



Weekly Recap

Investors were focused on the debt ceiling bill this week as its passage led to new highs for the S&P 500 and the NASDAQ. It was the 6th consecutive week of gains for the NASDAQ. The S&P reached a 9-month high at 4,267 Friday morning and is trading near levels that suggest the bear market of the past year may be over, closing Friday's session at 4,283, which is a 20% gain off its October low. Technology stocks are at the forefront with strong performance resulting from Artificial Intelligence optimism. As investors reallocated money into the equity markets, bond yields fell across the curve. All 11 GICS sectors were positive for the week, with Consumer Discretionary leading the way at 3.27%. The nonfarm labor report from the Commerce Department was the most notable economic release. The economy produced 339,000 new jobs in May, which was substantially higher than the 190,000 economists were expecting. In addition, the revisions for March and April were also revised higher by 93,000. The unemployment rate increased from 3.4% to 3.7%, and wage rates were consistent with consensus estimates. Despite the robust jobs report, the rising unemployment rate and an ISM report showing the manufacturing sector contracted in May for the seventh consecutive month could strengthen Chairman Powell's argument that the Fed should await further data before making another rate hike.

Key Thought for The Week

Multiple crosscurrents impacted financial markets in May. Better-than-expected economic data and the overhang of the debt ceiling issue have biased interest rates higher across the yield curve. But long-duration equities generally have not been negatively impacted by higher rates. Selected growth stocks in technology, communication services, and consumer discretion lifted the S&P 500 Index to a modest gain last month. However, the average stock did not participate. The equity market's breadth, the number of advancing stocks versus the number of decliners, is historically weak. Almost 27% of the stocks in the S&P 500 are down over 10% this year, and roughly 377 stocks in the index have underperformed. The current equity market environment, characterized by poor market breadth and significant performance divergences, is not the typical underpinnings of a healthy market and it could be reflective of the challenges ahead. The economy has been surprisingly resilient in the first half, which will probably push out the Fed's rate pivot until 2024. Economic growth is expected to slow due to the latent impacts of prior rate increases and the credit tightening caused by the banking crisis. Volatility in both the fixed income and equity markets will continue as the Fed watches and analyzes the upcoming data to determine the future course of rates.

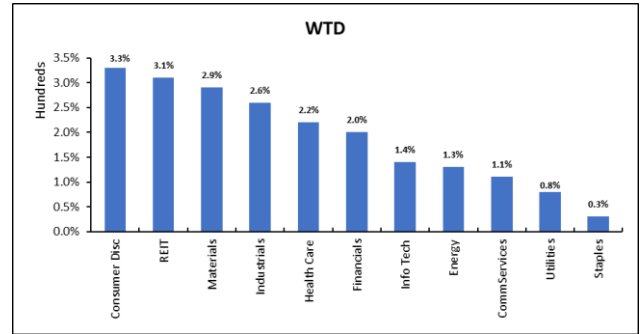
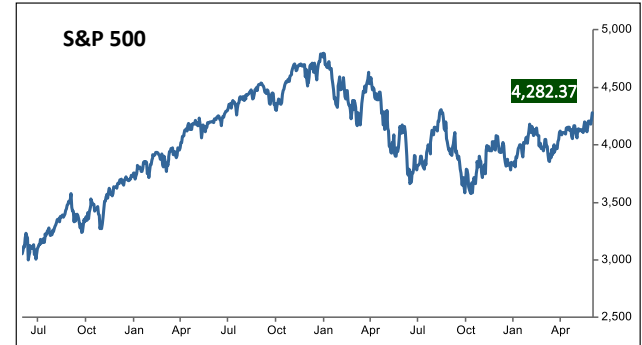
6/2/2023	Wk	Wk	YTD	12 Mos
	Net	%	Div	%
	Change	Change	Yield	Change
STOCKS	Close			
DJIA	33,762.76	669.42	2.02	1.55
S&P 500	4,282.37	76.92	1.83	11.53
NASDAQ	13,240.77	265.08	2.04	0.82
S&P MidCap 400	2,505.55	62.70	2.57	1.89
EAFE	2,070.06	-10.85	-0.52	3.34
Emerging Market	961.80	-11.06	-1.14	3.12

TREASURIES	Yield	FOREX	Price	Change
1-Year	5.24	USD/EUR	1.07	-0.14
2-Year	4.50	JPY/USD	139.92	0.49
5-Year	3.84	USD/GBP	1.25	0.88
10-Year	3.69	CAD/USD	1.34	1.42
30-Year	3.89			

Source: FactSet/Bloomberg

Sector - Large Cap	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	766.99	2.15	0.3%	1.3%	(1.7%)	(1.6%)
Health Care	1,516.22	32.49	2.2%	2.0%	0.4%	(4.4%)
CommServices	213.29	2.37	1.1%	1.2%	11.4%	33.8%
Eco Sensitive						
Consumer Disc	1,228.92	38.91	3.3%	3.4%	5.6%	22.2%
Energy	610.41	7.90	1.3%	4.2%	(3.9%)	(9.2%)
Industrials	851.69	21.30	2.6%	4.3%	(0.6%)	2.4%
Info Tech	2,949.82	39.86	1.4%	1.8%	11.8%	35.8%
Materials	492.95	13.74	2.9%	4.7%	(2.9%)	0.7%
Interest Rate Sensitive						
Financials	543.64	10.82	2.0%	3.2%	1.6%	(4.6%)
Utilities	328.70	2.57	0.8%	0.2%	(4.5%)	(8.3%)
REIT	227.91	6.84	3.1%	2.1%	(2.0%)	(0.8%)

COMING UP NEXT WEEK		Consensus	Prior
06/05 Markit PMI Services SA (Final)	(May)	55.1	55.1
06/05 Durable Orders SA M/M (Final)	(Apr)	1.1%	1.1%
06/05 Factory Orders SA M/M	(Apr)	0.90%	0.40%
06/05 ISM Services PMI SA	(May)	52.2	51.9
06/07 Consumer Credit SA	(Apr)	\$20.0B	\$26.5B
06/08 Wholesale Inventories SA M/M (Final)	(Apr)	-0.20%	-0.20%



Russell Style Return

WTD	Value	Blend	Growth
Large	1.95%	2.02%	2.08%
Medium	2.26%	2.29%	2.35%
Small	3.58%	3.31%	3.08%

YTD	Value	Blend	Growth
Large	1.20%	12.12%	23.78%
Medium	0.12%	3.87%	10.81%
Small	(0.21%)	4.60%	9.32%

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