



U.S. equities moved lower this week as investors closely monitored the progress of President Trump's "big, beautiful bill" and the potential effects the legislation could have on the U.S. deficit. The plan is expected to raise the nation's debt by \$4 trillion over the next ten years with new spending included for action on the southern border and the U.S. military. The bill also includes reinstituting a deduction for state and local taxes with a cap of \$40,000 on federal returns (SALT). The SALT provision is controversial because it benefits affluent earners in high tax states. Critics of the bill state that it will disproportionately affect low-income households, as the bill includes cuts to education spending in areas like Pell grants, as well as cuts to the Supplemental Nutrition Assistance Program (SNAP) formerly known as food stamps. Deficit concerns partially explain weaker demand and lower participation among bidders for the U.S. 20-year treasuries auction on Wednesday. Investors are also becoming increasingly concerned that the Federal Reserve will have to hold interest rates higher for longer in the face of increased government spending. The lower demand in the auction caused bond yields to surge with the yield on the 10-year note climbing as high as 4.6%, while the yield on the 30-year note is now above 5%. On Friday, President Trump proposed raising tariffs on goods from the European Union to 50%, starting June 1<sup>st</sup>, citing a lack of progress in current trade negotiations. He also threatened Apple with a 25% tariff on iPhones unless those being sold in the U.S. are manufactured in the U.S. Concerns over tariff negotiations caused the equity markets to sell-off.

Stocks	Close	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change
DJII-USA	41,603.07	-1051.67	-2.47	1.93	-2.21	6.50
S&P 500	5,802.82	-155.56	-2.61	1.66	-1.34	10.16
NASDAQ	18,737.21	-473.90	-2.47	1.09	-2.97	11.96
S&P MidCap 400	2,977.59	-110.63	-3.58	2.47	-4.59	0.87
EAFE	88.04	0.80	0.92	3.28	16.44	9.52
Emerging Markets	57.45	0.14	0.24	3.18	10.02	6.71

Sector - Large Cap	Close	Wk Net Change	WTD	MTD	QTD	YTD
<b>Defensive</b>						
Staples	901.29	-3.35	(0.4%)	(0.1%)	1.0%	5.6%
Health Care	1,515.99	-33.09	(2.1%)	(7.4%)	(10.9%)	(5.5%)
CommServices	345.33	-2.17	(0.6%)	7.4%	8.0%	1.1%

<b>Eco Sensitive</b>						
Consumer Disc	1,688.65	-53.87	(3.1%)	7.6%	7.2%	(7.8%)
Energy	622.00	-28.81	(4.4%)	0.7%	(13.1%)	(5.0%)
Industrials	1,190.01	-25.20	(2.1%)	7.1%	7.2%	6.7%
Info Tech	4,420.10	-158.36	(3.5%)	8.2%	10.0%	(4.1%)
Materials	540.34	-6.79	(1.2%)	2.0%	(0.3%)	2.0%

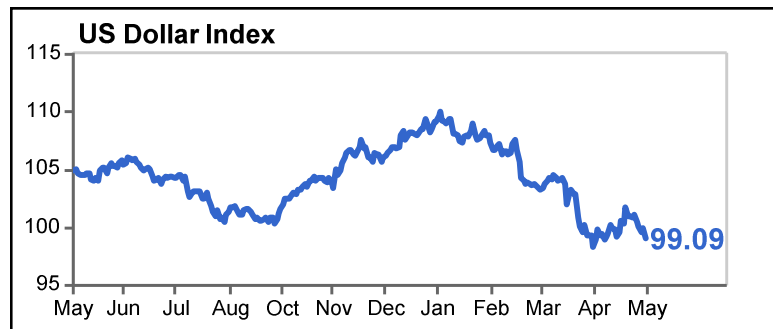
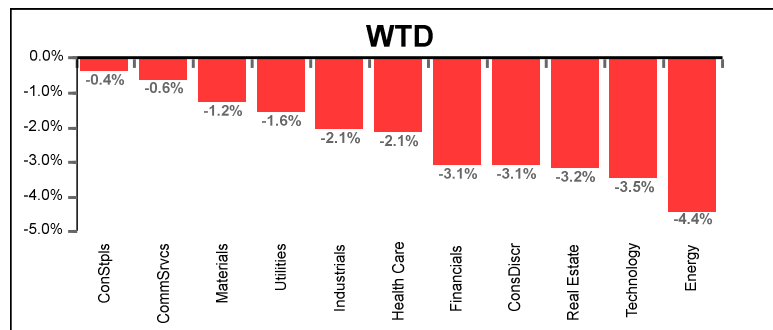
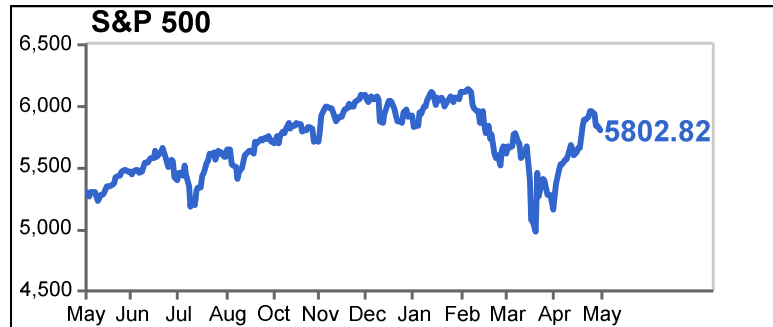
<b>Interest Rate Sensitive</b>						
Financials	831.14	-26.46	(3.1%)	2.5%	0.2%	3.3%
Utilities	409.98	-6.48	(1.6%)	2.2%	2.3%	6.5%
REIT	253.30	-8.25	(3.2%)	(1.9%)	(2.9%)	(0.4%)

### Russell Style Returns

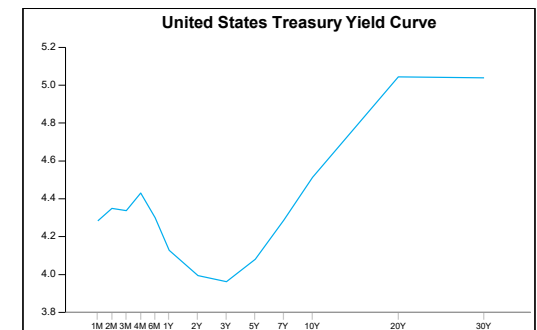
WTD	Value	Blend	Growth	YTD	Value	Blend	Growth
Large	-2.52%	-2.55%	-2.68%	Large	1.05%	-0.90%	-2.63%
Medium	-3.12%	-3.35%	-3.73%	Medium	-1.60%	-0.49%	2.74%
Small	-3.90%	-3.47%	-3.06%	Small	-9.00%	-8.12%	-7.19%

Commodity	Price	Wk % Change	FOREX	Price	Wk % Change
Copper	4.86	5.82	EUR/USD	1.13	1.82
Gold	3,359.30	5.40	USD/JPY	142.66	-2.14
WTI	61.68	-0.47	GBP/USD	1.35	1.93
Brent	64.36	-1.61	USD/CAD	1.38	-1.73
Natural Gas	3.71	0.46			

Source: FactSet



Treasuries	Current Yield	12/31/24 Yield
1 - Year	4.13	4.15
2 - Year	3.99	4.24
5 - Year	4.08	4.38
10 - Year	4.51	4.57
30 - Year	5.03	4.78



COMING UP NEXT WEEK		Consensus	Prior
05/27 Durable Orders SA M/M (Preliminary)	(Apr)	-8.1%	7.5%
05/27 Consumer Confidence	(May)	89.5	86.0
05/29 GDP SAAR Q/Q (Second Preliminary)	(Q1)	-0.30%	-0.30%
05/29 Pending Home Sales M/M	(Apr)	-1.0%	6.1%
05/30 Core PCE Deflator M/M	(Apr)	0.12%	0.03%
05/30 Core PCE Deflator Y/Y	(Apr)	2.6%	2.6%
05/30 Personal Income SA M/M	(Apr)	0.40%	0.50%
05/30 Chicago PMI SA	(May)	46.0	44.6
05/30 Michigan Sentiment NSA (Final)	(May)	52.3	50.8

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