SilverTree
Wealth Partners
Ashland

May 2026 Market Insights

1 June 2026

Dear SilverTree Wealth Partners:

Equity markets continued their rally through May, extending the S&P 500's positive return streak to 8 weeks in a row, the longest stretch since 2023. Tech companies' strong earnings drove the index to a record high.

Raymond James Chief Investment Officer Larry Adam expressed confidence in the market's underlying fundamentals: "Stronger than expected earnings – especially in technology – have continued to underpin market performance, with momentum in the sector showing no signs of easing. Notably, earnings revisions are trending higher, pointing to a durable fundamental tailwind."

AI-driven optimism led the charge for the tech sector, although investors began to focus on real-world returns from AI investments rather than promises of what the technology might do.

Markets also navigated growing tension between strong economic data and persistent inflation pressures. The US economy appears resilient, with solid growth numbers, expanding manufacturing activity and stable labor markets. But higher oil prices tied to geopolitical conflict kept inflation elevated and pushed interest rates higher.

Fixed income markets saw volatility as Treasury yields moved higher. The markets repriced a more hawkish path for monetary policy, with increasing expectations for a rate hike by the Federal Reserve by year end. New Fed Chair Kevin Warsh joined the Federal Open Market Committee (FOMC) at a complex moment, and the committee has become increasingly divided.

With hopes of a US-Iran deal rising, oil prices began to decline. But supply won't recover overnight. A partial, phased deal could come shortly and likely will provide for reopening the Strait of Hormuz as a phase one condition, though additional negotiations are still ahead, and the status of talks remains highly fragile.

The Bottom Line

With equity markets on a seemingly unstoppable path thanks to tech, there's good reason for optimism. But inflation is still a concern and will likely continue to be as long as global energy supply is disrupted. Investors stand to benefit from both equity markets in the short term and bond markets in the long term. As usual, steady and consistent strategies that let time do the work remain viable.

I hope this update finds you well & if you have any questions, please do not hesitate to reach out - I am here to help.

Truly yours, I am,

Todd Luce Montgomery, MBA, CEPA®, CRPC™, AAMS®, APMA®
Wealth Advisor, RJFS / Partner, STWP

542 Washington Street, Suite 104 // Ashland, OR 97520 // Tel: 541.201.8988 // Fax: 541.201.3063
www.silvertreewp-ashland.com

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