

## *Marketline June 2026*

---

### ***Stocks:***

Earnings season is winding down, and results were nearly uniformly great. Sometimes this kind of performance is a result of cost-cutting and not because sales were sterling, but this last quarter gave investors very little to complain about: sales were strong, margins held steady or improved, debts were under control, plenty of dividends were hiked. From here, the market is looking for clues to the rest of the year, so after two months of spectacular returns, the stock market softened in June. The Dow did manage a 2.5% price increase, but the S&P sank 1.1%, and the more-volatile NASDAQ dropped 2.8%.

Overseas, stock index results were similarly mixed: the Canadian exchange gave a barely-there 0.3% increase, Mexico surrendered 2.4%, and over in Europe, the index price rose 0.8%. Meanwhile, despite rumors to the contrary, investors are still cherishing the US dollar, as our currency is near its high for the year. Viewing a longer-term perspective, the dollar index is a few ticks higher than back in 1988, flying in the face of “sell America” talk.

We’ve added Nike to our watchlist. This is a tough call. While the stock is down some 30% over the last year and sells at a price equal to its mid-summer value of 2014 – meaning investors since then have made only the dividend – it’s still not cheap. Profits have declined after remaining flat for a few years, and the last quarterly report offered only the promise of tariff money refunds to make up a big gap in results measured from a year ago. Those tariff monies aren’t even booked yet. The inclusion of phantom income is a bit desperate, even if technically allowed by accounting standards. We count this as a red flag, as was the lackluster guidance for coming months, so Nike will remain in purgatory for now.

### ***Bonds:***

Rates rose across most of the curve last month, the exception being the long bond, which ticked down just a couple of basis points to 4.95%. The ten-year Treasury rose from 4.44% to 4.46% - a tiny move - and the two-year headed up to 4.17%. Most investors believe the Fed will actually hike rates in 2026, a big switch from a few months ago when the prevailing opinion called for a cut; that’s why we saw a rise in two-year yields. By now we’ve heard from our new Fed chairman, who spent quite a bit of time telling us he is going to refrain from saying much. How Warsh navigates the tensions between the enormous liquidity required to fund our budget deficits, and the restrictions necessary to restrain inflation remains to be seen.

Switching from the forest to look at the trees for a minute, a few interesting tidbits are worth relating: supply in the municipal bond market remains heavy, while at the same time many larger cities are struggling even in this relatively strong economy with spending-induced budget deficits. These two features – more debt against an environment of less budget discipline – means we’ll likely see credit downgrades in the future. We try to see around corners when it comes to deteriorating credit metrics, which can affect bond prices negatively.

Corporate bonds, on the other hand, are enjoying improving finances, with few clouds on the horizon other than idiosyncratic niches that count as “normal” in this landscape. We’ve found a few worthy purchases among the new issues coming to market recently, including Omnicom and CBRE; while yield differentials aren’t overwhelmingly generous, we continue to prefer this sector over most others.

We recently published a compendium of resources designed to aid folks working with aging family members or looking for help themselves – a kind of “one-stop shopping” including retirement and assisted living homes, in-home care providers, help for navigating Medicare, and a variety of other services. For now, the guide focuses on Oregon; we’re hoping to expand our research to other states, but just this single-state project took us three years! You can request a copy, or access it here:

[CascadeInvestors.com - Oregon Resources for the Aging and Elderly webpage](#)

---

*Marketline Monthly is produced by **Cascade Investment Advisors, Inc.** We specialize in value investing for individuals. We apply our approach across markets, looking for low-priced securities that offer above-average potential. We use imagination and hard work to bring performance and personal service to our clients. Phone 971-381-0426 (Michelle); our website is [www.cascadeinvestors.com](http://www.cascadeinvestors.com). A full list of securities we invest in is available on request; mention of specific securities is not investment advice; such investments may or may not be profitable. Index returns quoted are price only.*