

The background features a dark blue gradient with a grid pattern. A prominent yellow line graph shows a sharp decline followed by a recovery. A dashed white horizontal line is positioned near the top. In the bottom right corner, a bar chart with red and teal bars is visible.

Bolton

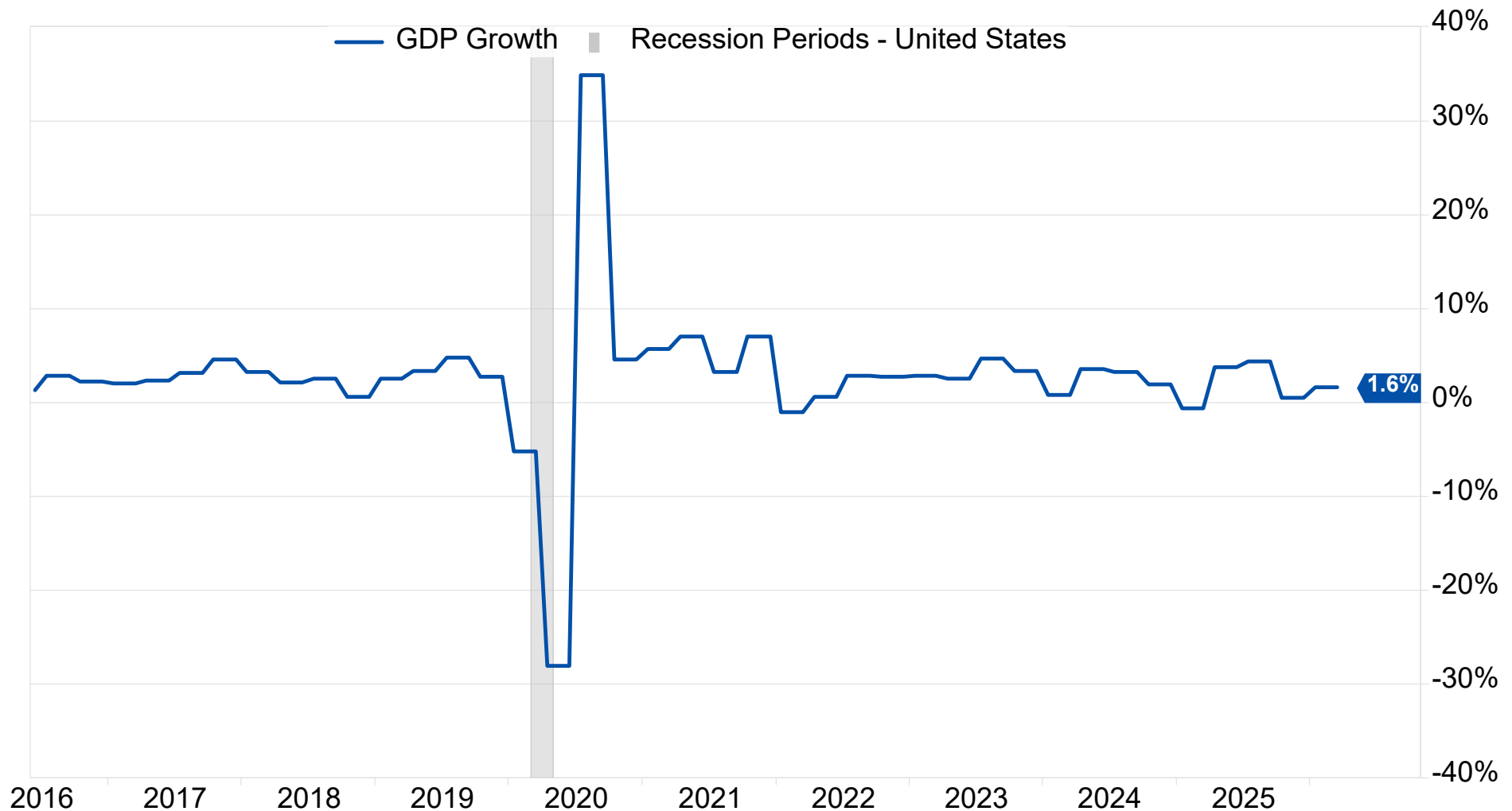
Monthly Economic Update

May 2026

All data as of 6/11/26 unless otherwise noted

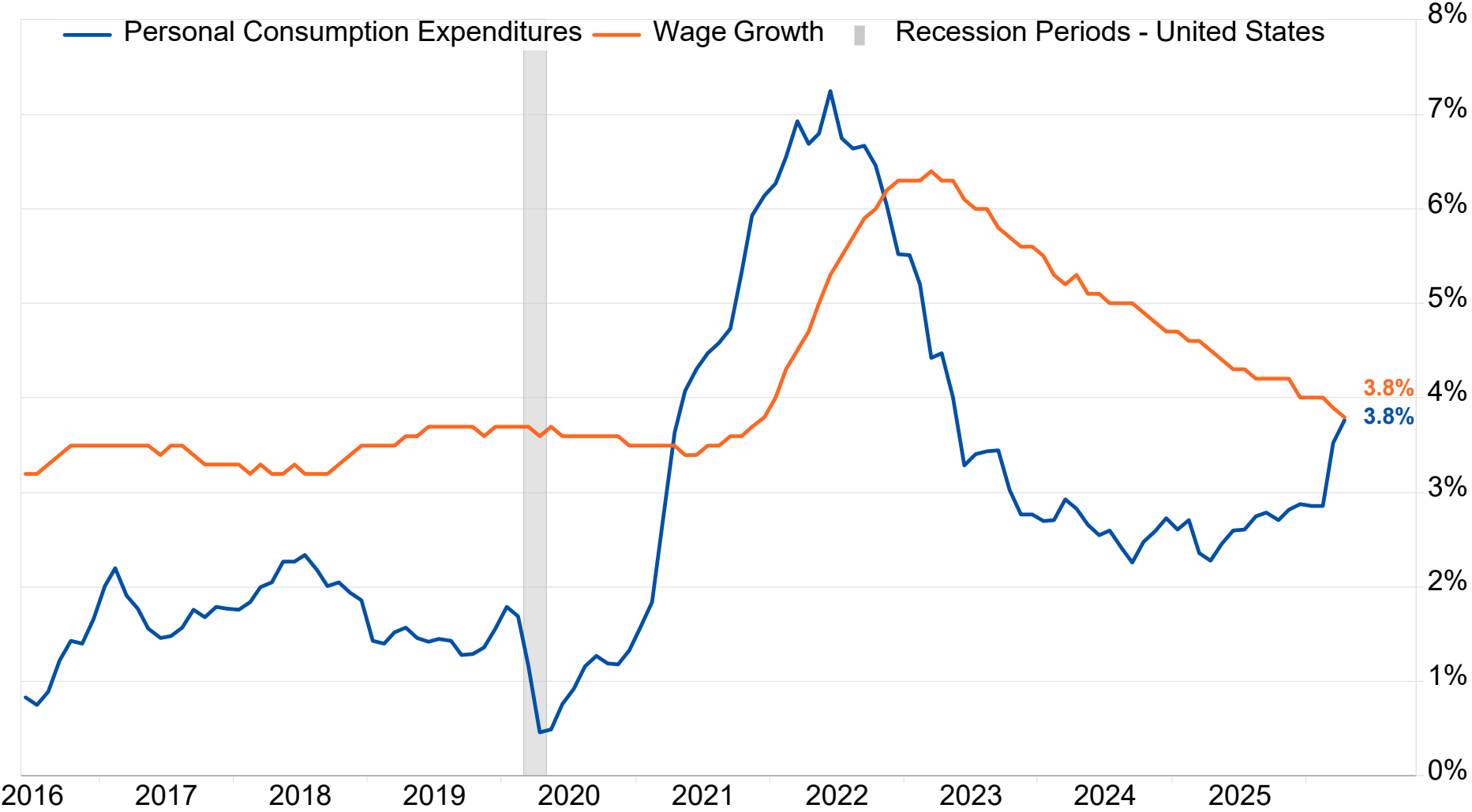
Gross Domestic Product (GDP)

The second revision of 2026 Q1 U.S. GDP was reduced from 2.0% to 1.6% indicating growth was not as strong as initially estimated.



Inflation

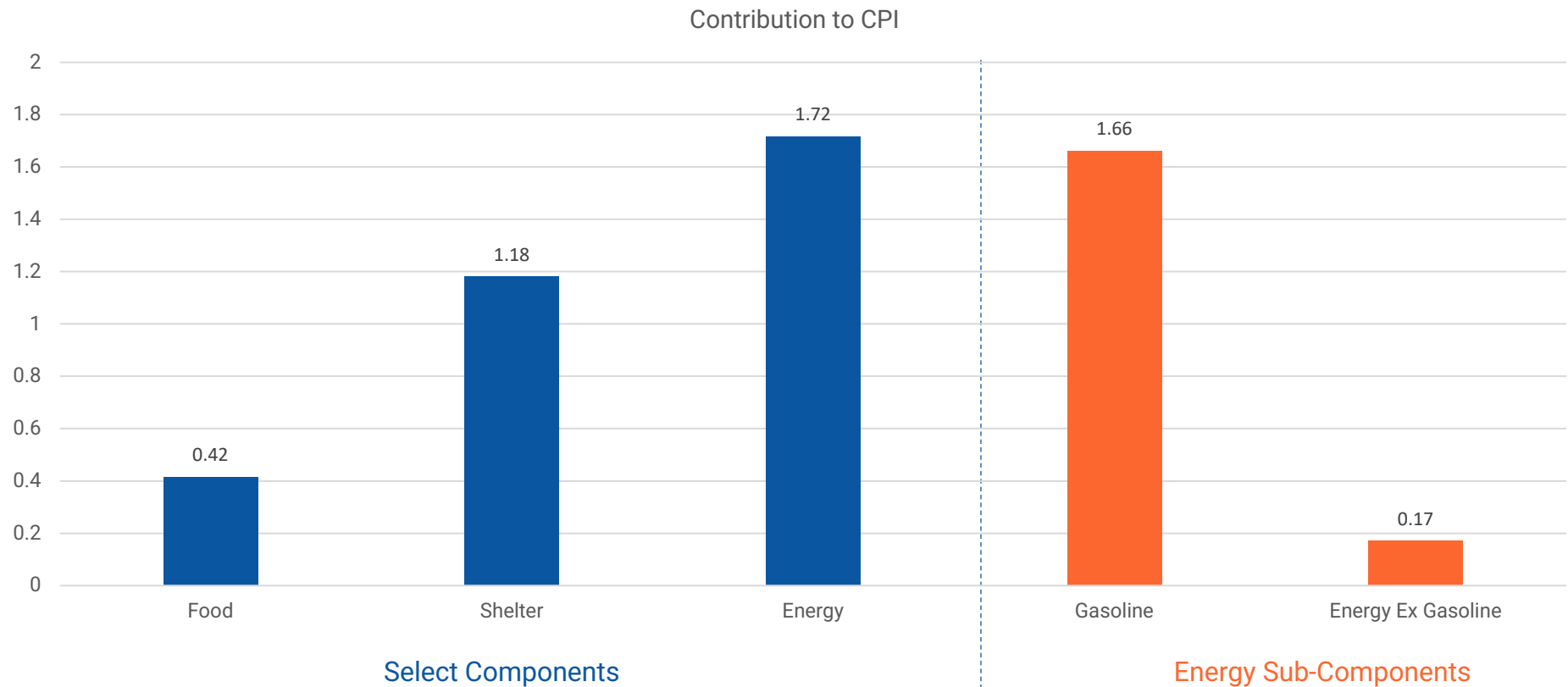
April Personal Consumption Expenditures (PCE) spiked over the last several months, it is now equal to wage growth.



Sourced from FactSet.

Inflation Drivers

The May Consumer Price Index rose 4.2% relative to last year, led predominantly by energy. Gasoline prices are up 40% compared to this time last year as the Iran conflict continues.



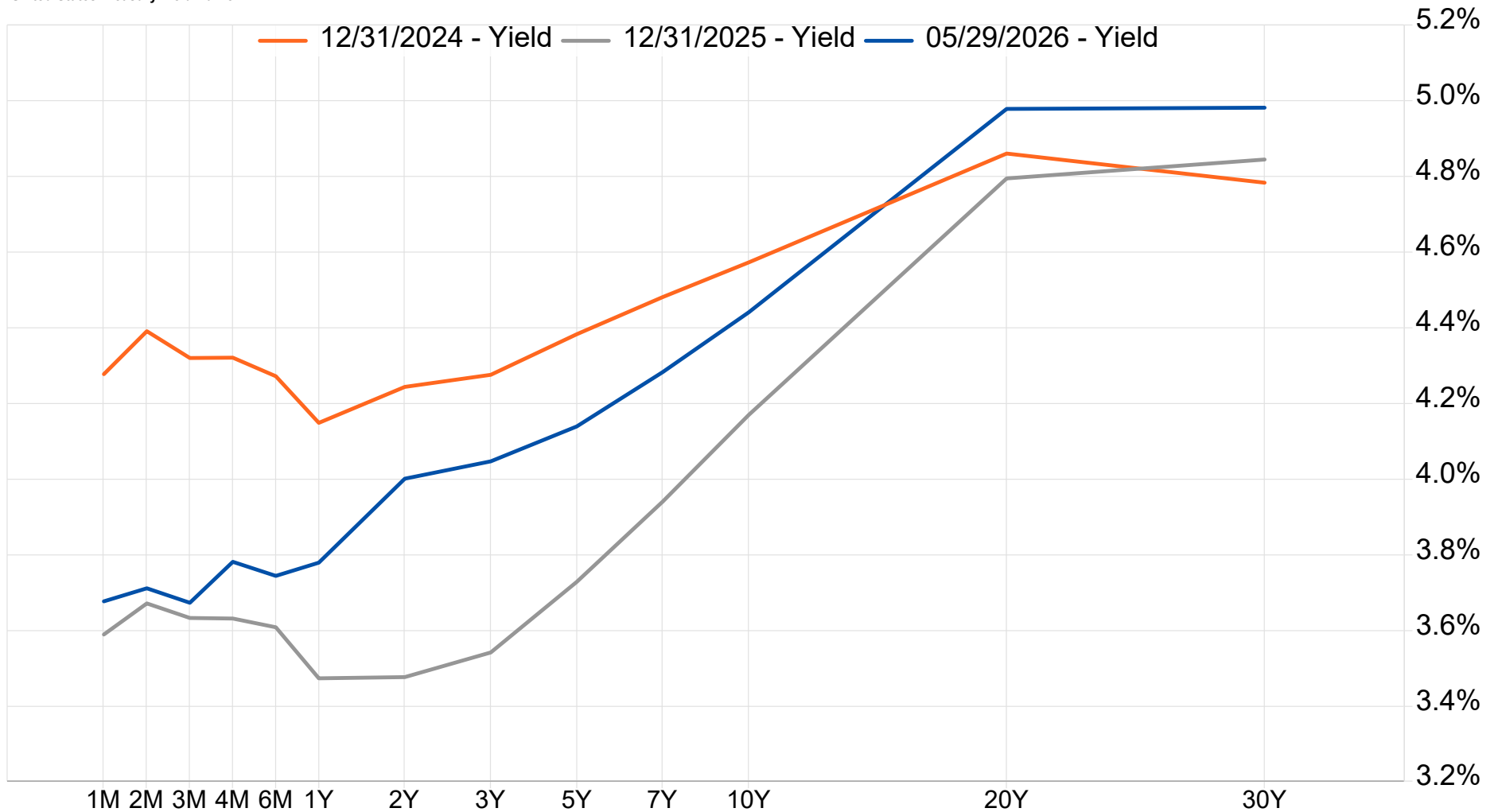
Contribution found by multiplying prior ending weight by inflation rate.
Sourced from FactSet.



Yield Curve

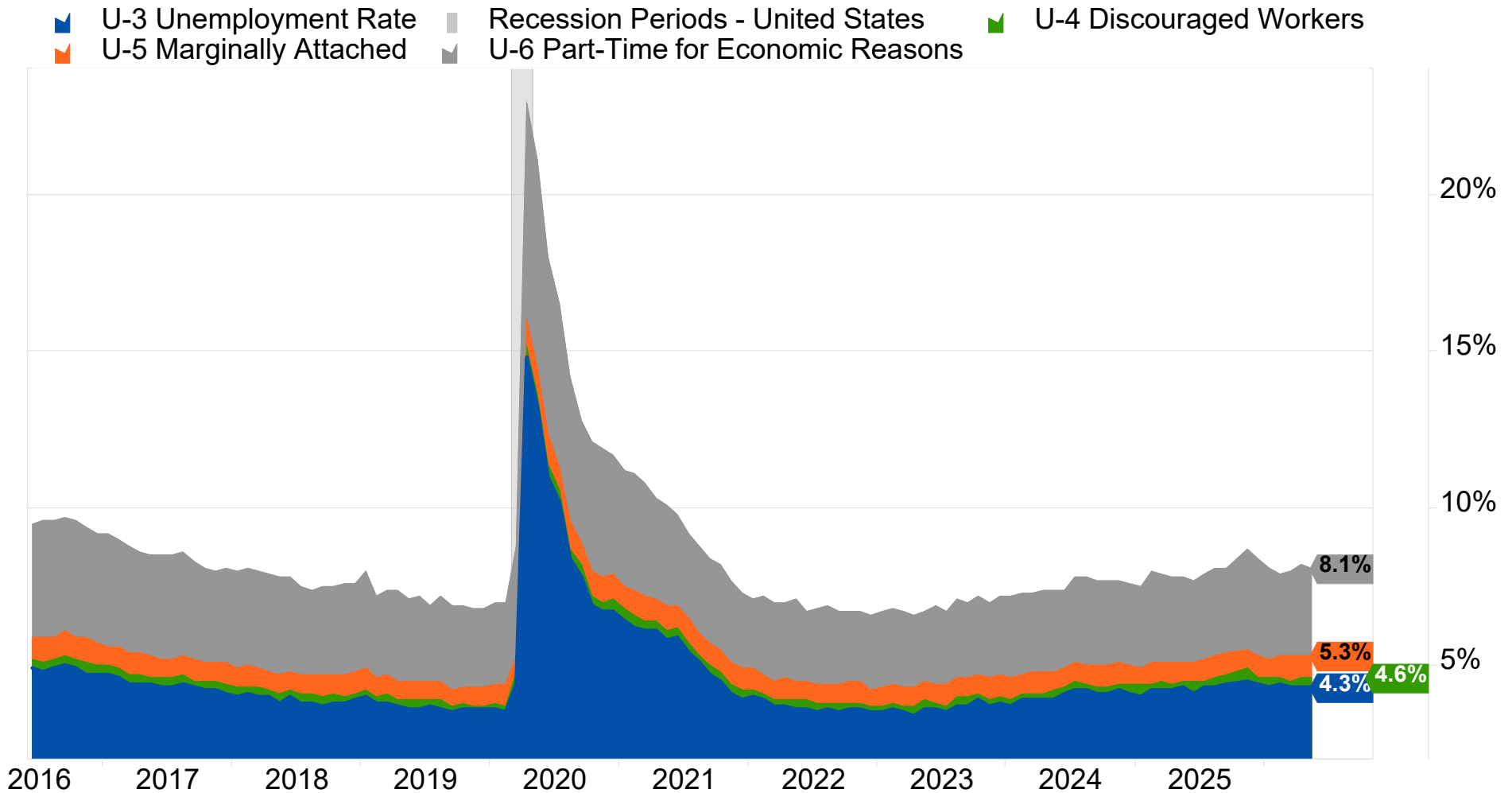
Yields have risen since the end of 2025, yet the curve remains normalized relative to 2024.

United States Treasury Yield Curve



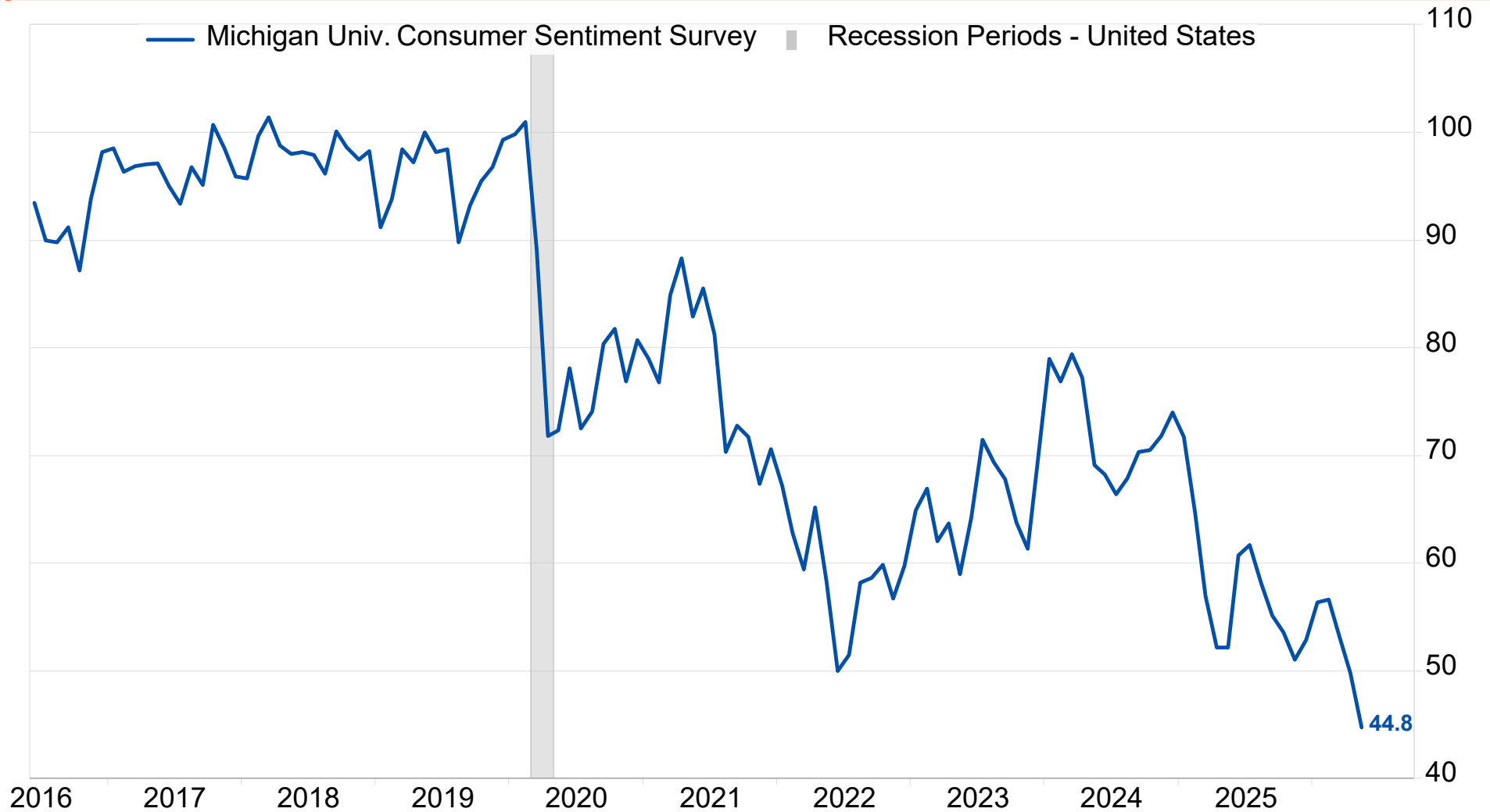
Unemployment

Per the May jobs report, the commonly referenced unemployment rate (U-3) held at 4.3%, as job gains significantly outpaced expectations.



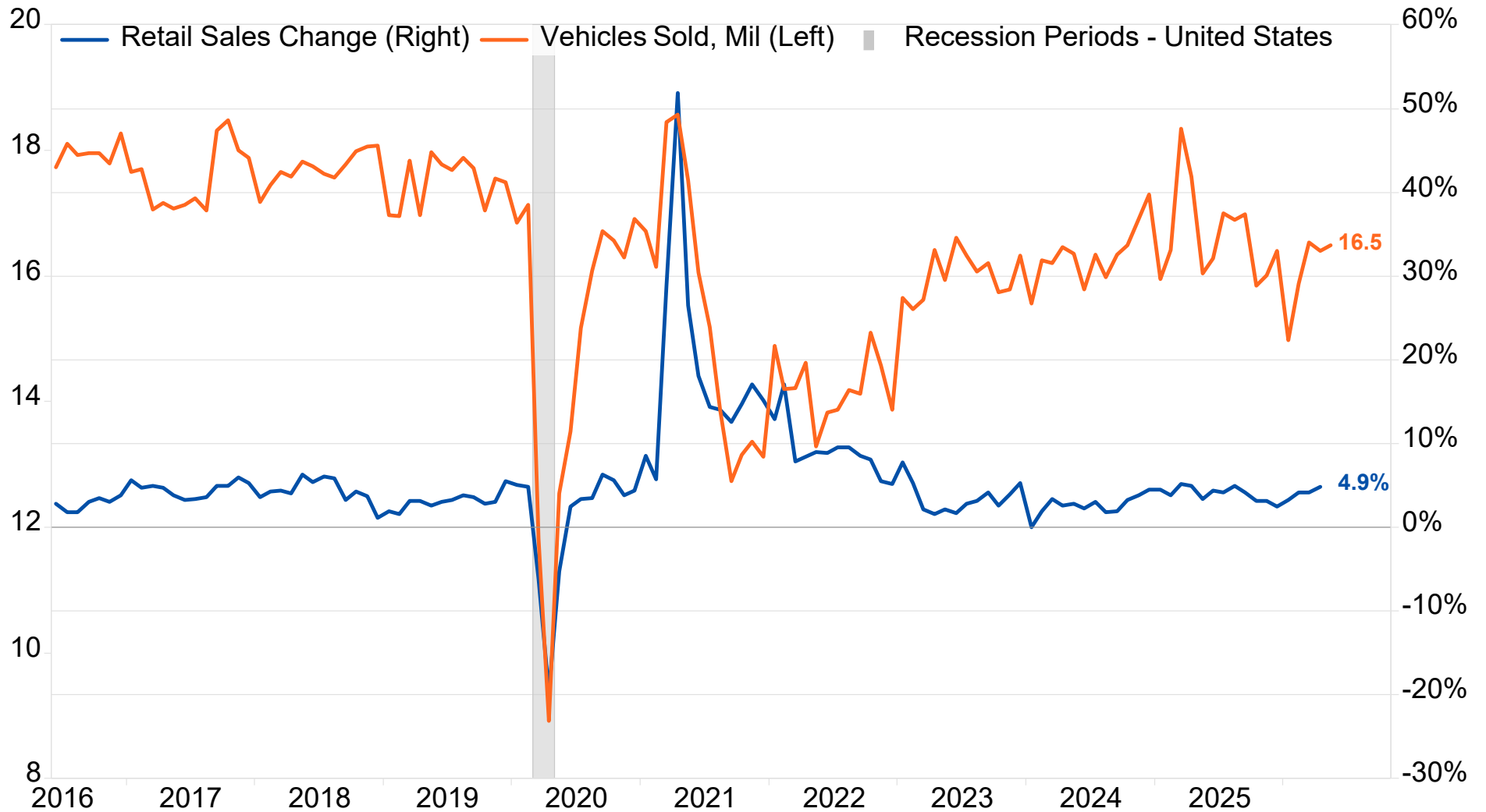
Consumer Sentiment

Sentiment in May fell to its lowest level in the last decade. Rising inflation and geopolitical events are weighing on consumer's minds.



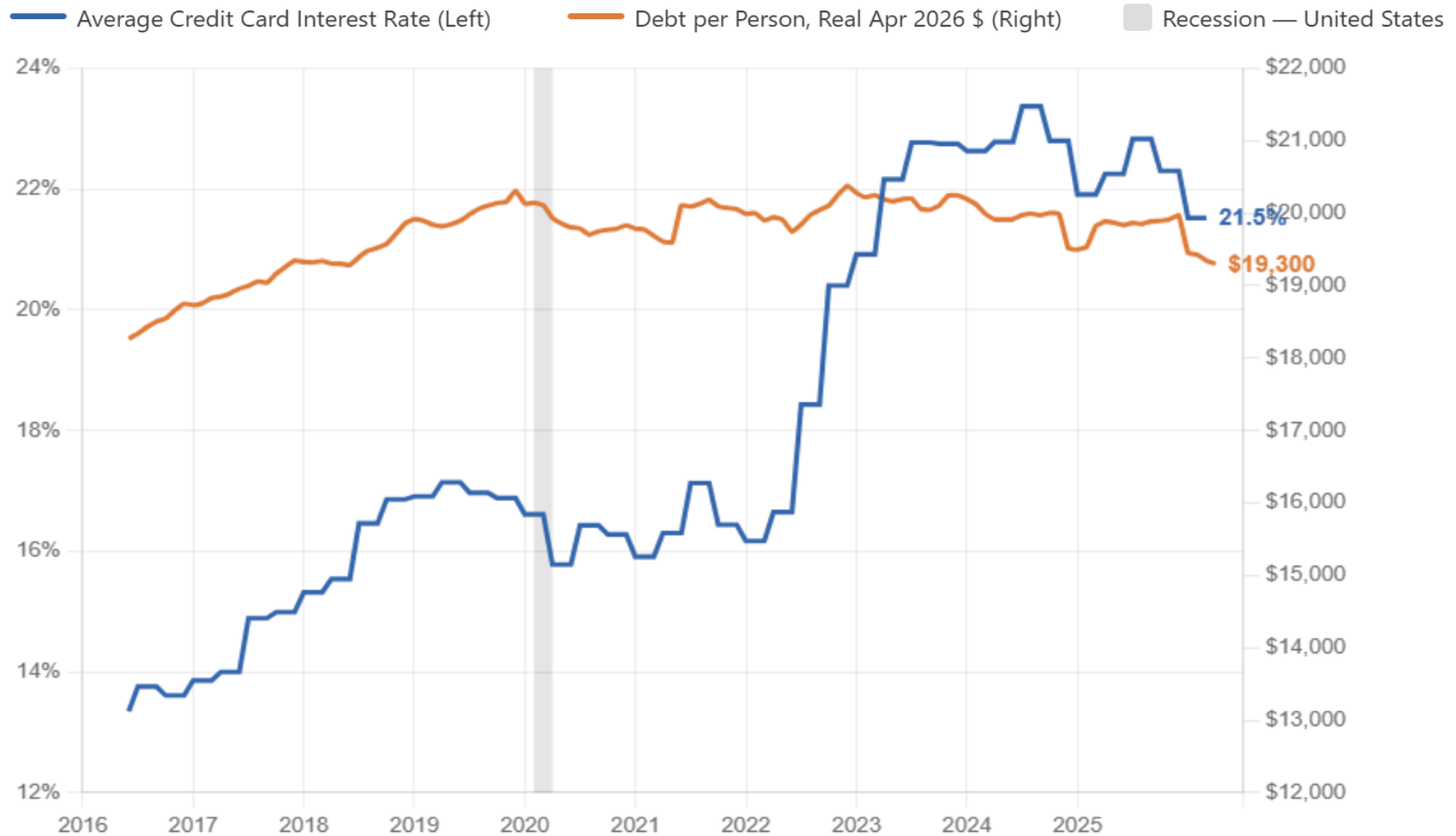
Consumption

Retail sales in May grew at nearly 5% compared to the prior year. Vehicles sold, a significant weight in retail sales, continues to hover around 16-17 million.



Consumer Debt

U.S. adults are carrying elevated levels of debt compared to a decade ago, meanwhile credit card rates remain elevated despite a small decline this year.

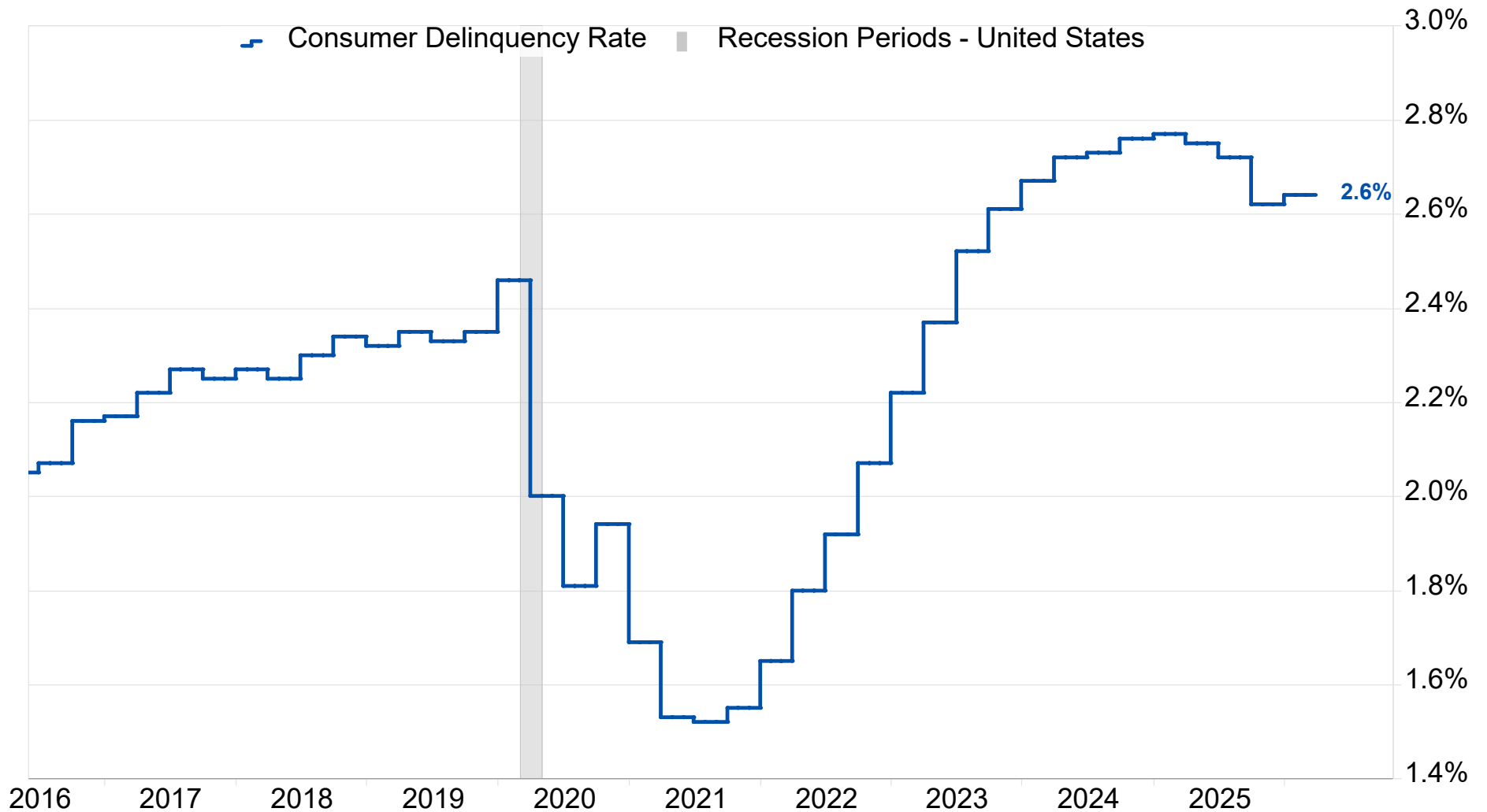


Sources: Debt per Person — FactSet; CPI (CPIAUCSL, SA) — U.S. Bureau of Labor Statistics via FRED. Deflated to April 2026 dollars (CPI = 332.407).

Sourced from FactSet. Non-mortgage debt shown.

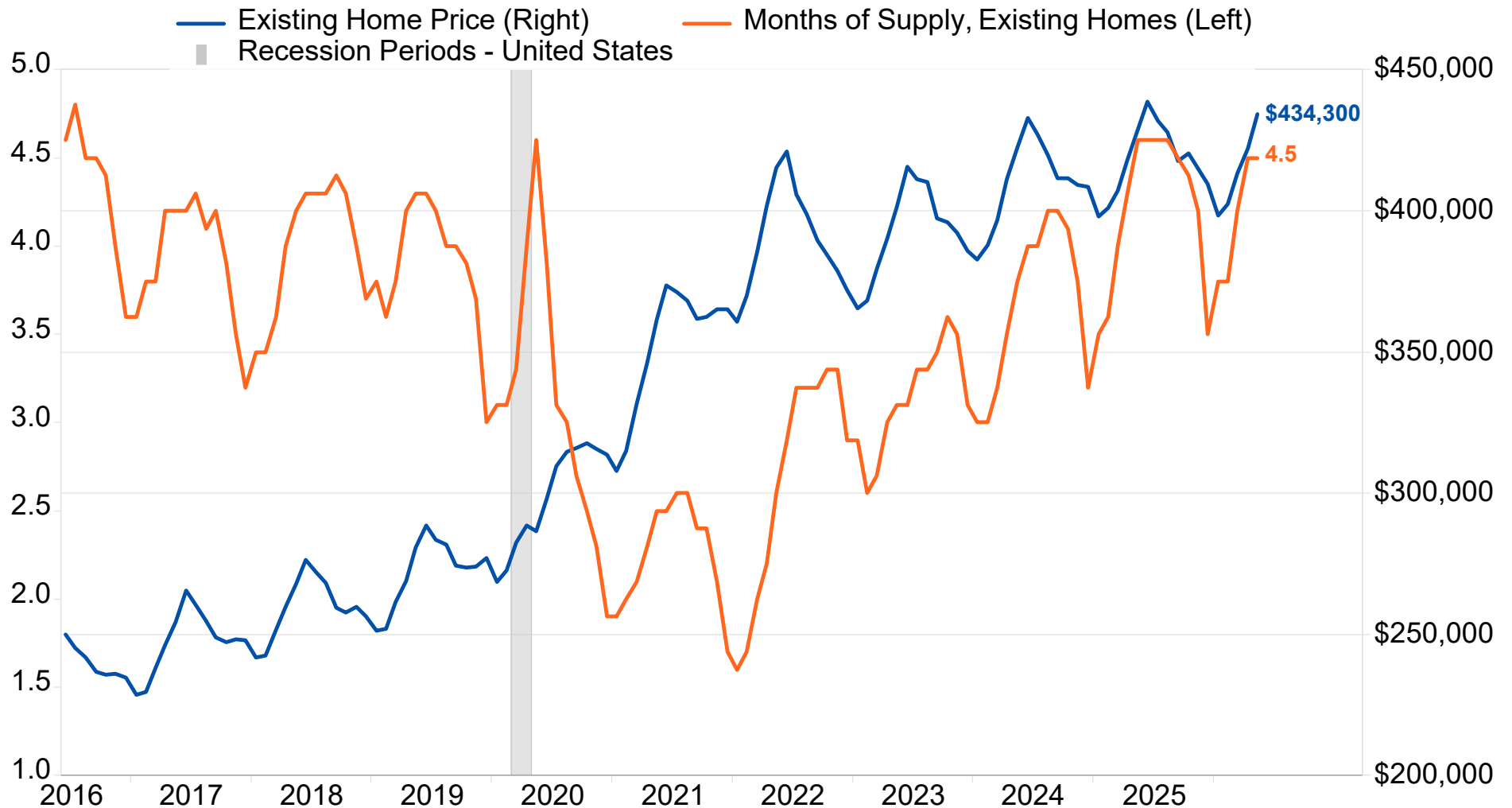
Consumer Delinquency

The delinquency rate held at about 2.6% notching a small increase in May after retreating for several months.



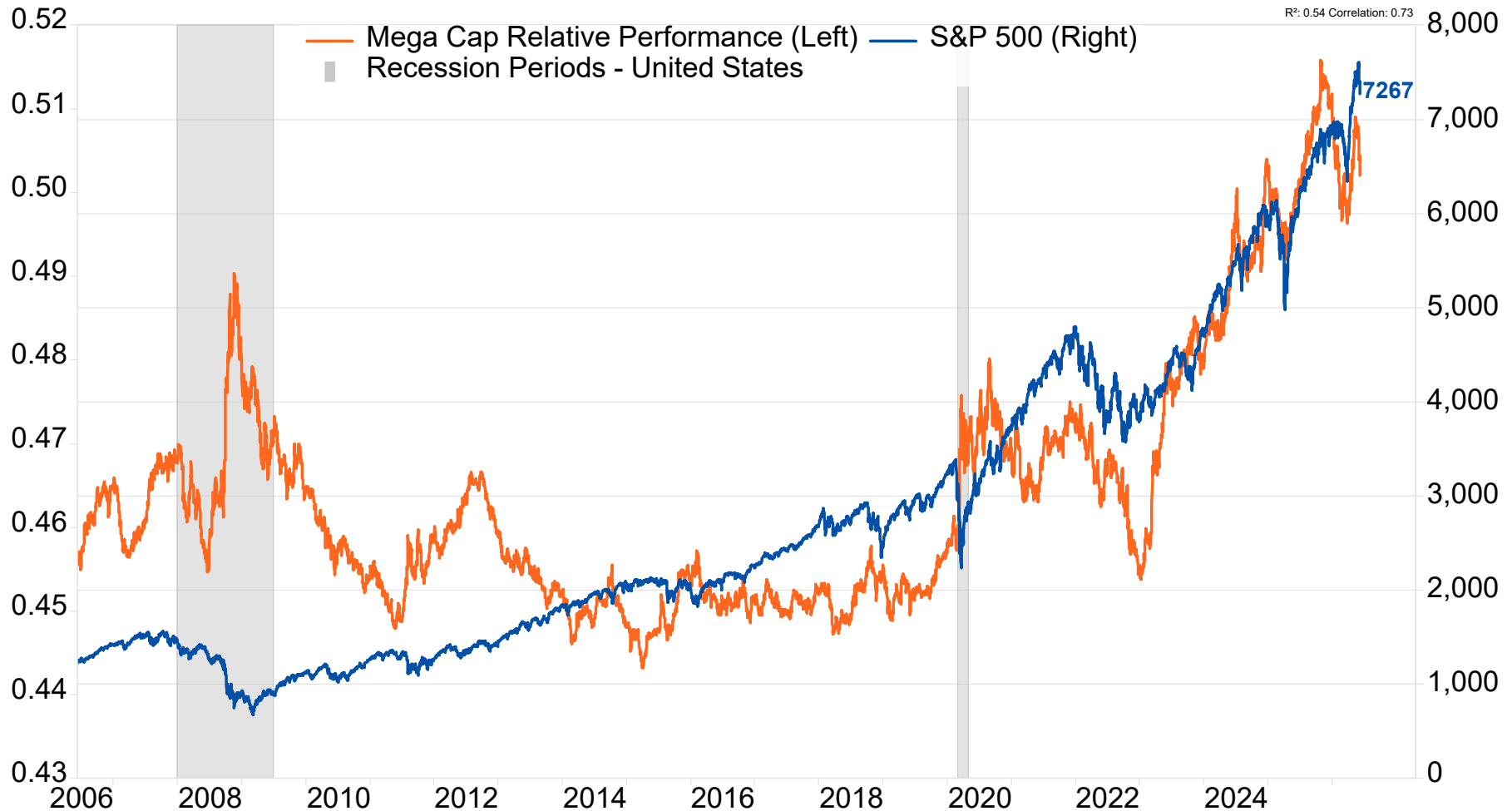
Housing

Home prices have continued their long rise in May; meanwhile the market is becoming more balanced with more home supply.



S&P 500 Index Performance

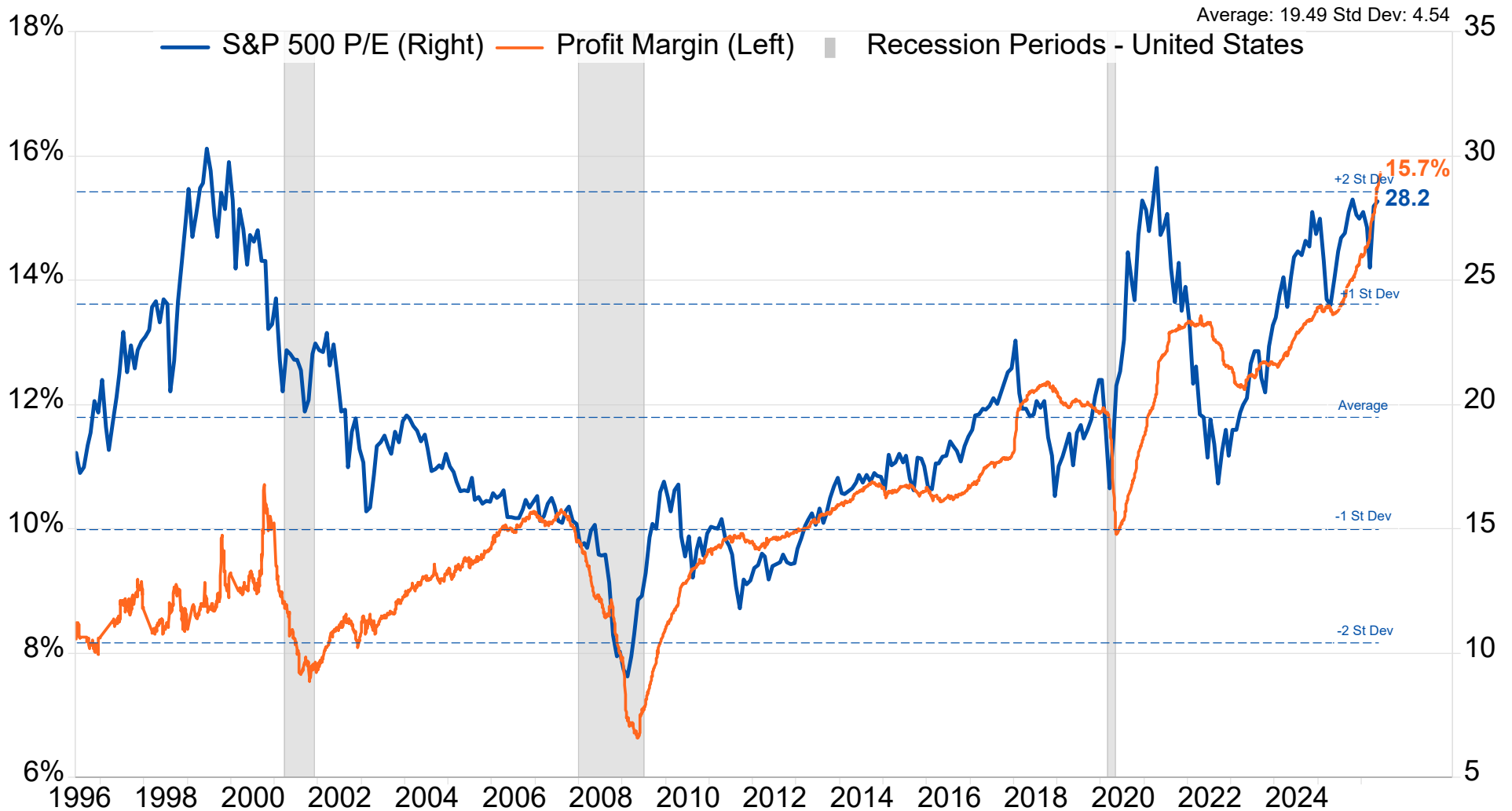
The S&P index has reached record highs, driven by Mega cap performance as AI stocks drive the market. Although it has retreated due to geopolitical events in recent days.



▶ In 2025, the total return for the S&P 500 Index was **17.88%**. This return follows two consecutive years of strong gains.

S&P 500 Price/Earnings

The S&P 500 Index continues to be quite profitable; valuations continue to expand pushing close to two standard deviations from their 30-year average.



Glossary

Data point definitions and sources

GDP Growth: Real GDP growth, seasonally adjusted annualized rate (BEA)

Personal Consumption Expenditures: YoY % change in consumer prices, seasonally adjusted (BEA)

Wage Growth: 12-month moving avg % change in median hourly wages, continuously employed workers (Atlanta Fed)

S&P 500 PE: Trailing 12-month Price/Earnings ratio

Mega Cap Relative Performance: S&P 100 / S&P 500 total return; rising = outperformance, falling = underperformance

Profit Margin: Net profit margin of the S&P 500 index

Consumer Sentiment: Consumer Sentiment Index (University of Michigan)

Vehicles Sold: Total US vehicle sales, seasonally adjusted annualized rate, millions (BEA)

Sales Change: YoY % change in Retail & Food Services Sales (US Census Bureau)

Credit Card Rate: Average interest rate on credit card balances, excludes pay-in-full / 0% APR accounts (Federal Reserve)

Debt per person: Total consumer credit outstanding ÷ ~267M US adults (USD/person); includes revolving & fixed debt, excluding mortgages (Federal Reserve)

Delinquency Rate: Delinquency rate on consumer loans (credit cards, auto, personal), seasonally adjusted (Federal Reserve)

Months of Supply, Existing Homes: Months to sell current existing home inventory at prevailing pace, not seasonally adjusted (NAR)

Existing Home Price: Median existing home sale price (NAR)

U-3: Official unemployment rate; actively job-seeking, available to work (BLS)

U-4: U-3 + discouraged workers (stopped searching, believe no suitable jobs available) (BLS)

U-5: U-4 + other marginally attached workers (sought work in past 12 months, not past 4 weeks) (BLS)

U-6: U-5 + part-time workers seeking full-time employment (BLS)