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WEEKLY UPDATE | June 26, 2026

U.S. & World News

UK Prime Minister Keir Starmer announced his resignation on Monday, triggering yet another leadership change in a decade marked by political instability for the country. His departure comes less than two years after leading the Labour Party to a historic landslide victory in 2024. Despite that, Starmer quickly became deeply unpopular, ultimately leaving office as the least popular prime minister on record. His fall was driven by a mix of policy missteps—such as proposals affecting wealthier pensioners and disabled people, accepting handouts, and a scandal involving the appointment of a Jeffrey Epstein–linked figure—combined with broader structural challenges. Analysts note that Starmer inherited a country fatigued by years of austerity and weak economic growth, and that he failed to articulate a clear political philosophy, leaving "Starmerism" undefined.

Attention now turns to Andy Burnham, the former mayor of Greater Manchester, who won a by election days earlier and was sworn in as an MP. Burnham is widely viewed as the frontrunner to succeed Starmer as the UK's 4th prime minister since September 2022. Despite the turmoil, the Labour party retains a commanding 403 seat majority, ensuring continuity as the party prepares its leadership contest.

Markets

- Equity markets fell this week with the S&P 500 dropping -1.94% and closing at 7,354. Conversely, the Dow was up 0.60% and closed at 51,876. The year to date returns for the S&P 500 and the Dow are 8.04% and 8.82%, respectively.
- Bond markets rose as yields declined, resulting in a 0.44% gain for the US Aggregate Bond Index. The year to date return for the US Aggregate Bond Index is 1.11%.
- The yield on 2-year treasuries fell to 4.09% and the yield on 10-year treasuries declined this week to 4.37%.
- The spot price of WTI Crude Oil decreased -9.23% this week and closed at $69.40/barrel. Oil prices this year have risen 21.02%.
- The spot price of Gold fell -3.40% this week to close at $4,067.80/ounce. So far this year, gold has fallen -5.82%.

Economic Data

- Initial Jobless claims this week were 215,000, below the 225,000 median analyst expectation and below last week's revised figure of 227,000.
- New home sales for May declined by -7.3% vs. median expectation of +3.2%. New home sales declined in the West (-26.9%) and South (-4.1%) but increased in the Midwest (+16.2%) and Northeast (+3.0%).
- Headline PCE price index for May showed prices rising 0.45%, a bit above expectations of 0.4%. Year over year, headline PCE prices have risen 4.1%.
- Core PCE price index (excludes food and energy, Fed's preferred inflation measure) rose 0.3% in May, in line with expectations. Over the last year, Core PCE prices have risen 3.4%, above the Fed's 2% inflation target.

Fact of the Week

SMALL STOCKS, BIG YEAR. While mega-caps garner the bulk of the attention in financial circles, small-cap stocks are doing the best in 2026 with mid-year approaching. Through 6/17, the S&P 100 (100 largest stocks in the S&P 500) was up just 6.3% year to date versus the small-cap Russell 2000's gain of 17.6%.

(Source: MFS)

Questions?

Your Wealth Management team is here to answer.

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