Charts of the Week

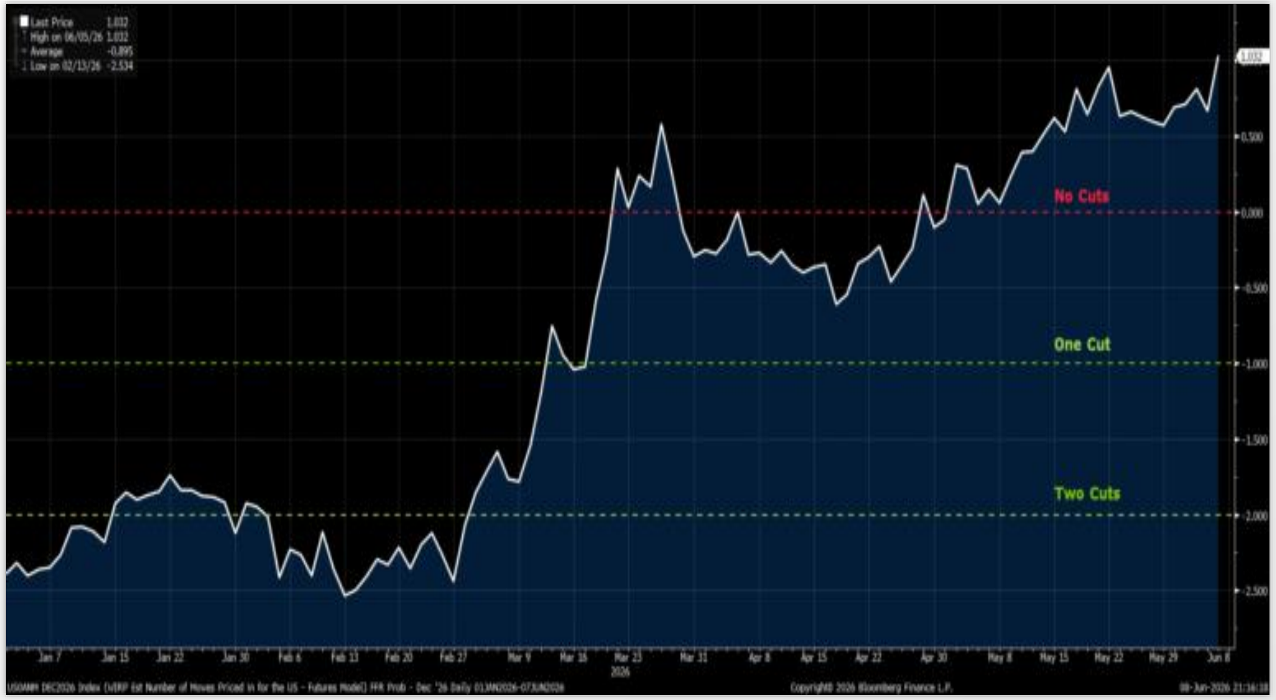
Carson Investment Research

June 8-12, 2026

Chart of the Week

From Two Cuts, To a Hike

- Earlier this year the futures market was pricing in roughly two rate cuts by December. After the hot May jobs report, it flipped all the way to pricing in a rate hike.
- The odds of at least one hike by year-end jumped to effectively 100%, up from about two-thirds before the payroll release.
- A labor market reaccelerating into sticky inflation is not a backdrop the Fed eases into.

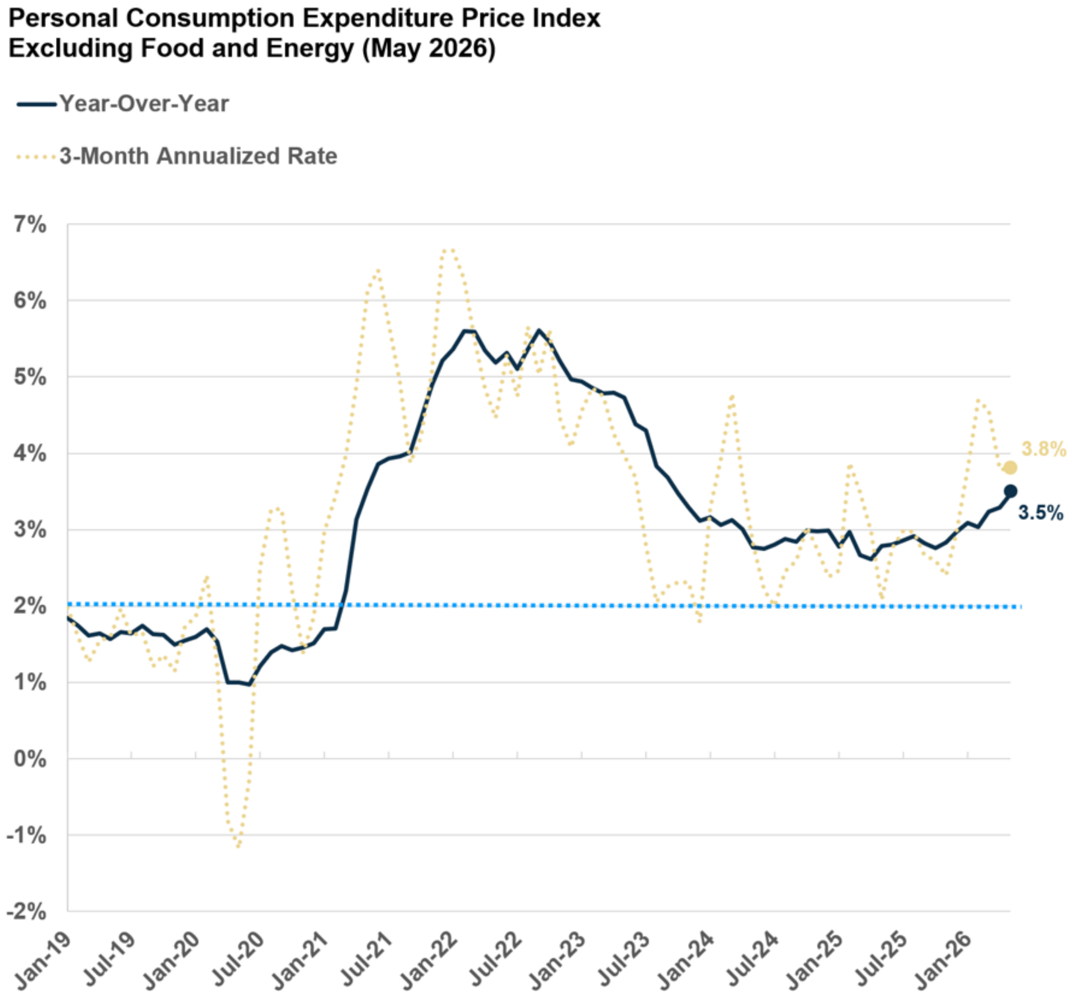


Macro

Why the Fed's Hands Are Tied

- Core PCE is up 3.5% over the past year, and the three-month annualized pace is running hotter at 3.8%. The short window leading the annual figure is the tell that prices are speeding back up.
- For two years, this measure was grinding lower toward 2%. It bottomed, turned, and is now the highest in over a year.
- With inflation reaccelerating, the case for cuts evaporates.

Core inflation stays stubbornly high, and it's moving in the wrong direction



Data source: Carson Investment Research, FRED 06/11/2026

March 2026 data using estimates from Employ America

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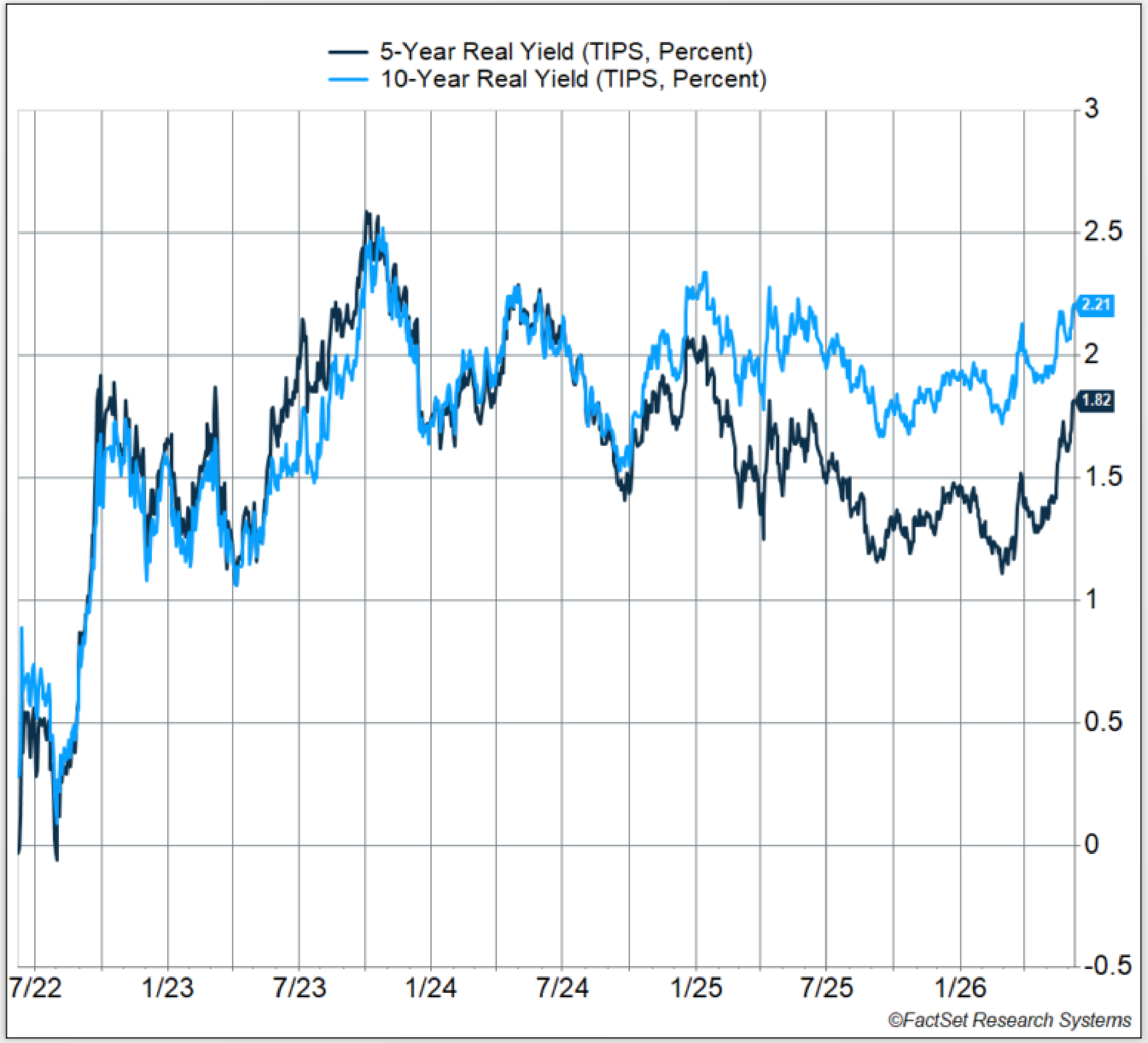
The Real Cost of Running Hot

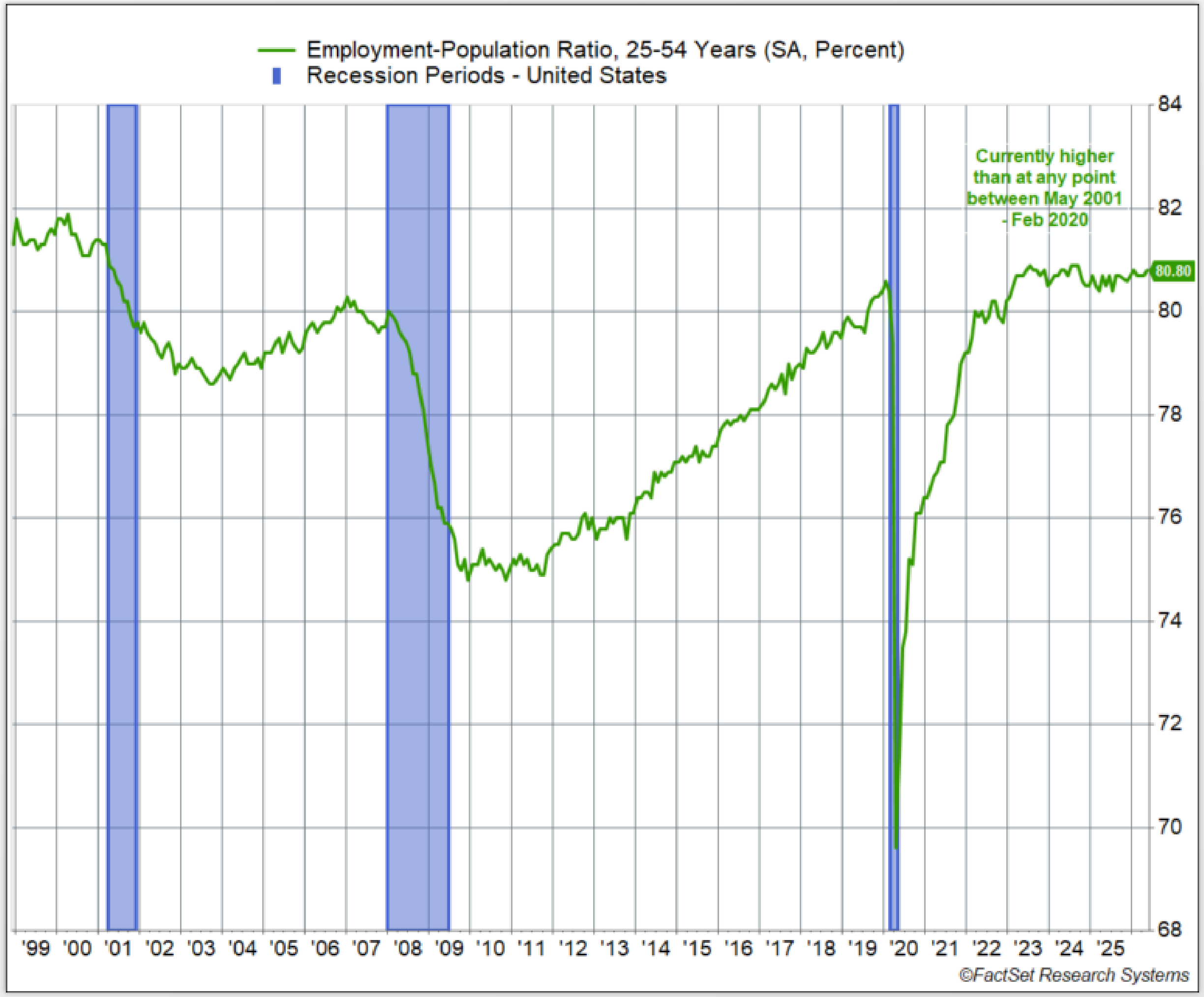
- Real yields have climbed to 1.82% on the 5-year and 2.21% on the 10-year, the highest in about a year.
- Rising real yields say the market isn't just pricing more inflation, it expects genuinely tighter policy.
- The bite lands on borrowers. Mortgage rates climb with long yields, which keeps would-be buyers locked out even as home prices soften.



Macro

Prime-Age Work Hits a Cycle High

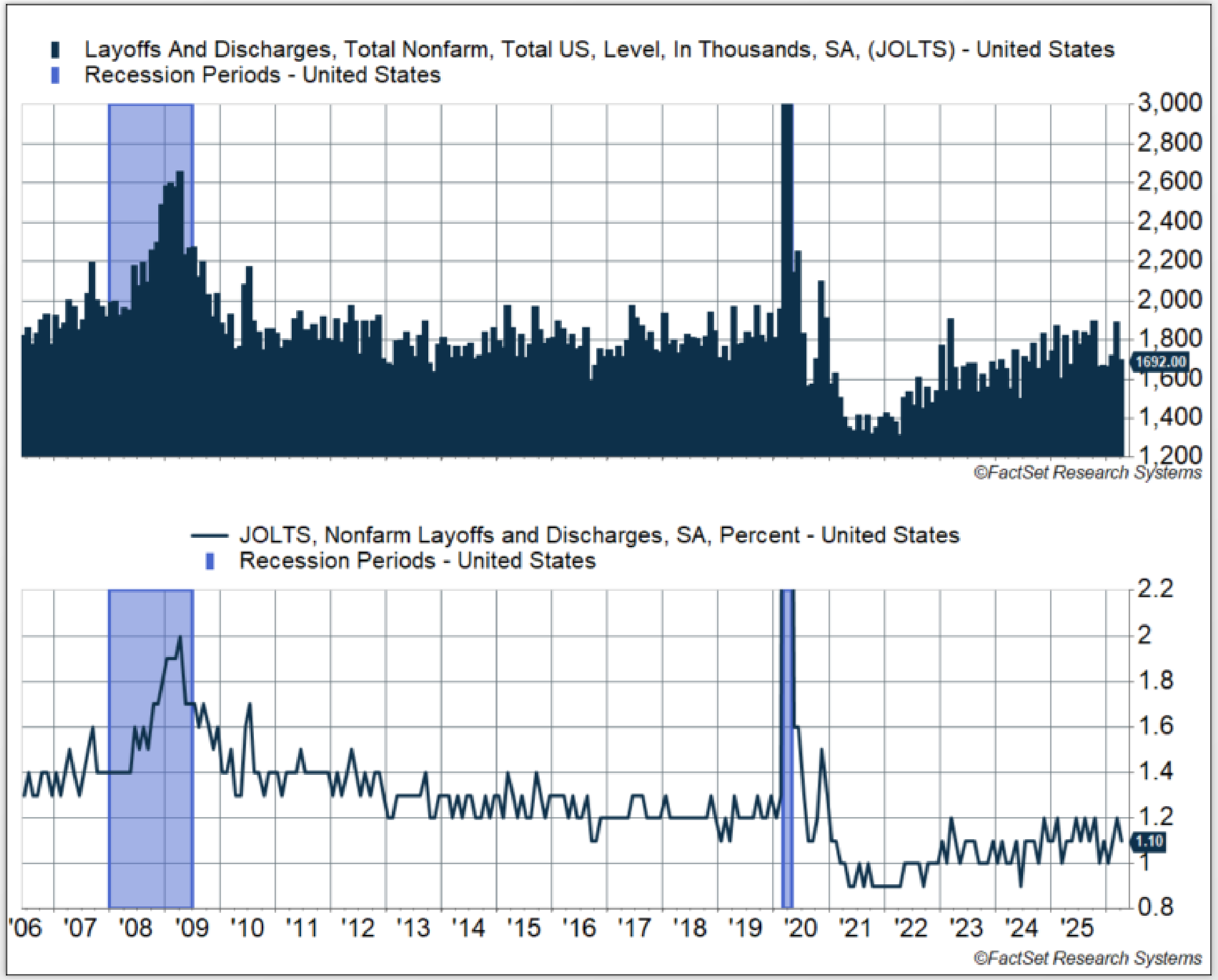
- The share of 25-to-54-year-olds with a job rose to 80.8%, just under this cycle's peak and the highest in over two decades.
- That cuts against the story that AI is hollowing out employment. More prime-age workers are employed now than in either of the last two expansions periods.



Macro

The Layoff Wave That Never Came

- Layoffs totaled about 1.69 million in April, below the 1.8 to 1.9 million pace of 2018–2019. As a share of the workforce, the layoff rate is running near 1.1%, also below pre-pandemic.
- If AI were cutting jobs at scale, this is where it would show up.
- Instead, firms are mostly holding onto people, with the soft spots concentrated in tech roles being traded for AI spending.



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Why Stocks Win and Workers Don't

- Productivity grew about 2.1% annualized over the past five quarters. Only 1.0% went to real wages, while 1.1% went to wider profit margins.
- Compare 2023–2024, when 2.1 of the 2.9 points of productivity flowed to workers. The gains are now landing with shareholders instead of paychecks.
- Great for earnings and stock prices in the near term. The risk is that squeezed real wages eventually drag on spending, which is what those margins ultimately feed on.

Period	Productivity Growth	=	Real Wage Growth	+	Margin Expansion
1973 - 1982	1.0%	=	0.6%	+	0.4%
1983 - 1995	1.8%	=	0.8%	+	1.1%
1996 - 2004	3.1%	=	2.1%	+	1.1%
2005 - 2019	1.6%	=	0.7%	+	0.9%
2020 - 2022	1.5%	=	0.4%	+	1.2%
2023 - 2024	2.9%	=	2.1%	+	0.8%
2025 - 2026 (Q1)	2.1%	=	1.0%	+	1.1%

Data source: Carson Investment Research, FRED 06/05/2026

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All data in the table are annualized

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Making Room for SpaceX

- If SpaceX lists around a $2 trillion value and enters the S&P 500, it would come in near a 2.9% weight, and every existing name gets trimmed to fit.
- The mega-caps take the biggest dollar cuts. Nvidia, Apple, Microsoft, and Alphabet would each see their index weight shaved by 0.15 to 0.24 points.
- This is hypothetical and roughly a year out, but it's a real mechanical effect every index-fund holder would eventually feel.

How an SPCX Index Inclusion Would Reshuffle the Mega-Caps

Company	Market Cap	Pre-SPCX Allocation	Post-SPCX Allocation	Change
S&P 500	$68T	100%	100%	
SPCX*	$2T		2.9%	2.9%
NVDA	$5.2T	8.1%	7.9%	-0.24%
GOOG(L)	$4.6T	6.1%	5.9%	-0.18%
AAPL	$4.5T	7.0%	6.8%	-0.21%
MSFT	$3.3T	5.0%	4.9%	-0.15%

**Hypothetical*

Source: Carson Investment Research, FactSet 5/29/26

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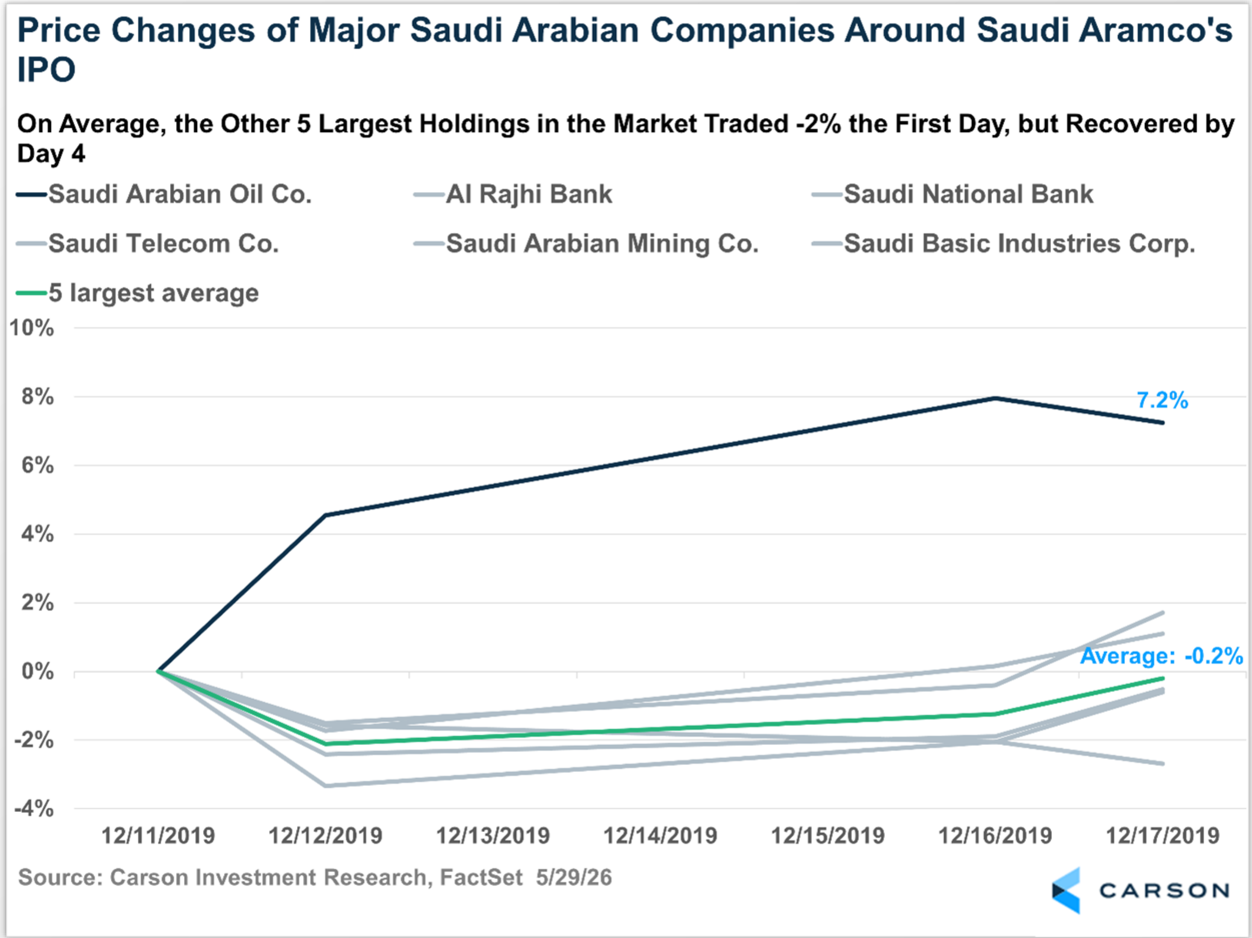
The Aramco Playbook

- The closest precedent is Saudi Aramco joining its home index in 2019, where it instantly became about 8% of the market. The other five largest names sold off roughly 2% on day one.
- They didn't stay down. Within about a week those names had clawed back to nearly flat, down just 0.2% on average.
- For a SpaceX inclusion, history suggests some near-term pressure on the names making room, but the effect tends to be temporary.



Markets

What History Says After a Record Streak

- The S&P just posted nine straight up weeks, and the 19.3% gain over that run is the strongest start to any nine-week-or-longer streak on record.
- Streaks ending haven't historically meant trouble. A year later the index was higher 80% of the time, with an average gain near 10%.
- The hotter the streak's return, the better the follow-through has tended to be, though past patterns are no guarantee.

The Nine Week Win Streak Is Historic And Potentially Quite Bullish

S&P 500 Performance After Nine Week Wins Streaks (1950 - Current)

			S&P 500 Forward Returns			
Date Of Eight Week Win Streak	Ultimate Weekly Win Streak	9-Week Win Streak Return	4 Weeks	12 Weeks	26 Weeks	52 Weeks
5/17/1957	13	7.0%	2.1%	-0.5%	-14.4%	-8.0%
10/17/1958	9	8.3%	3.2%	8.4%	12.6%	11.4%
2/3/1961	9	12.3%	2.8%	5.0%	9.3%	12.2%
5/3/1963	10	9.3%	1.1%	-2.1%	5.4%	14.5%
9/20/1963	9	7.2%	0.0%	1.0%	7.7%	13.9%
1/24/1964	9	10.8%	0.7%	4.5%	8.2%	12.5%
11/29/1985	12	11.5%	3.7%	11.1%	22.3%	23.3%
9/1/1989	9	11.2%	-1.3%	-2.8%	-5.1%	-8.8%
1/23/2004	9	10.3%	0.2%	-0.6%	-4.8%	2.3%
12/29/2023	9	15.8%	2.5%	9.7%	14.5%	25.2%
5/29/2026	9	19.3%	?	?	?	?
	Average		1.5%	3.4%	5.6%	9.8%
	Median		1.6%	2.7%	8.0%	12.3%
	% Higher		90.0%	60.0%	70.0%	80.0%

Source: Carson Investment Research, FactSet 05/29/2026
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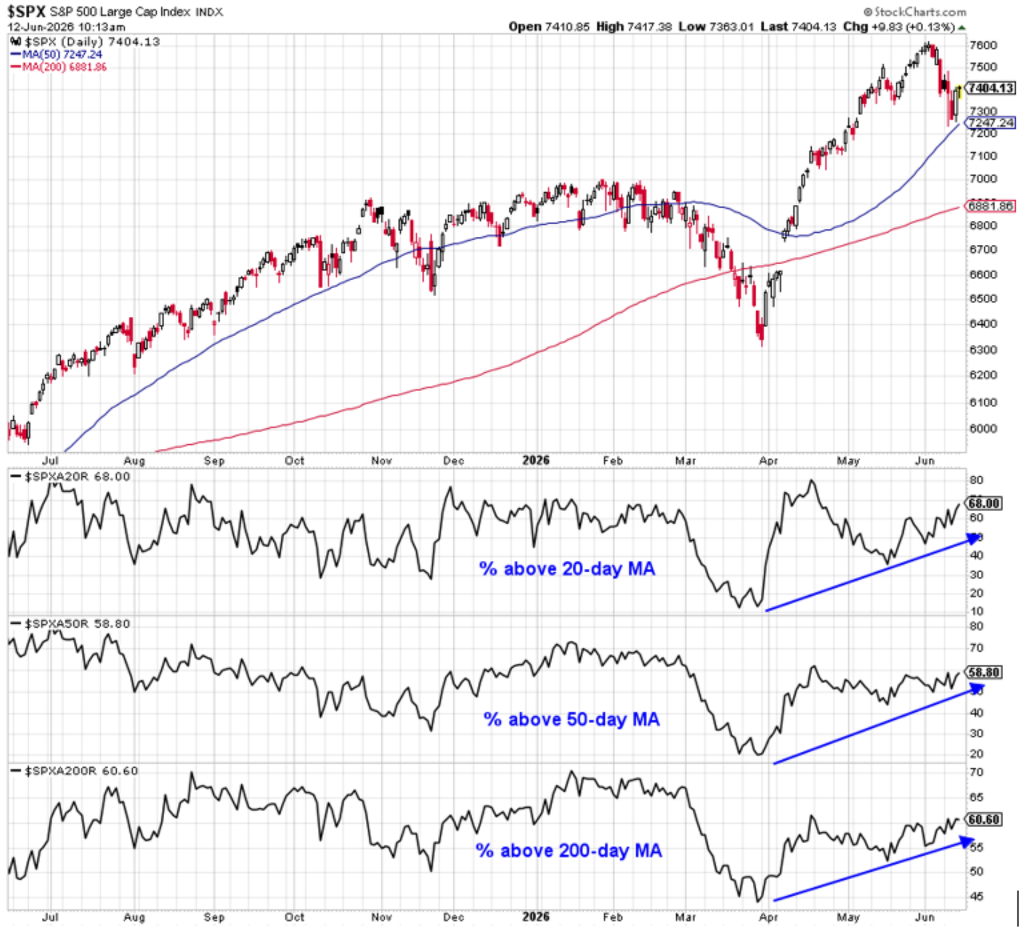
Let’s Talk About Market Breadth

- Even as the index pulled back from its early-June high, the share of stocks above their 20-, 50-, and 200-day averages kept climbing.
- Broadening participation while the headline price slips is the signature of money rotating, and not a market falling apart.

Breadth Is Improving Under The Surface



Source: StockCharts.com, Carson Group 6/11/2026

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