

Weekly Market Analysis

Vital Quantitative Research, LLC | Subscriber's Weekly Market Report

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Market at a Glance: Week of June 15–19, 2026

Index / Asset	Close (Fri. June 19)	Week Change	Context
S&P 500	7,505.46*	+1.6%	Closed Iran-deal gap-up week
Nasdaq Composite	26,517.93*	+2.5%	Best week since early June
Dow Jones Industrials	51,564.70*	+0.4%	New record high Tuesday
Russell 2000	2,979.77*	+1.7%	Outperformed despite Fed jitters
CBOE VIX	~16–18	Lower on wk.	Eased on Iran deal, oil drop
10-Yr Treasury Yield	~4.45–4.55%	Roughly flat	Hawkish dots offset by oil drop
WTI Crude Oil	Sharply lower	Down double digits	Tumbled on Strait reopening
Brent Crude Oil	Sharply lower	Down double digits	Largest weekly drop of 2026

* Wednesday, June 17 closing levels shown where noted; markets were closed Friday, June 19 for the Juneteenth holiday. Weekly change reflects the four-day trading week.

Executive Summary

Equities rallied through a holiday-shortened week defined by two landmark developments: a signed U.S.-Iran peace framework that reopened the Strait of Hormuz, and the first Federal Reserve meeting under new Chair Kevin Warsh. The S&P 500 surged 1.49% on Monday alone as news broke that Washington and Tehran had reached a deal to end hostilities, with the Nasdaq jumping 2.38% and oil prices tumbling on the prospect of restored shipping through the critical chokepoint. The Dow Jones Industrial Average notched a fresh record high of 51,671.03 on Tuesday as the peace dividend continued to filter through markets.

Wednesday's FOMC decision briefly interrupted the rally. The committee held its benchmark rate steady at 3.50%–3.75% in a unanimous 12-0 vote — Warsh's first decision as chair — but the accompanying dot plot delivered a hawkish surprise: nine of 18 policymakers now project at least one rate hike before year-end, a sharp reversal from March's median forecast of a cut. The S&P 500 and Nasdaq both sold off Thursday in response. But equities staged a robust recovery into Thursday's close and through Wednesday and Thursday's combined trading, with the Russell 2000 leading a broad-based rebound as Treasury yields eased modestly despite the hawkish tone. Markets were closed Friday for the Juneteenth holiday, capping a week that, on net, delivered solid gains across all major benchmarks.

The Iran Peace Deal: Strait of Hormuz Reopens

The week's defining catalyst arrived Monday morning: the United States and Iran signed a memorandum of understanding ending the months-long conflict and reopening the Strait of Hormuz to commercial shipping. The agreement followed weeks of fragile, on-again-off-again negotiations mediated by Pakistan, capped by Friday's drone intercepts and retaliatory strikes the prior week. Crude oil prices tumbled sharply on the news, with both WTI and Brent posting some of their largest single-week declines of 2026 as traders priced in the restoration of roughly 20% of global oil supply that had been constrained since the conflict began.

TheStreet Pro contributor Stephen Guilfoyle captured the market's interpretation succinctly, framing the deal's disinflationary potential.

“As the U.S. and its allies and Iran and its proxies appear to have agreed to a potentially lasting peace deal, it stands to reason that energy prices will fall precipitously and that consumer level inflation will slow sharply. There certainly is good reason for optimism on this front for the first time in a couple of months.”

— Stephen Guilfoyle, Contributor, TheStreet Pro

Equity markets responded accordingly, with energy-sensitive and consumer discretionary sectors among the strongest performers. The rally proved durable through midweek, even as investors turned their attention to the Federal Reserve's policy decision.

Warsh's First Meeting: A Hold, but a Hawkish Pivot

Wednesday's FOMC decision was widely anticipated to be a hold — CME FedWatch had priced a 97% probability of no change — and the committee duly voted 12-0 to keep rates at 3.50%–3.75% for a fourth consecutive meeting. What markets had not fully priced was the shift embedded in the Summary of Economic Projections. The median dot now shows the federal funds rate ending 2026 at 3.8%, up from 3.4% in March's projections — a quarter-point above the current range and a clear signal that hikes, not cuts, are now the base case for several committee members. Nine of 18 participants projected at least one hike by year-end, with six projecting two. Seventeen of eighteen judged inflation risks to be skewed to the upside.

Chair Warsh also overhauled the Fed's communication style, delivering a policy statement of just 130 words — compared with 341 words at the April meeting — and stripping out the easing-bias language that had appeared in prior statements. Notably, Warsh did not submit his own dot to the projections, a departure some Fed watchers interpreted as a deliberate effort to separate his personal view from the committee's collective signal.

“It's a bit shorter, a bit simpler and it dispenses with some older language. That statement just gives you the facts, as best we can judge it.”

— Kevin Warsh, Chair, Federal Reserve (Post-Meeting Press Conference, June 17, 2026)

The market's initial reaction was negative — the S&P 500 and Nasdaq both fell Thursday as traders absorbed the hawkish dot shift — but the selloff proved short-lived. Equities rallied robustly Thursday afternoon and through the

close, with technology and small-cap names leading a recovery that left the major indices solidly higher for the week despite the Fed's more cautious tone on future rate cuts.

Look Ahead: Key Factors for the Week of June 22–26, 2026

1. Iran Deal Implementation and Oil Market Stabilization

The coming week will test whether the Strait of Hormuz reopening translates into durable, lower energy prices or proves more fragile than headlines suggest. Watch tanker traffic data, insurance rates for Gulf shipping, and any signs of friction in the deal's implementation. A smooth restoration of oil flows would likely extend the disinflation narrative and support further equity gains; any disruption would quickly reverse this week's energy-driven optimism.

2. Fed Speakers Parsing the Hawkish Dot Plot

With the blackout period lifted, expect numerous Fed officials to offer public commentary clarifying the committee's hike-leaning projections. Markets will be listening for whether the nine hawkish dots reflect genuine consensus or a handful of vocal outliers, and for any signals on the data thresholds that would trigger an actual rate increase later this year.

3. June PCE and Flash PMI Data

Preliminary June PMI readings and any updated inflation expectations data will offer an early read on whether falling energy costs are beginning to show through in broader price data — a critical input for whether the Fed's hawkish June pivot proves durable or premature.

Strategist's Note

This week offered a textbook example of markets absorbing conflicting signals: genuine geopolitical relief from the Iran deal, offset by a more hawkish Fed than consensus expected. That equities still finished the week meaningfully higher — led by small-caps and technology — suggests the energy-driven disinflation narrative is, for now, outweighing rate-path concerns. At VitalQuant, we view this combination as constructive but not without risk, and recommend subscribers monitor both oil market follow-through and Fed commentary closely in the week ahead. Updated signal levels are available on the VitalQuant.com strategy dashboards.

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