

# MARKET INSIGHTS

JUNE 2026



**PARK EDGE**

The June outlook begins as a continuation of the May framework, but with an important shift beneath the surface. Reflation / Quad 2 remains the leading macro regime. Growth is still holding up, inflation pressure has not fully disappeared, and the market continues to behave as if the dominant setup is still more risk-on than risk-off. That keeps the core outlook constructive, especially for cyclical leadership, commodities, industrial activity, earnings resilience, and assets tied to nominal growth.

The more important change is what has happened underneath that lead regime. Quad 3 / Inflation has recently edged ahead of Quad 1 / Goldilocks, but that should not be overstated. This is not a clean new signal that the economy is decisively moving into an inflationary risk-off regime. It is more subtle than that. Quad 3 has gained relative ground mostly because the signals in favor of Quad 1 have weakened, not because the signals in favor of Quad 3 have materially strengthened.

That distinction matters. A Quad 2 lead is still a risk-on message. It says the market can continue to reward reflation, nominal growth, operating leverage, cyclical participation, and commodity-linked strength. But the fact that Quad 3 has moved ahead of Quad 1 makes the risk backdrop less comfortable. The market is no longer leaning as cleanly toward the Goldilocks interpretation of steady growth, easing inflation pressure, and broad multiple support. Instead, the incremental shift points to a more inflation-sensitive environment where higher input costs, a firmer dollar, or renewed pressure in rates could become more important.

The dollar is part of that transition. The read is not outright bullish for the dollar, but it is less bearish than it was. Earlier in the year, the dollar-short view was cleaner because the financial dollar basket and the broader trade-weighted dollar were more aligned. What has changed recently is not enough to call a bullish dollar regime, but it is enough to reduce confidence in the cleanest version of the bearish dollar stance that began the year.

The practical message for June is straightforward: the base case remains constructive, but less clean. Reflation is still the lead regime, and that supports risk-on participation. But the internal shift away from Goldilocks and toward Inflation means the market's margin of safety has narrowed. This is not a reason to abandon cyclicals, commodities, industrials, or reflation exposure. It is a reason to be more selective, more sensitive to dollar and rate pressure, and more aware that the next risk may come from inflation persistence rather than growth weakness. As the month progresses, we will be watching

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credit spreads, bond volatility, and currency volatility closely, as all three could serve as important signposts for whether Quad 3 risk-off conditions are strengthening further.

## ASSET CLASS SIGNAL STRENGTH:

| ASSET CLASS    | JUNE 2026       | MAY 2026        | 1 - 3 MONTH OUTLOOK * |
|----------------|-----------------|-----------------|-----------------------|
| EQUITIES       | OFFENSIVE LONG  | OFFENSIVE LONG  | FAVORABLE             |
| FIXED INCOME   | DEFENSIVE LONG  | OFFENSIVE LONG  | UNFAVORABLE           |
| COMMODITIES    | OFFENSIVE LONG  | DEFENSIVE LONG  | FAVORABLE             |
| US DOLLAR      | DEFENSIVE SHORT | DEFENSIVE SHORT | UNFAVORABLE           |
| RFR (3M TBILL) | OFFENSIVE SHORT | OFFENSIVE SHORT | UNFAVORABLE           |
| BITCOIN        | OFFENSIVE SHORT | DEFENSIVE LONG  | FAVORABLE             |

## PORTFOLIO SNAPSHOT *(current exposure relative to target range)*

| MODEL                    | EQUITIES     |           |          | FIXED INCOME |           |          |
|--------------------------|--------------|-----------|----------|--------------|-----------|----------|
|                          | RANGE        | JUNE 2026 | MAY 2026 | RANGE        | JUNE 2026 | MAY 2026 |
| BOND                     | --           | --        | --       | -25 to 100%  | 70%       | 70%      |
| PEA CORE STOCK           | 100%         | 100%      | 100%     | --           | --        | --       |
| MODERATE ARM             | 30 to 60%    | 45%       | 45%      | 10 to 40%    | 35%       | 35%      |
| DIVIDEND INCOME          | 30 to 60%    | 60%       | 60%      | 10 to 40%    | 40%       | 40%      |
| MACRO PERSIST            | -40 to 40%   | 30%       | 30%      | -40 to 40%   | 40%       | 40%      |
| SYSTEMATIC MACRO         | 0 to 60%     | 60%       | 60%      | --           | --        | --       |
| ALL ASSET                | -25 to 100%  | 50%       | 50%      | -25 to 100%  | 30%       | 30%      |
| FOCUS                    | -100 to 300% | 20%       | 10%      | -100 to 300% | 30%       | 30%      |
| Special Situation Equity | 0 to 100%    | 85%       | 85%      | --           | --        | --       |

## CURRENT MARKET REGIME: *current conviction score 83%*

| Quadrant            | MARKET REGIME   |                  |
|---------------------|-----------------|------------------|
|                     | Current % Share | Previous % Share |
| GOLDILOCKS / Quad 1 | 26%             | 30%              |
| REFLATION / Quad 2  | 43%             | 45%              |
| INFLATION / Quad 3  | 28%             | 23%              |
| DEFLATION / Quad 4  | 3%              | 3%               |

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