

ONE OF THE STRONGEST TWO-MONTH RETURNS SINCE 1950

JUNE 2026



The S&P 500 Index, an index comprised of the 500 largest companies in America, rose roughly 5% in May, following a 10% surge in April. This combined approximately 16% advance made it one of the strongest two-month rallies for the index since 1950.¹

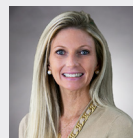
Stocks reached new record highs by the end of May, supported by strong corporate earnings and continued investor enthusiasm for artificial intelligence, particularly within semiconductor and technology-related companies.

The strength of the rally was unevenly distributed. The S&P 500 Information Technology sector gained 16% during the month, while eight of the index's 11 sectors posted negative returns. This sector concentration highlights the significant role technology stocks play in driving overall market returns.

On the economic front, U.S. inflation has remained a concern. While price pressures showed signs of moderating, inflation remained above the Federal Reserve's 2% target. Additionally, higher energy prices resulting from ongoing geopolitical tensions contributed to uncertainty around the path of interest rates. As a result, investors continued to scale back expectations for interest rate cuts in 2026 and embraced a more cautious "higher for longer" outlook for monetary policy.

Looking ahead to June, attention will remain focused on inflation, rate expectations, and whether market leadership can broaden beyond technology and AI-related companies. Upcoming economic data and developments in global energy markets will provide important insight into the outlook for both the economy and financial markets.

While recent market performance has been encouraging, periods of strong returns can sometimes cause investors to lose sight of the importance of diversification and long-term planning. Aligning your portfolio with your financial goals, time horizon, and risk tolerance remains one of the most effective ways to navigate changing market conditions. As always, we encourage you to reach out to your Jemma Financial Advisor to ensure that your investment plan continues to reflect your current situation.



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¹ *The Wall Street Journal.*

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