Bolton

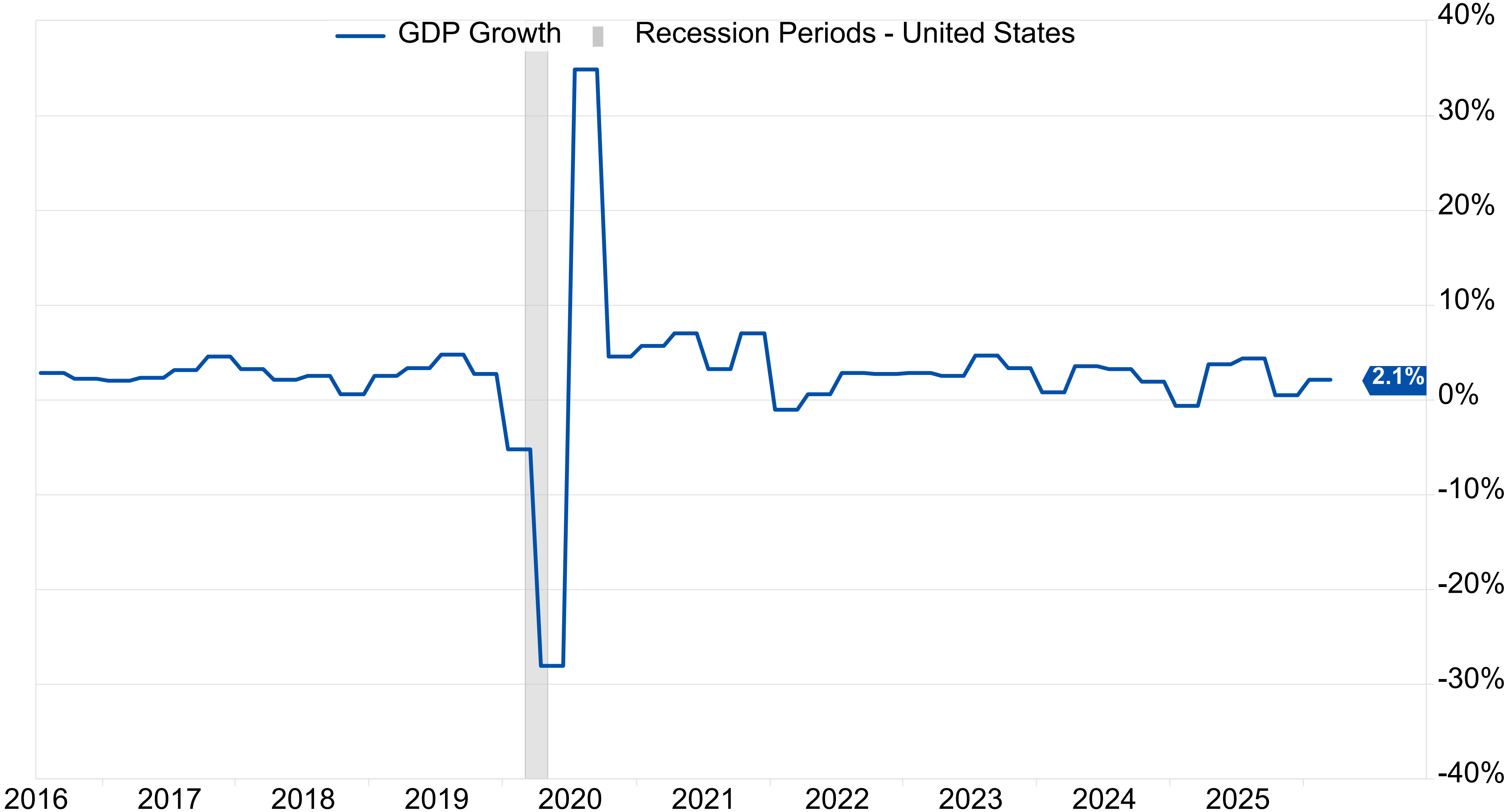
Monthly Economic Update

June 2026

All data as of 7/14/26 unless otherwise noted

Gross Domestic Product (GDP)

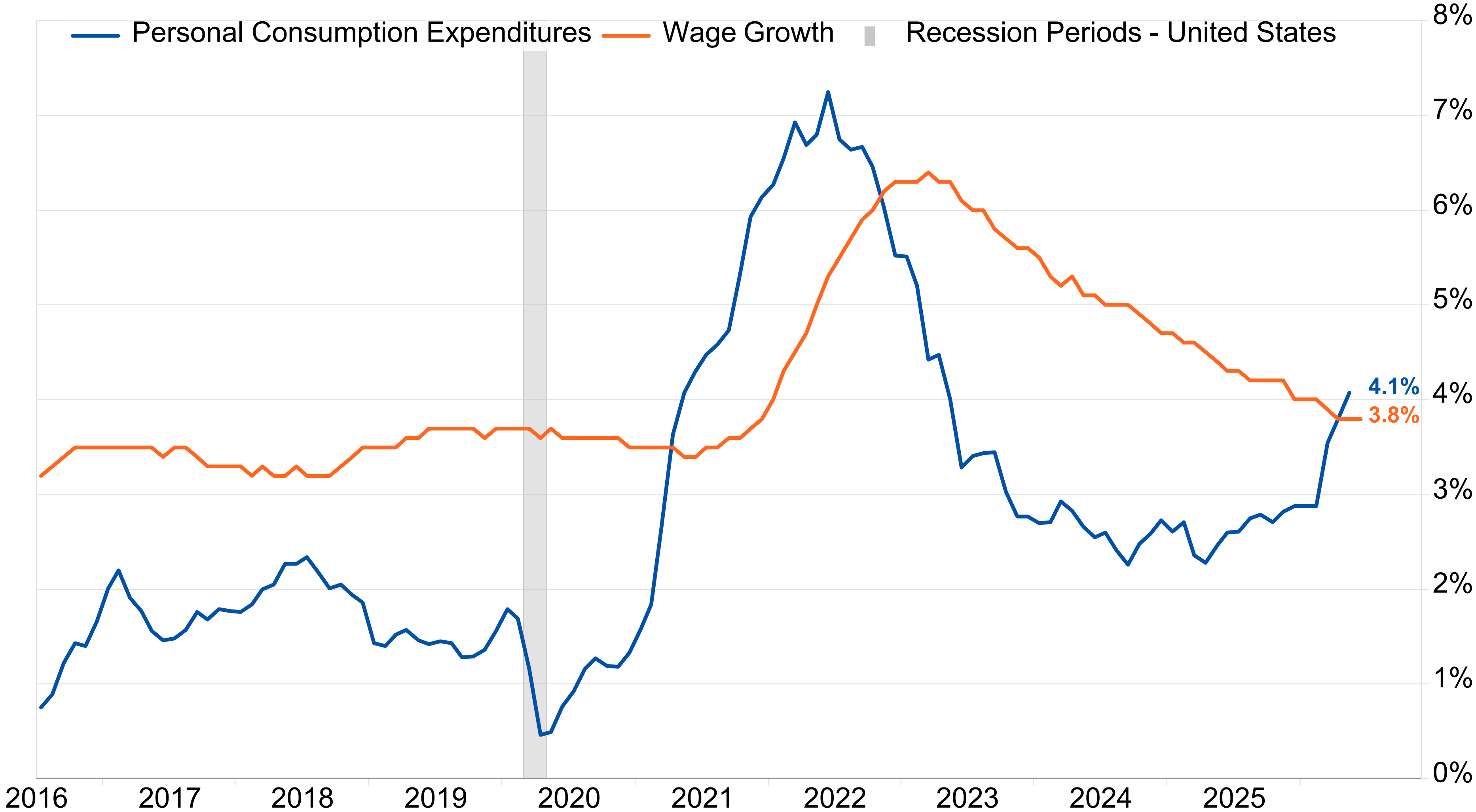
The final revision of 2026 Q1 U.S. GDP was increased from 1.6% to 2.1% due to stronger investment and consumer spending.



Sourced from FactSet.

Inflation

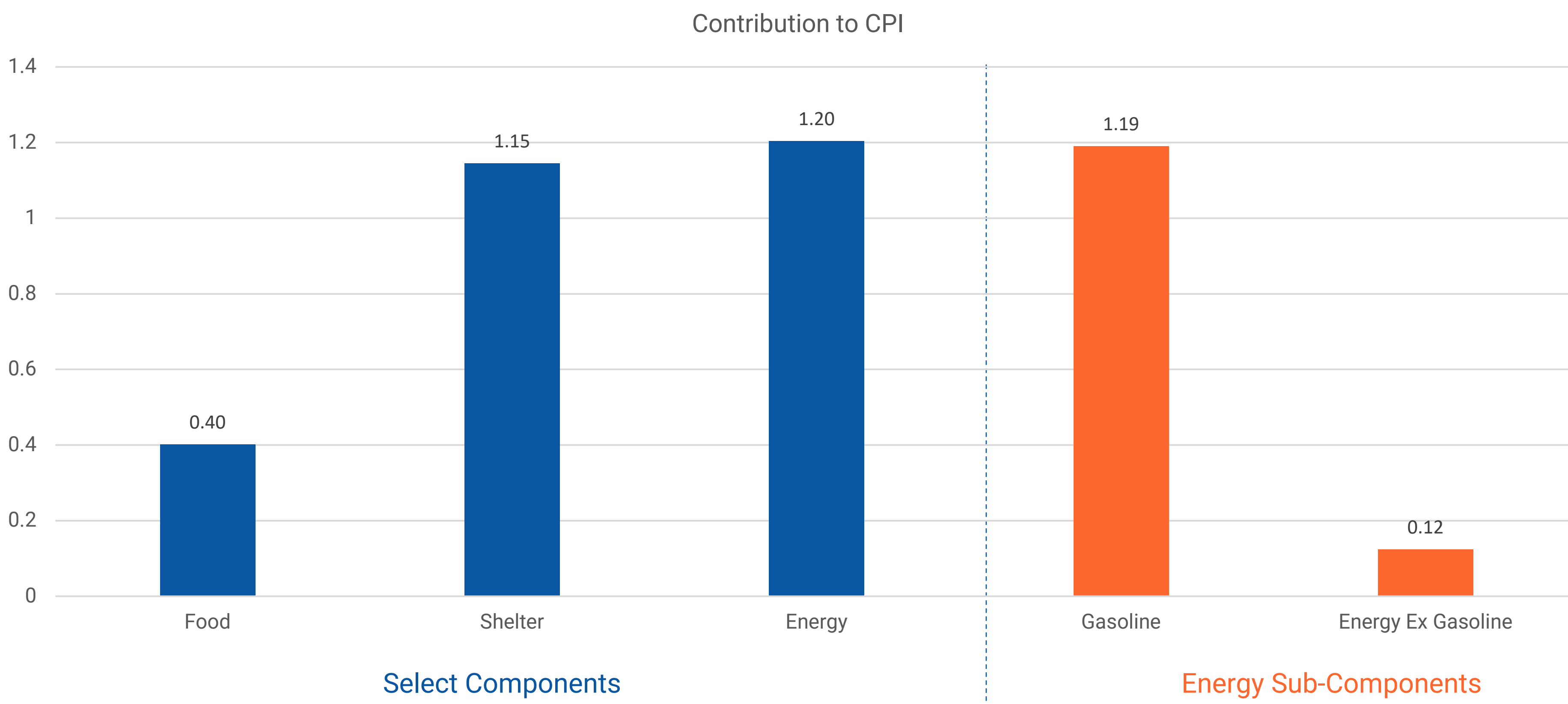
May Personal Consumption Expenditures (PCE) continued to rise, it is now above wage growth which stayed flat.



Sourced from FactSet.

Inflation Drivers

The June Consumer Price Index rose 3.5% relative to last year, led by energy and shelter. Gasoline prices are down from their May peak; however, they are still elevated compared to last year.

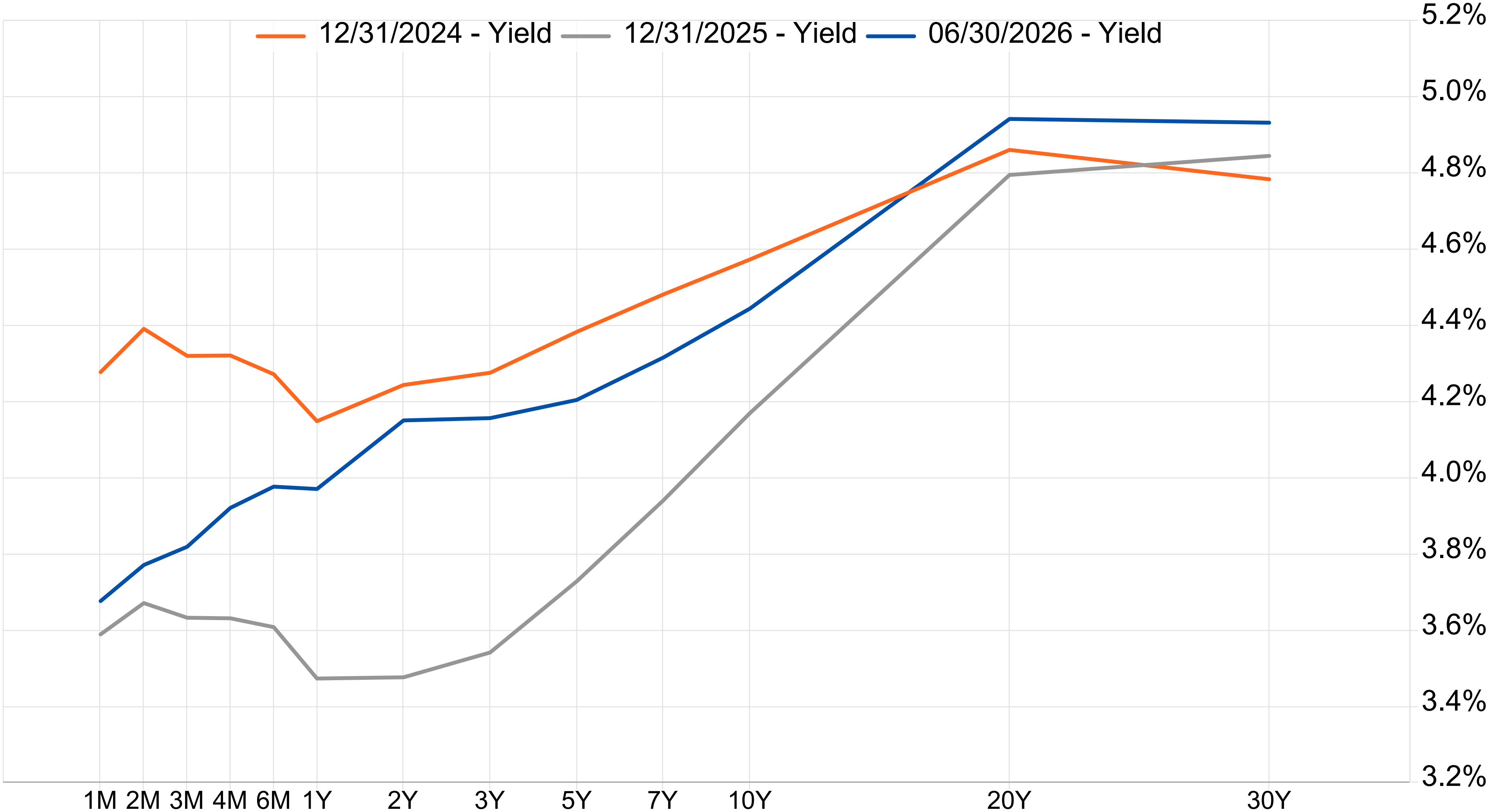


Contribution found by multiplying prior ending weight by inflation rate.
Sourced from FactSet.

Yield Curve

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

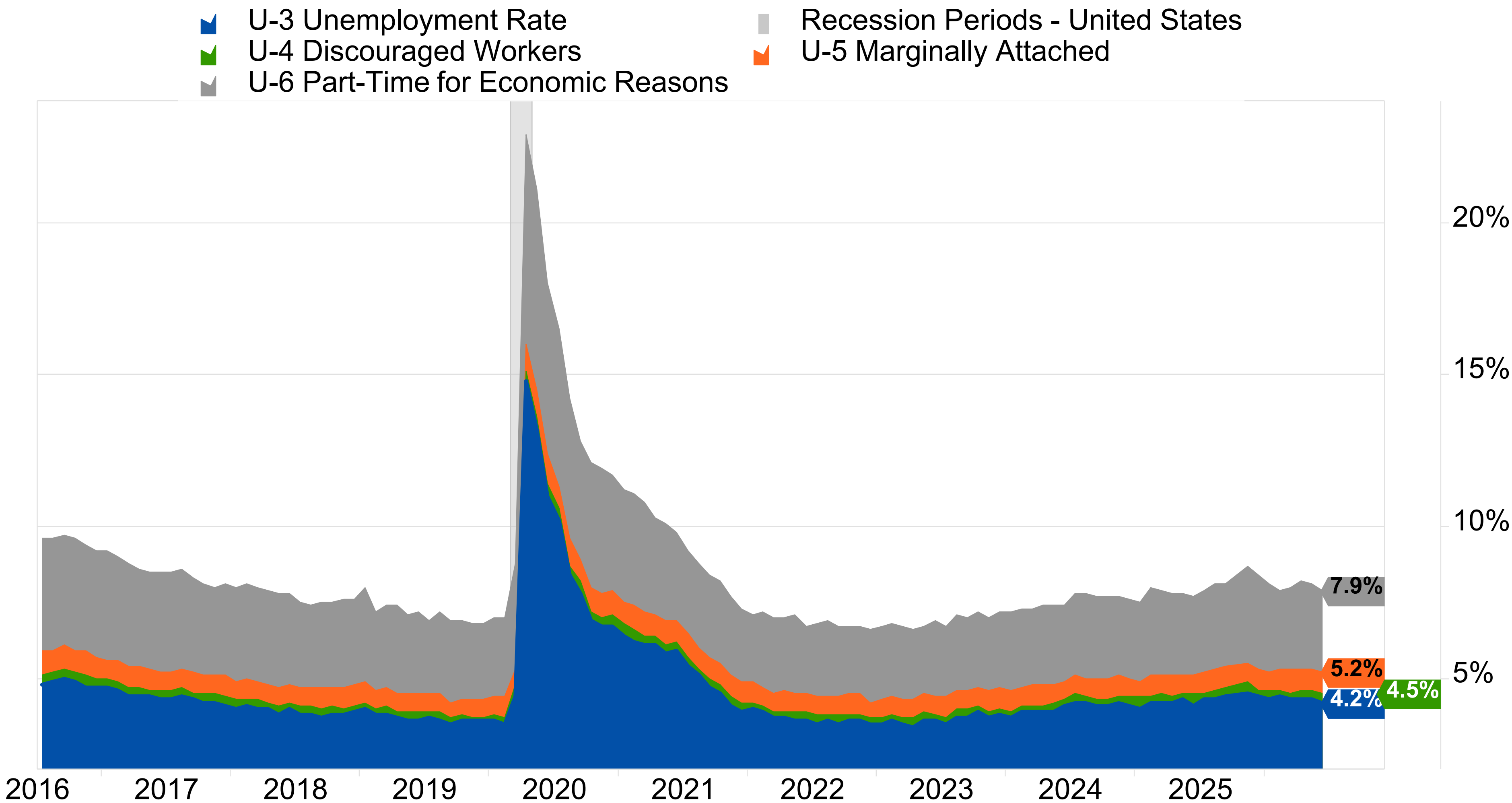
United States Treasury Yield Curve



Sourced from FactSet.

Unemployment

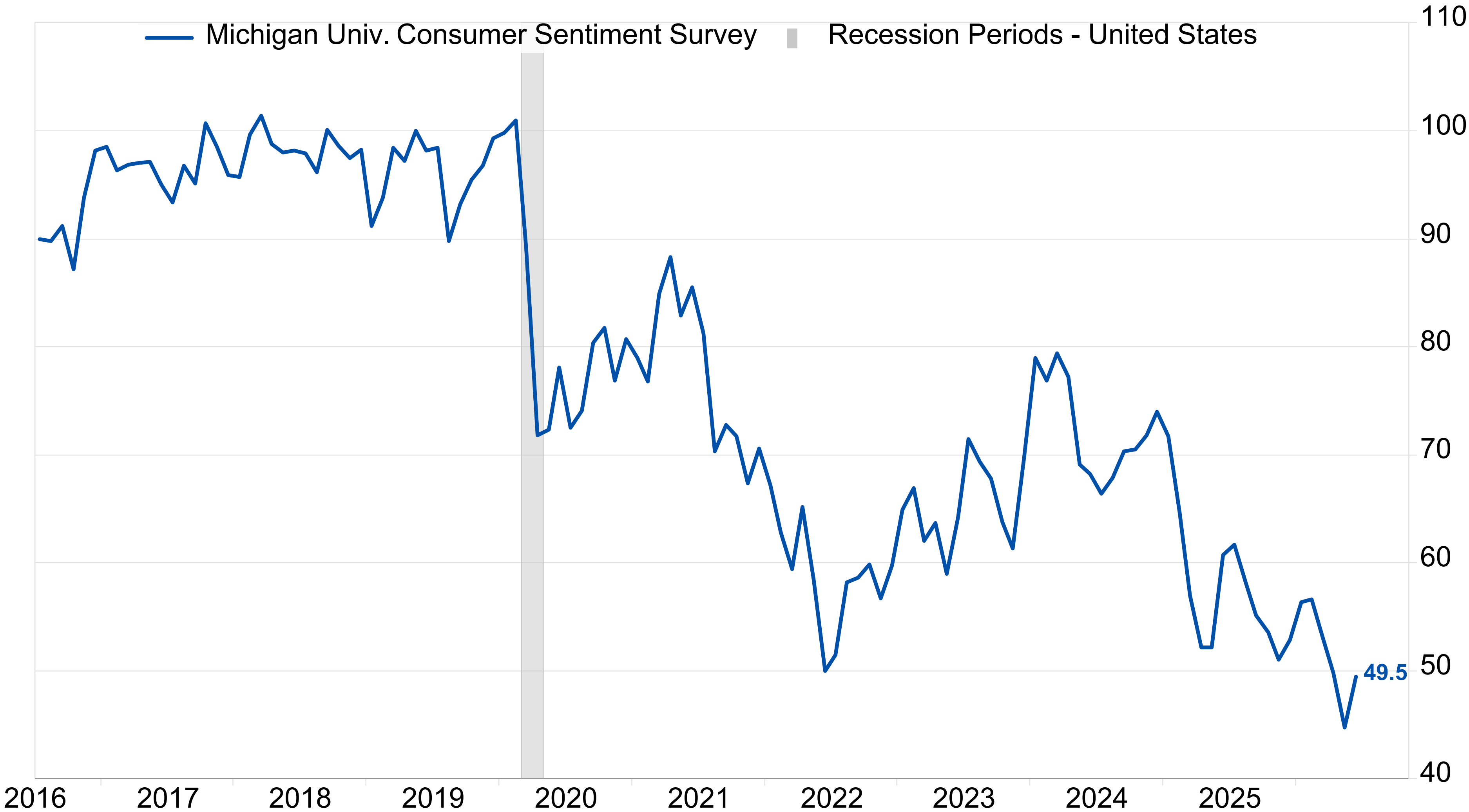
Per the May jobs report, the commonly referenced unemployment rate (U-3) dropped slightly to 4.2%. All other metrics decreased as well, indicating the job market is holding on despite concerns.



Sourced from FactSet.

Consumer Sentiment

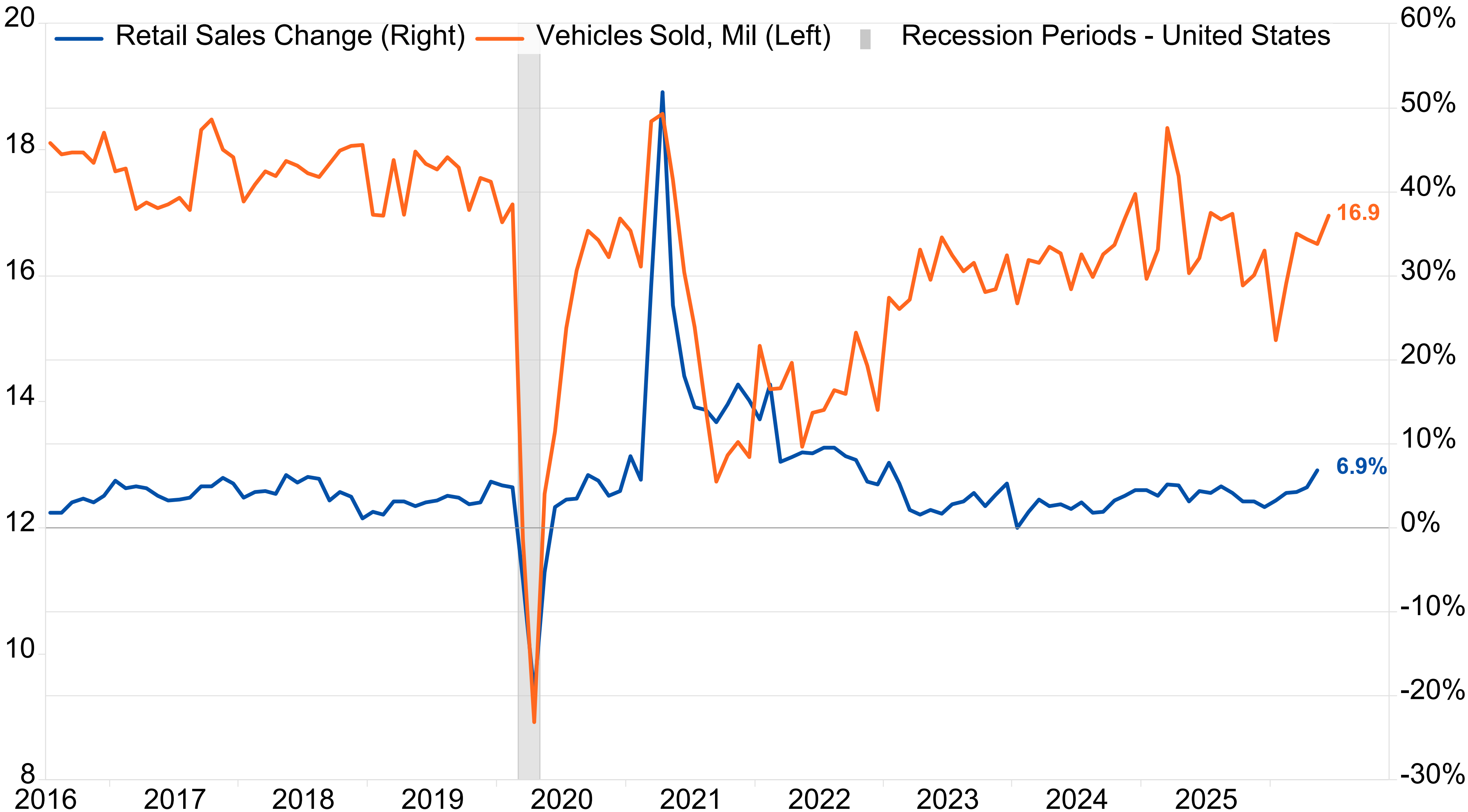
Sentiment in June rebounded slightly, however levels remain below 2022 lows. Inflation and geopolitical events are continuing to weigh on consumer's minds.



Sourced from FactSet.

Consumption

Retail sales in June grew at nearly 7% compared to the prior year, a significant increase. Vehicles sold, a significant weight in retail sales, rose to its highest level since last year.

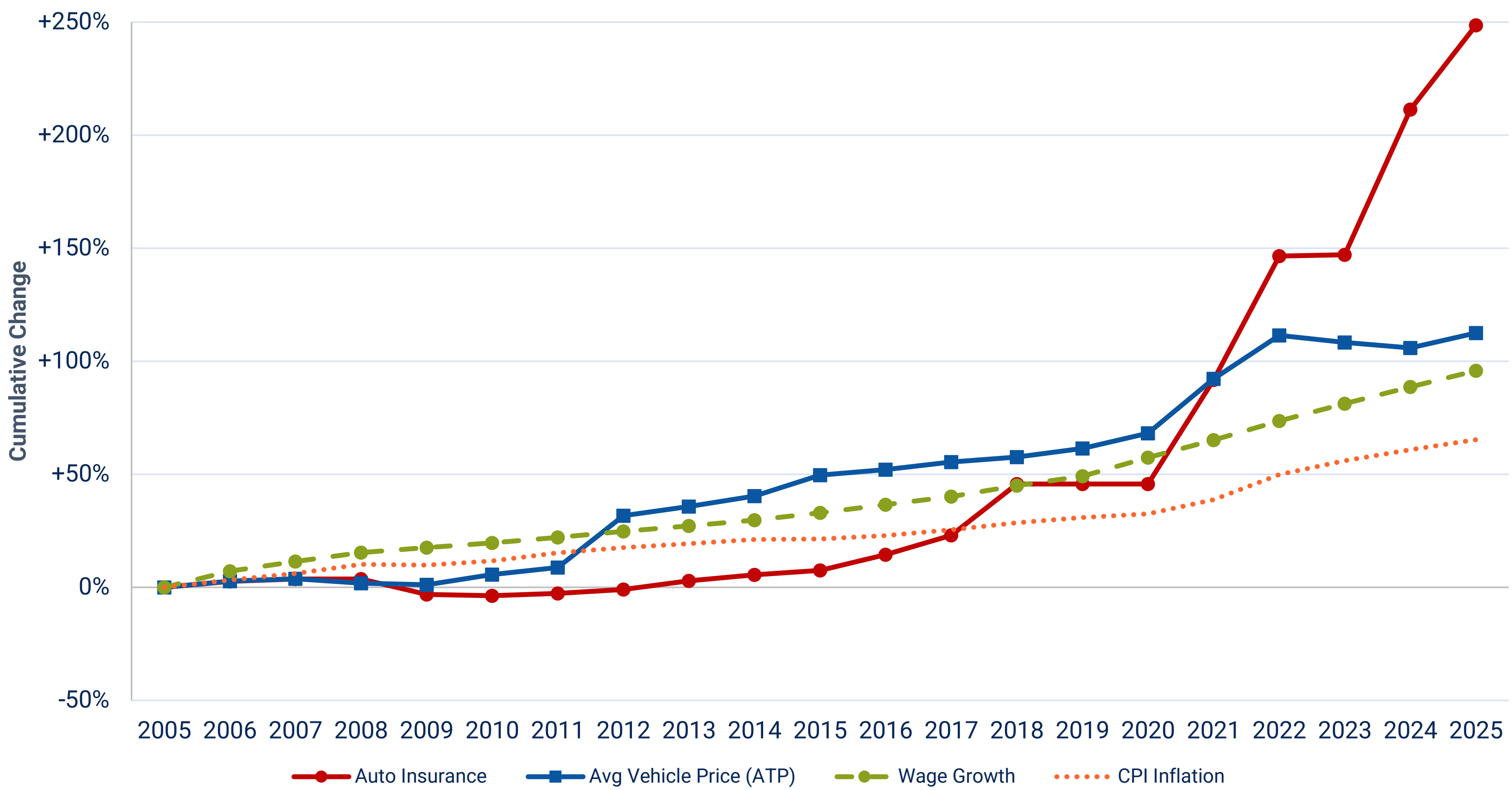


Sourced from FactSet.

Featured Chart

Vehicle Costs

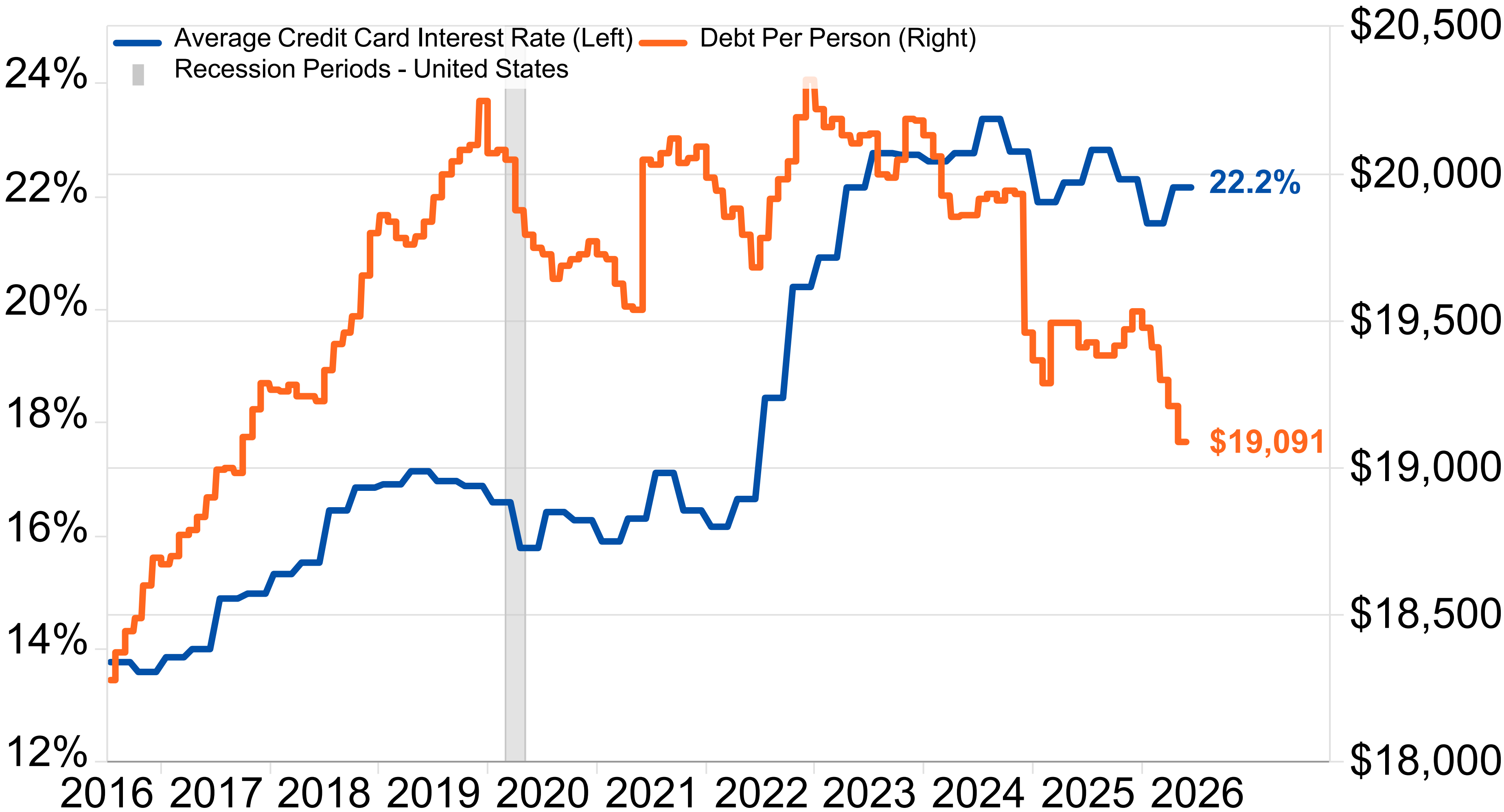
Since 2005, vehicle costs and insurance have outpaced both wages and inflation. Insurance had lagged previously; however, it has since increased dramatically following the COVID lockdowns.



Indexed to 2005=0%. Avg Vehicle Price: BEA/DOE & KBB/Cox Automotive.
Insurance: NAIC (2005–18), Bankrate/Quadrant (2019–25). Wages & CPI: BLS.

Consumer Debt

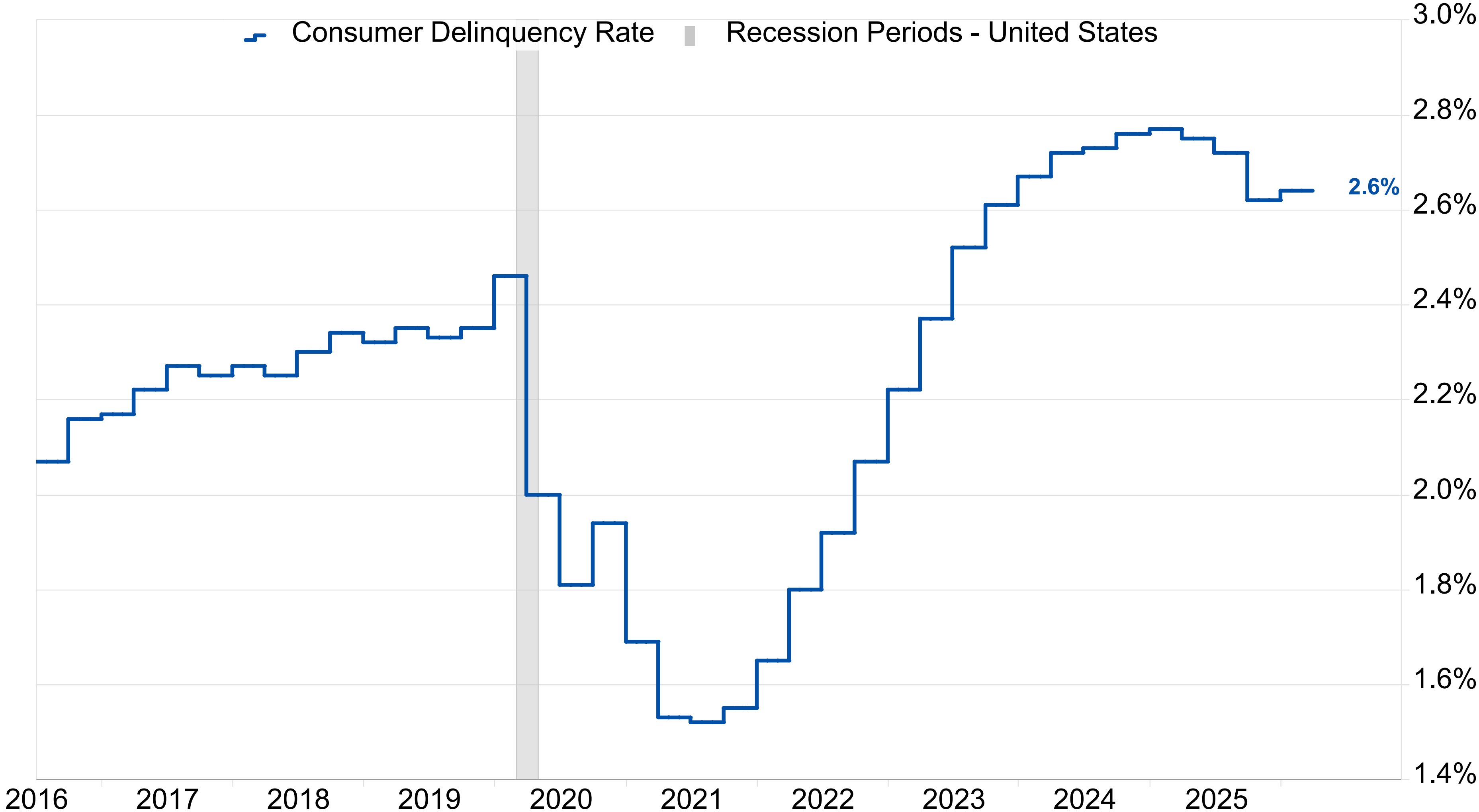
American adults are carrying less overall debt than its peak, however, levels remain elevated compared to a decade ago. Credit card rates are also significantly higher now, leading to higher debt costs.



Sourced from FactSet. Non-mortgage debt shown.

Consumer Delinquency

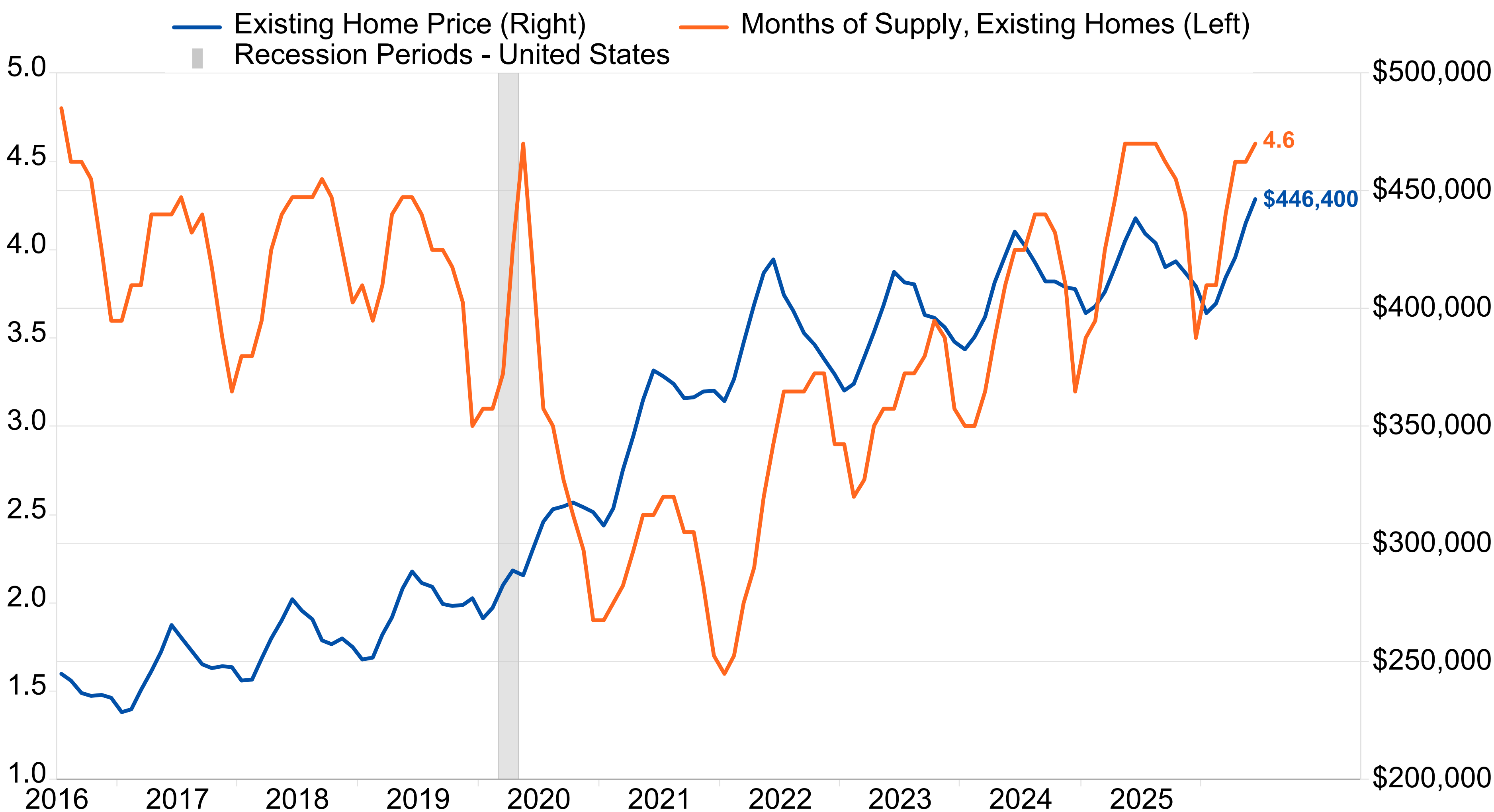
The delinquency rate was steady around 2.6%. It remains elevated compared to levels prior to COVID.



Sourced from FactSet.

Housing

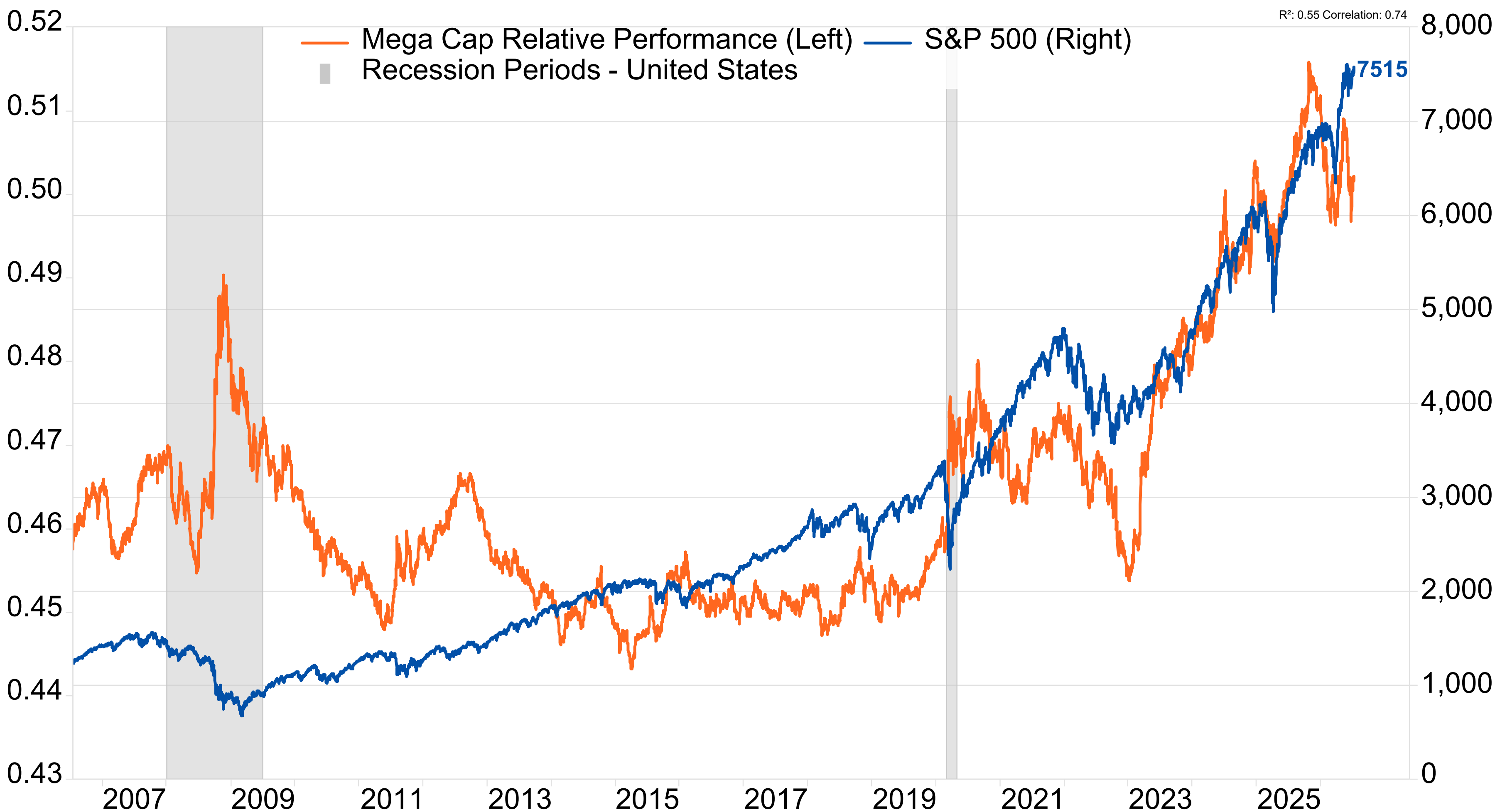
Home prices have continued their long rise in June; meanwhile the market is becoming more balanced with more home supply.



Sourced from FactSet.

S&P 500 Index Performance

The S&P index has been hovering near all-time highs, as AI stocks drive the market. Investors continue to be concerned about geopolitical events.

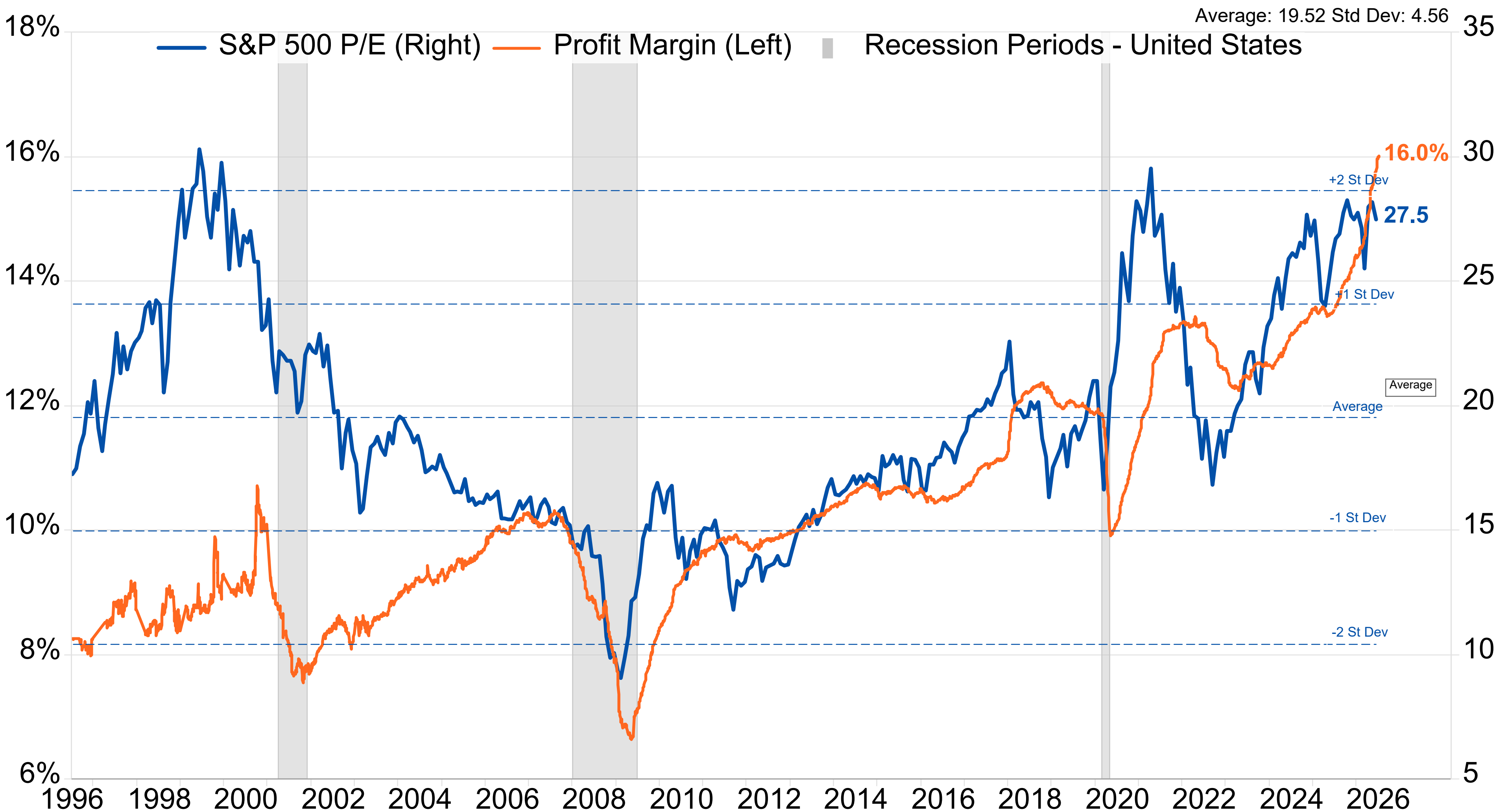


- In 2025, the total return for the S&P 500 Index was **17.88%.** This return follows two consecutive years of strong gains.

Sourced from FactSet.

S&P 500 Price/Earnings

The S&P 500 Index continues to be quite profitable; valuations did contract slightly as the AI trade moves from the hyperscalers towards memory chip producers.



Sourced from FactSet.

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)