3.67%	0.99%	17.01	16.80
Financials	1.67%	0.18%	2.98%	5.08%	24.29%	16.58	15.16
Healthcare	-2.38%	0.19%	-8.79%	-4.49%	-7.60%	25.16	19.95
Industrials	-0.71%	-1.12%	4.60%	2.63%	14.06%	26.34	22.91
Materials	-1.35%	1.38%	1.39%	6.70%	-0.10%	25.22	20.50
Real Estate	0.00%	0.55%	-0.50%	1.84%	11.83%	47.21	36.03
Technology	0.92%	3.75%	13.02%	1.87%	8.37%	40.35	30.59
Utilities	-0.89%	-1.73%	2.07%	6.99%	15.85%	20.43	18.63

- Dollar strengthened
- Broad commodity prices rose again last week, led upward by Oil and Natural Gas
- Cryptocurrency prices declined

Data as of 6/20/25

Currency & Commodity Movement

Current Rate	▲ 1wk	▲ MTD	▲ 3mo	▲ YTD	▲ 1yr
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Currency Movement (US Dollar Strength Monitor)

Dollar Index	98.71	0.53%	-0.63%	-4.95%	-9.01%	-6.22%
USD vs. Euro	0.87	0.23%	-1.52%	-5.82%	-10.15%	-6.75%
USD vs. Jap Yen	146.09	1.40%	1.44%	-1.81%	-7.07%	-7.59%
USD vs. Brit Pound	0.74	0.88%	0.05%	-3.60%	-6.96%	-5.44%
USD vs. Swiss Franc	0.82	0.79%	-0.56%	-7.27%	-9.87%	-7.51%
USD vs. Sweden	9.67	1.94%	0.74%	-4.56%	-12.67%	-7.40%
USD vs. Norway	10.10	1.93%	-1.08%	-4.32%	-11.28%	-4.39%
USD vs. Hong Kong	7.85	0.01%	0.11%	0.99%	1.05%	0.55%
USD vs. Can Dollar	1.37	1.08%	-0.03%	-4.12%	-4.51%	0.20%
USD vs. Aus Dollar	1.55	0.54%	-0.32%	-2.31%	-4.09%	3.43%

Broad Commodity Movement

Commodity Index	106.75	1.36%	6.76%	0.92%	8.08%	3.91%
WTI Crude	74.93	2.67%	23.26%	9.77%	4.48%	-8.14%
Natural Gas	3.85	7.43%	11.60%	-3.22%	5.89%	32.24%
Gold	3,368.39	-1.86%	2.41%	10.62%	28.34%	44.60%
Silver	36.01	-0.81%	9.18%	7.20%	24.59%	21.92%
Copper	483.35	0.39%	3.34%	-4.95%	20.04%	7.64%
Steel	872.00	1.16%	3.81%	-7.04%	22.99%	19.13%
Corn	428.75	-3.54%	-3.43%	-8.58%	-6.49%	-4.72%
Wheat	567.75	4.41%	6.32%	1.88%	2.95%	-2.45%
Cattle	223.03	-0.92%	3.50%	6.98%	15.05%	19.47%
Sugar	16.10	-0.19%	-5.57%	-19.50%	-16.41%	-14.90%
Soybean	1,068.00	-0.16%	2.52%	5.43%	6.99%	-9.03%

Broad Commodity Movement

BBG Galaxy Crypto Index	2,649.88	-3.68%	-6.83%	17.74%	-16.06%	4.76%
Bitcoin	103,721.91	-1.66%	-0.84%	22.74%	10.68%	59.94%
Ethereum	2,427.89	-4.71%	-5.80%	22.67%	-27.45%	-31.64%
Litecoin	83.33	-2.77%	-5.42%	-10.21%	-19.63%	12.22%
Dogecoin	0.16	-10.03%	-16.12%	-4.08%	-48.51%	32.57%

Key Economic Data & Events – 6/16 – 6/20

- Retail Sales came in weaker than expected
- FED decided to leave rates unchanged, as Powell reiterated a “wait-and-see” stance to future interest rate moves

Monday	Tuesday	Wednesday	Thursday	Friday
Empire Manufacturing	Retail Sales (MoM)	FOMC Rate Decision	N/A – Juneteenth	Conf Board – Leading Index
Actual -16.0	Actual -0.90%	Actual 4.50%	Actual ---	Actual -0.10%
Survey -6.0	Survey -0.60%	Survey 4.50%	Survey ---	Survey -0.10%
Previous -9.2	Previous -0.10%	Previous 4.50%	Previous ---	Previous -1.40%
	Retail Sales ex Auto (MoM)	Housing Starts (MoM)		Philly FED Bus Outlook
	Actual -0.10%	Actual -9.80%		Actual -4.0
	Survey 0.30%	Survey -0.80%		Survey -1.5
	Previous 0.10%	Previous 2.70%		Previous -4.0
	Import Price Index (MoM)	Building Permits (MoM)		
	Actual 0.00%	Actual -2.00%		
	Survey -0.20%	Survey 0.00%		
	Previous 0.10%	Previous -4.00%		
	Industrial Production	Initial Jobless Claims		
	Actual -0.20%	Actual 245k		
	Survey 0.00%	Survey 245k		
	Previous 0.10%	Previous 250k		
	Capacity Utilization			
	Actual 77.40%			
	Survey 77.70%			
	Previous 77.70%			

Key Economic Data & Events – 6/23 – 6/27

- Core PCE, the FED's preferred inflation measure, will highlight the week on Friday, with estimates expecting the month-over-month change to remain at 0.1% (same as last month)
- Consumer strength and confidence will be closely watched, as Personal Income and Spending are both expected to slow slightly, while confidence measures are expected to remain similar

Monday	Tuesday	Wednesday	Thursday	Friday
S&P US Manufacturing	Conf Board – Consumer Confidence	New Home Sales (MoM)	Wholesale Inventories	Core PCE (MoM)
Survey 51.0	Survey 99.8	Survey -6.70%	Survey 0.20%	Survey 0.10%
Previous 52.0	Previous 98.0	Previous 10.90%	Previous 0.20%	Previous 0.10%
S&P US Services	Richmond FED Manuf Index	Building Permits (MoM)	Retail Inventories	Core PCE (YoY)
Survey 52.9	Survey -10	Survey ---	Survey -0.10%	Survey 2.60%
Previous 53.7	Previous -9	Previous -2.00%	Previous -0.10%	Previous 2.50%
Existing Home Sales (MoM)	FHFA House Price Index	MBA Mortgage Applications	Chicago Nat'l Activity Index	Personal Income
Survey -1.30%	Survey -0.10%	Survey ---	Survey -0.30	Survey 0.30%
Previous -0.50%	Previous -0.10%	Previous -2.60%	Previous -0.25	Previous 0.80%
	S&P CoreLogic (YoY)		Durable Goods Orders	Personal Spending
	Survey 4.00%		Survey 8.50%	Survey 0.10%
	Previous 4.07%		Previous -6.30%	Previous 0.20%
			Pending Home Sales (MoM)	UMich Consumer Sentiment
			Survey 0.00%	Survey 60.3
			Previous -6.30%	Previous 60.5

Treasury Auction Data – 6/23 – 6/27

- 2-, 5-, 7- and 20-year Nominal highlight the nominal auctions for the week
- 2-year Floating Rate Notes (FRN) highlight the non-nominal auctions

Monday	Tuesday	Wednesday	Thursday	Friday
3 & 6-month Nominal	2-year Nominal	5-year Nominal	1 & 2-month Nominal	N/A
20-year Nominal		2-year Floating Rate (FRN)	7-year Nominal	

Key Company Earnings Watch – 6/23 – 6/27 (+ Shareholder Meetings)

- Another light week of earnings, as reporters wrap up Q1 earnings season, with only a week until the end of Q2
- FedEx, Micron, Carnival Cruise Lines, and Nike will be the most watched earnings reports of the week

Monday	Tuesday	Wednesday	Thursday	Friday
AMGN Amgen (*SM)	CCL Carnival Cruise Lines	MU Micron Technology	NKE Nike	-
	FDX FedEx	GIS General Mills		
	- JP Morgan Energy Conference*	NVDA NVIDIA Corp (*SM)		

*SM = Shareholder Meeting



Disclosure

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