

Market Update

June 2, 2025
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This week in the markets...

The US stock market experienced a mixed performance during the week of May 26 to June 1, 2025, following a post-Memorial Day rebound. The S&P 500 gained 0.8% to close at 5,849.36, the Nasdaq Composite rose 1.2% to 18,962.09, and the Dow Jones Industrial Average fell 0.5% to 41,395.24 (Investopedia2025May30). The Russell 2000 declined 1.1%, reflecting small-cap underperformance (Morningstar2025). The CBOE Volatility Index (VIX) eased 10% to 20.06, indicating reduced uncertainty Schwab2025. A 90-day tariff pause and optimism from US-EU trade talks drove early gains, particularly in technology and consumer sectors (SpaceInvestor2025).

Nvidia's strong earnings, reporting a 122% year-over-year revenue increase, boosted the Nasdaq, though late-week profit taking tempered gains (Investopedia2025May30). The April PCE inflation report, showing a 2.7% annual rate, aligned with expectations, supporting hopes for a Federal Reserve rate cut in September (ADMISI2025). However, rising Treasury yields, with the 10-year at 4.52%, pressured rate-sensitive sectors like real estate EdwardJones2025. Energy stocks, including Sunrun (-10.2%), continued to struggle amid low oil prices (Morningstar2025).

Year to day, the S&P 500 was up 2.1A%, the NASDAQ up .7% and the DOW down .2% (Investopedia2025May25). High valuations, with the S&P 500's forward P/E ratio at 21.2x, and downward earnings revisions raised concerns (Global Mkt Observ 2025 May25).

For the week of June 2–8, markets are expected to face volatility due to the May jobs report, ISM manufacturing data, and ongoing trade negotiations (AIJimCramer2025). Analysts anticipate cautious trading, with potential strength in tech if earnings from Salesforce and HP impress, though tariff uncertainties may cap gains (SpaceInvestor2025, SDMISI2025). In summary, last week's market saw a partial recovery driven by tech earnings and trade optimism, but mixed sector performance and high valuations persisted. This week's outlook suggests volatility, with key economic data and earnings in focus.

References:

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