On The Margin

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June 2026 Recap

Joe Nitting, Director of Research, Retirement & Investment Solutions

PRELUDE

As I have mentioned in prior editions of *On The Margin,* June is typically a month for partying within the Nitting household. This June, we attended a baby shower for my closest childhood friend, as well as three birthday parties, including my younger daughter's first birthday party (this month's picture her at that party). Despite the celebrations we participated in during the month, investors had more mixed feelings about various global developments during June, leading global markets to generate mixed results. By month's end, fixed income was the only broadly positive asset class. U.S. equities generated varied results, developed international market equities were roughly flat, and emerging market equities moved lower.

GLOBAL EQUITY

U.S. equities generated mixed returns during June amid a rotation out of technology and artificial intelligence-related companies, ongoing geopolitical uncertainty in the Middle East, and concerns about the prospects of rate hikes from the Federal Reserve through the balance of 2026. During the month, performance across multiple major indexes ranged from -2.7% to +3.7%, cumulatively. In a reversal from April and May, large cap growth stocks sold off during June and were among the worst performers within the U.S. equity market as the Russell 1000 Growth Index returned -2.7%. Within the large cap growth space, the technology sector retreated during the month partly due to concerns about certain companies' stretched valuations in the context of lofty spending on artificial intelligence infrastructure. However, large cap value and small cap stocks continued their move higher during June as the Russell 1000 Value and Russell 2000 Indexes returned +2.3% and +3.7%, respectively. Both spaces benefitted from investors' rotation out of the large cap growth space and into areas with comparably lower valuations.

TABLE 1: GLOBAL EQUITY	JUN	QTD	YTD	1 YR
Dow Jones Industrial Average	2.71	13.38	9.76	20.65
S&P 500 Index	-0.95	15.20	10.21	22.32
Russell 2000	3.74	21.49	22.57	40.78
Russell 1000 Growth	-2.68	16.74	5.33	17.71
Russell 1000 Value	2.27	13.87	16.26	27.12
MSCI ACWI USD	-0.80	14.93	11.25	23.67
MSCI EAFE USD	0.07	10.82	9.44	20.23
MSCI EM USD	-1.41	24.05	23.85	43.51
MSCI ACWI ex US USD	-0.59	14.49	13.68	27.66

Source: Bloomberg, as of 6/30/2026. Past performance does not guarantee future returns.

International markets also produced mixed returns in June as the U.S. dollar strengthened against several other major currencies amid a hawkish outlook from the Federal Reserve following its June meeting. Developed international markets, as represented by the MSCI EAFE Index, returned +0.1% for the month. While Dutch equities performed well amid positive performance from ASML, the largest holding in the MSCI EAFE Index, comparably weaker performance from Japanese equities resulted in approximately net neutral returns for the index during June. Emerging markets reversed course during June, as the MSCI EM Index returned -1.4%. Chinese equities were among the leading detractors from performance as Alibaba's declining share price weighed the index down. The stock fell -20.8% during the month amid a combination of intellectual property accusations and weaker-than-expected e-commerce sales, which concerned investors.

FIXED INCOME

U.S. fixed income returns were broadly positive during June, as the Bloomberg Aggregate returned +0.2%. While Treasury yields shifted mostly upwards during June partly amid sticky inflation and stronger-than-expected labor market data, higher starting yields still buoyed returns during the month. A notable surprise pertaining to the fixed income market came after the Federal Reserve's June meeting. Federal Reserve Chair Kevin Wash delivered an incrementally more hawkish outlook, leading investors to no longer price in any rate cuts throughout the remainder of 2026. In contrast, investors are now expecting one or two rate hikes from the Federal Reserve before year end. Outside of Treasury markets, spreads generally widened, but higher starting yields again helped both investment grade and high yield corporate bonds generate positive results. Despite mostly widening spreads during June, they remain tight compared to historical averages for both investment grade and high yield corporate bonds.

TABLE 2: FIXED INCOME	JUN	QTD	YTD	1 YR
Bloomberg US Aggregate	0.24	0.67	0.62	3.79
Bloomberg 1-3 Yr Gov/Credit	0.08	0.48	0.77	3.14
Bloomberg Treasury 5-7 Yr	0.14	0.03	-0.16	2.43
Bloomberg Investment Grade Corp	0.20	1.33	0.85	4.34
Bloomberg High Yield Corp	0.27	2.47	1.96	5.91
JPMorgan EMBI Global Diversified	0.72	4.63	3.32	11.78

Source: Bloomberg, as of 6/30/2026. Past performance does not guarantee future returns.

POSTLUDE

As some of our readers may remember from prior iterations of *On The Margin*, we concluded certain pieces by sharing a list of content our investment team is reading, watching, and listening to (both for work and for fun) with our audience. With the first half of 2026 behind us, we thought we would bring that format back with new content below for our audience's reference and (hopefully) enjoyment.

We are reading: ***The World for Sale***

Authors Javier Blas and Jack Farchy explore the impact that billionaire commodity traders (who buy, hoard, and sell the earth's resources) have on global trade.

We are watching: ***House of The Dragon***

A fantasy drama series that is a prequel to HBO's Game of Thrones. The prequel chronicles the beginning of the end of House Targaryen, a central family to the combined series.

We are listening to: ***Invest Like The Best***

Patrick O'Shaughnessy has deep-dive conversations with world-class investors, founders, and business leaders to explore their methods, ideas, and stories.

We hope you are enjoying the beginning of summer and look forward to connecting with you again next month.

Joe Nitting serves as the Director of Research for the centralized investment research function of the Retirement & Investment Solutions practice at CBIZ, Inc. Joe conducts investment research in both traditional and alternative asset classes, and he assists in the portfolio construction process for the firm's centralized investment research function. Joe has a B.S. in both Finance and Accounting from the University of Dayton. He began his career in investments at a boutique registered investment advisory firm in the greater Chicago area, focusing on traditional investments. He also served as an analyst for a registered investment advisory firm in the Cleveland area, where he specialized in alternative investments. Joe plays an important role in fostering a culture of collaboration and creativity within CBIZ while offering unique insights based on his experience across a wide spectrum of investment types.