



June 6, 2025

Markets spent the week navigating ongoing headwinds and uncertainty surrounding trade tensions, fiscal policy, and the broader macroeconomic environment. Equities rallied, with small caps leading the charge and growth stocks outperforming value stocks driven by better-than-expected economic data. Treasury yields were higher across the curve with the 2-year and 10-year Treasury yields rising 14 basis points (bps) and 11 bps, respectively. This week's non-farm payroll report exceeded expectations, with 139,000 new jobs added compared to the anticipated 125,000, while the unemployment rate held steady at 4.2%. Downward revisions for April and May and higher unemployment claims signal some softening in the labor market data. Recent comments from Fed officials indicated agreement that the Fed is on a path to rate cuts this year and that inflation has stabilized, but there appears to be some disagreement regarding the potential inflationary pulse from tariffs. The Fed remains in a wait-and-see mode, given lingering uncertainties, particularly regarding tariffs, which could drive up prices and potentially push the economy toward stagflation. Trade tensions escalated as President Trump announced plans to double tariffs on Chinese steel and aluminum to 50%. Meanwhile, the "One Big Beautiful Bill" is creating a frenzy on Capitol Hill. Senate Republicans are struggling with reforms related to State and Local Tax (SALT) deductions, Medicaid, and cuts to the Inflation Reduction Act, while fiscal hawks raise alarms about the ballooning deficit. The Congressional Budget Office estimates that the House version of the bill would increase the federal budget deficit by \$2.42 trillion over the next decade. Tensions surrounding the bill also flared between President Trump and Elon Musk, contributing to a sharp sell-off in Tesla stock after President Trump threatened to terminate federal contracts and subsidies for Musk's companies including Tesla and SpaceX.

Stocks	Wk		Div	YTD	12 Mos
	Close	Net Change			
DJII-USA	42,762.87	492.80	1.17	1.91	0.51
S&P 500	6,000.36	88.67	1.50	1.62	2.02
NASDAQ	19,529.95	416.19	2.18	1.07	1.13
S&P MidCap 400	3,051.10	49.72	1.66	2.46	-2.24
EAFE	89.74	0.93	1.05	3.28	18.69
Emerging Markets	58.49	1.80	3.18	3.19	12.01

Sector - Large Cap	Wk		WTD	MTD	QTD	YTD
	Close	Net Change				
Defensive						
Staples	902.95	-14.40	(1.6%)	(1.6%)	1.1%	5.8%
Health Care	1,562.81	19.36	1.3%	1.3%	(8.2%)	(2.6%)
CommServices	363.86	11.25	3.2%	3.2%	13.8%	6.5%

Eco Sensitive						
Consumer Disc	1,706.39	-10.99	(0.6%)	(0.6%)	8.3%	(6.8%)
Energy	632.77	13.43	2.2%	2.2%	(11.6%)	(3.4%)
Industrials	1,223.88	16.57	1.4%	1.4%	10.3%	9.7%
Info Tech	4,660.28	135.87	3.0%	3.0%	15.9%	1.1%
Materials	552.49	7.81	1.4%	1.4%	1.9%	4.3%

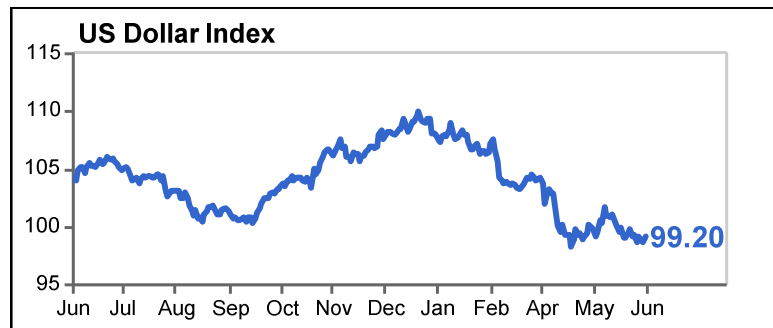
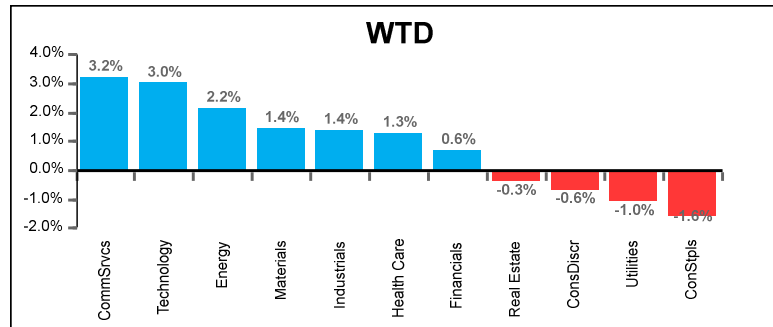
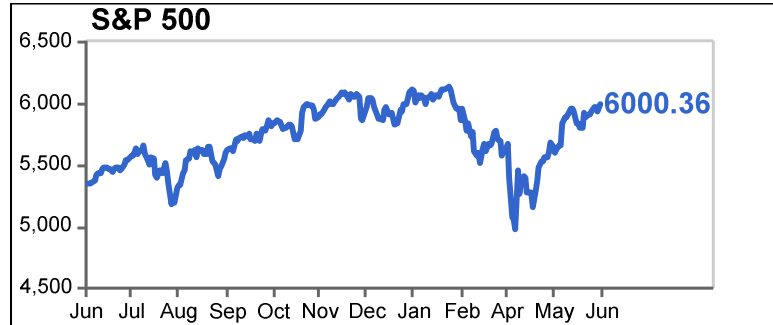
Interest Rate Sensitive						
Financials	851.38	5.45	0.6%	0.6%	2.6%	5.8%
Utilities	410.14	-4.34	(1.0%)	(1.0%)	2.3%	6.5%
REIT	259.66	-0.86	(0.3%)	(0.3%)	(0.5%)	2.1%

Russell Style Returns

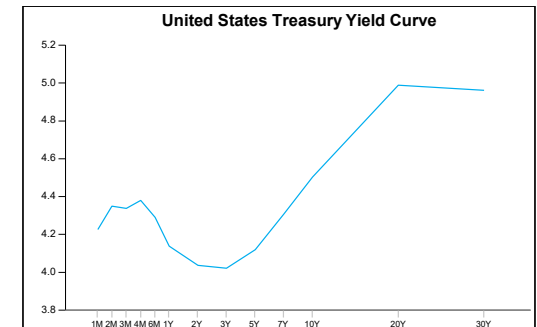
WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	1.13%	1.66%	2.04%	Large	3.48%	2.55%	1.60%
Medium	1.40%	1.53%	2.14%	Medium	0.81%	2.49%	7.22%
Small	2.49%	3.33%	4.06%	Small	-5.54%	-3.88%	-2.37%

Commodity	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	4.83	3.28	EUR/USD	1.14	0.40
Gold	3,333.10	0.53	USD/JPY	144.93	0.57
WTI	64.75	6.51	GBP/USD	1.35	0.50
Brent	66.59	6.07	USD/CAD	1.37	-0.30
Natural Gas	3.77	9.40			

Source: FactSet



Treasuries	Current Yield	12/31/24 Yield
1 - Year	4.14	4.15
2 - Year	4.03	4.24
5 - Year	4.11	4.38
10 - Year	4.50	4.57
30 - Year	4.96	4.78



COMING UP NEXT WEEK		Consensus	Prior
06/11 CPI ex-Food & Energy SA M/M	(May)	0.30%	0.20%
06/11 CPI SA M/M	(May)	0.20%	0.20%
06/11 CPI NSA Y/Y	(May)	2.5%	2.3%
06/12 PPI ex-Food & Energy SA M/M	(May)	0.30%	-0.40%
06/12 PPI SA M/M	(May)	0.25%	-0.50%
06/13 Michigan Sentiment NSA (Preliminary)	(Jun)	50.7	52.2

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