WEEKLY MARKET OUTLOOK

June 8, 2026 | D+A STRATEGIES | Research Team

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EXECUTIVE SUMMARY

Markets had a hard week, led down by the trade that had carried them all year. The selling started in semiconductors after Broadcom declined to raise its AI chip outlook, then spread into a broad sell-off in technology. By Friday the Nasdaq was down about 4.7% on the week, the S&P 500 about 2%, and the Russell 2000 sharply lower. The Dow closed at a record on Thursday before giving back 1.4%, and the VIX finished above 20. The jobs report made a soft week sharp. May payrolls came in at 172,000 against expectations near 85,000, with unemployment steady at 4.3%, and strong data was read as a problem rather than a comfort. Yields jumped, the 10-year ending at 4.55%, and traders moved to price a Fed hike by year-end rather than a cut. Gold fell almost 4% throughout the week. Europe held up better than the U.S., and Asia fared worst, with Korea's Kospi down as much as 5% on Friday. The week closed on an unsettled note, with the focus shifting from the Iran shock to a labor market strong enough to keep the Fed tightening.

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WEEK IN REVIEW

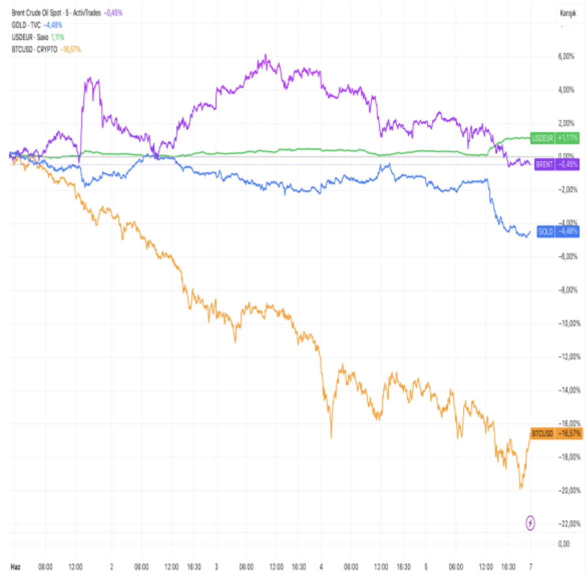
The week was defined by a strong jobs report and by the pressure that put on technology. The selling started in semiconductors, then broadened on Friday as the wider chip complex fell sharply. In the U.S., the S&P 500 fell about 2% on the week and the Nasdaq dropped close to 4.7%, while the Russell 2000 fell 3.5% on Friday alone. The Dow was the outlier, setting a record on Thursday before giving back 1.4% on Friday.

Europe held up better, helped by its lighter exposure to technology. The STOXX 600 was little changed on the week and the Euro Stoxx 50 finished modestly higher.

Asia was the weakest region, and Korea bore the brunt. The Kospi fell as much as 5% on Friday and forced the exchange to halt program selling, led by SK Hynix and Samsung. Japan and Hong Kong also lost ground, though by less.

Equities showed a sharp divergence as the Nasdaq led the decline decisively, sliding hardest as the chip selloff accelerated, while the Kospi swung wildly, spiking early before plunging to the week's steepest low. The Dow and Stoxx 50 held up best, finishing only modestly lower, outperforming the sharper declines in the S&P 500 and the more exposed Russell 2000.

Rates, currencies, and commodities all reflected the shift. May payrolls came in at 172,000 against expectations near 85,000, with unemployment steady at 4.3%, and the market read the strength as a problem rather than a comfort. The 10-year ended at 4.55%, and traders moved to price a Fed hike by year-end rather than a cut. Brent rose close to 3% on the week, as the Strait of Hormuz stayed disrupted, while gold fell almost 4% to a two-month low as higher yields outweighed the usual safe-haven bid.



Brent rallied sharply midweek before reversing to finish roughly flat, giving back its entire gain, while Gold drifted steadily lower under pressure. The USD firmed modestly against the euro, broadly stable before edging higher, while Bitcoin sold off hard, underperforming with steep losses.

The week marked a shift in what the market was worried about. For months the main risk had been energy and the Iran conflict; this week it was the Fed. The damage was concentrated in chips, where Marvell and Micron fell about 16% and 13% on Friday and Broadcom lost ground for a second day, while healthcare and financials held up best as investors rotated into them. A labor market this strong leaves little room for the rate cuts that had supported valuations, and the most exposed part of the market was the technology trade that had led all year.

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MACRO OUTLOOK

Macro Outlook					June 2026 – Calendar Week 24
	Monday	Tuesday	Wednesday	Thursday	Friday
Eurozone/UK	Germany Industrial Production (Apr); Euro Area Sentix	UK Labour Market Report; Germany Trade Balance	-	-	UK Monthly GDP (Apr); Euro Area Industrial Production (Apr)
US/Canada	NY Fed Consumer Inflation Expectations	NFIB Small Business Optimism	U.S. CPI (May)	U.S. PPI (May); Initial Jobless Claims	U. of Michigan Sentiment (prelim, June); Import Prices
Asia	Japan Q1 GDP (final); China Trade Balance (May)	China CPI & PPI (May)	-	-	Japan Industrial Production; China New Loans

What we're watching & why

The week is built around U.S. CPI on Wednesday, which lands a week before the June 16–17 FOMC. After payrolls came in at nearly double expectations, the market is now pricing a possible hike rather than a cut, and a firm inflation print would harden that case. The question is whether May CPI shows the energy and war premium spreading into the broader basket, or whether it stays contained. PPI and jobless claims on Thursday, and Michigan sentiment on Friday, fill in the rest before the Fed goes quiet.

It also matters for technology. Last week's sell-off was as much about rates as about chips, so a hot CPI would keep yields high and valuations under pressure, while a soft one would give the market room to settle. Either way, the read-through runs through the Fed.

Europe is quieter, with UK jobs data on Tuesday and UK GDP on Friday the main items, both watched for signs that growth is slowing. In Asia, China's CPI and PPI will show whether demand is firm enough to absorb the energy shock. The week comes down to whether CPI lets the market keep pricing a hike, or forces it to back off just before the meeting.

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SECTOR COMMENTARY

Financials	+0.1%	Held up better than the market. Higher yields gave some support, and the sector drew the rotation out of technology.
Industrials	-1.1%	Lost ground in the broad de-risking, though they held up better than the most rate-sensitive growth areas as the sell-off stayed concentrated elsewhere.
Health Care	+0.7%	The clearest shelter this time. With investors rotating out of growth, defensive earnings came back into favor.
Information Technology	-5.8%	The epicenter of the sell-off. Semiconductors led the decline after Broadcom, and the rest of the complex as investors questioned the sector's premium.
Energy	-1.8%	Gave back its early gains, with the sector losing the clear edge it had held in recent weeks.
Materials	-2.0%	Among the weaker areas. Softer global risk appetite and higher yields weighed, with concern over industrial demand pulling in the same direction.
Communication Services	-1.7%	Fell with the broader growth complex, with the large platform names that had cushioned earlier weeks offering little cover this time.

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MARKET SOLUTIONS

Short-to-Medium Term Tactical Solutions

Investment Backdrop		Base Case	Key Risks
	Macro	▪ Markets now trade the Fed, not Iran. Strong payrolls have shifted the debate from cuts to a possible hike, and next week's CPI should decide how far that goes.	▪ A hot CPI confirms the hike and forces a deeper move in yields that the most rate-sensitive parts of the market are not positioned for.
	Fixed Income	▪ Core duration still has a place, but stay cautious at the front end, where the hike sits closest.	▪ A firm CPI pushes yields higher still, leaving little room for duration to act as ballast into the meeting.
	Equities	▪ Large caps with earnings and pricing power look steadier than the high-multiple tech names that led the sell-off, while defensives offered the clearest cover.	• A hawkish CPI keeps real yields high and extends the de-rating in chips and the broader AI trade beyond a single week.
	Alternatives	▪ The war premium round-tripped and the cleaner driver is now rates. Gold is harder to lean on than before.	▪ A renewed disruption through Hormuz puts the oil premium back quickly, just as positioning has moved the other way.
	FX	▪ Keep some dollar exposure, but not as a one-way trade. Higher U.S. rates still press hardest on oil-importing currencies.	▪ A hot CPI lifts U.S. yields further and tightens conditions across emerging markets before growth clarifies.

CONTRIBUTORS

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DISCLAIMER

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REFERENCES AND SOURCES

Reuters and CNBC market wraps and cross-asset reporting on June 4 and June 5; the Associated Press and TheStreet for weekly U.S. index moves; Trading Economics and Yahoo Finance close-to-close proxies for regional markets, U.S. sectors, gold, oil, and bitcoin-related exposure; Bloomberg GICS sector total-return data for sector performance; TradingView for cross-asset charts; Saxo and T. Rowe Price for European and Asian markets; S&P Global's week-ahead preview and PMI release calendar; the Regime Analysis economic calendar and the Federal Reserve's FOMC schedule for the week ahead; official release schedules from BLS, BEA, ONS, Japan's Statistics Bureau, and China's NBS; and EIA/Reuters reporting for Hormuz and energy-flow context

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