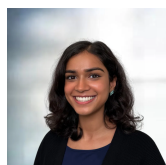


First to Market

June 10, 2026

ARE THE INFALLIBLE TECH STOCKS COMING BACK TO EARTH?



Hardika Singh

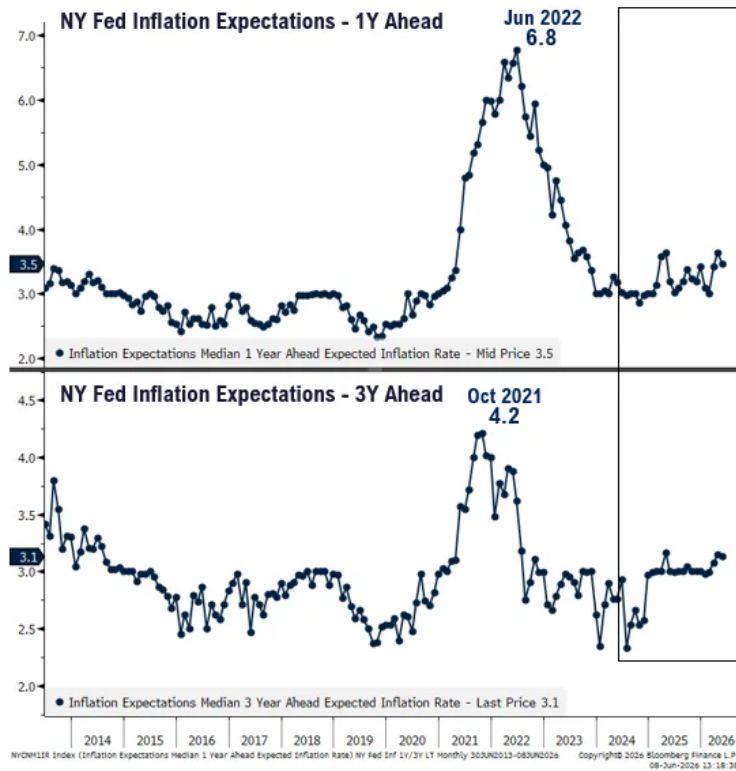
ECONOMIC STRATEGIST, MARKET INTELLIGENCE

"Work is love made visible." — Kahlil Gibran

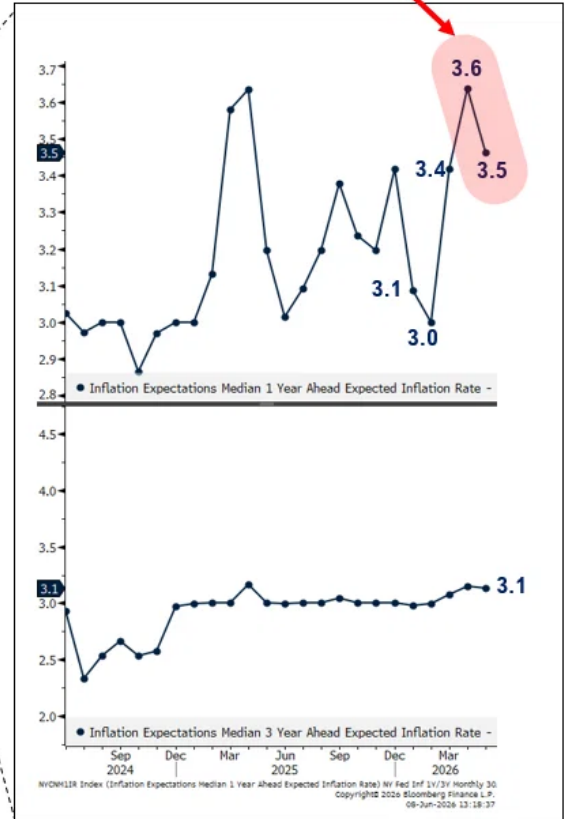
Chart of the Day

NY FED: 1Y Inflation Expectation Falling

NY Fed Inflation Expectations (1Y and 3Y) Ahead Since 2013



Declined in past month



For Exclusive Use of Fundstrat Clients Only

Good morning!

When soaring tech stocks sneeze, the rest of the stock market gets a cold.

The S&P 500 lost as much as 2.3% on Tuesday before paring losses to finish down 0.3%. Its trading range was roughly 245 points, the widest since November 2025.

Despite the partial recovery across the market, Coherent's stock ended the day down 11%, Lumentum lost 8.2%, and Qualcomm declined 5.7%. The broad-based index's information technology sector, along with the Magnificent Seven, collectively erased \$478 billion from the S&P 500.

But the index had only 131 decliners compared to 369 gainers, meaning that in a top-heavy market, what happens to tech behemoths is all that matters. In a way, this

proves that investors who have been raising worries about how concentrated the market's gains may have been right all along.

What further stands out about yesterday's trading session is that there was seemingly no reason for the pullback. The two biggest culprits can't be held responsible. (1) Oil prices barely rose any, despite the president vowing to retaliate after Iran downed a helicopter, signaling the fighting may yet continue. (2) The 10-year Treasury yield settled at 4.522%, down from 4.568% on Monday. Higher yields weigh on stocks by making their future earnings look less valuable.

Some were likely even caught off-guard by the declines, because on Monday, buy-the-dip activity made it like Friday's losses never happened. A strong jobs report then changed the calculus for where interest rates are headed, making the case that the Federal Reserve could justify tightening monetary policy this year. That sent the S&P 500 diving 2.6%.

To be sure, declines of such nature are healthy to see in a bull market and even wanted. Market adage says that corrections, meaning a decline of 10% or more from a recent high, can help avoid steeper and more disruptive pullbacks later on. They also shave off the skyhigh valuations at which tech stocks are trading these days and maybe even entice some of that \$7.8 trillion cash pile to get to work. Besides, it's not realistic to expect even hot stocks like Micron to push up almost 10% every day.

Perhaps the end of earnings season, coupled with a new Fed chair, has given investors little to be excited about. Maybe SpaceX's IPO later this week could switch up the sentiment.

Economic data summary: The NFIB Small Business Optimism for May — measured based on 10 key indicators of business conditions and expectations — fell 0.6 to 95.3, trending in the opposite direction of the forecasted 96.2. The components related to labor faced steep declines but were partially offset by improvements in earning trends and inventory plans.

The Uncertainty Index, reflecting the impact of global events on economic stability, increased 3 points to 91, remaining well above the average of 68. In May,

the Employment Index remained essentially flat, while 29% of all owners reported unfilled job openings, the lowest level since May 2020.

The unpredictable increases in gas and diesel continue to challenge small businesses as they struggle to pass on inflated prices to their customers.

“Our company trucks have felt huge impacts with the cost of truck and health insurance, fuel prices, and cost of equipment and parts. All of these are increasing much faster than we can increase these costs to our customers,” a transportation owner in Ohio said.

Conflicts in the Middle East have shown no sign of slowing. On Tuesday, Trump demanded retaliation because he said Iran shot down a U.S. helicopter, which can continue to weigh on oil prices and apply further pressure on small businesses. — *Mason Yuh*

Share your thoughts

Did you buy the dip recently? [Click here](#) to send us your response.

Here's what a reader commented

Q: What do you think are the odds of a Fed rate hike before the end of 2026?

A: My expectation for a hike is zero. Rational- weak consumer sentiment and declining oil prices as we inch towards end to Iran conflict. Market in my opinion over reacting to one positive job number, majority of economic data is tame.

Catch up with Fundstrat

Equities have wobbled in the past week pushing S&P 500 down -2.6% month to date. This is not entirely surprising given the >10% gains registered in May. But we think the upcoming SpaceX IPO is probably creating near-term wobbles:

Technical

Despite QQQ's intra-day reversal, price still looks vulnerable to weakness into next week given a lack of downside exhaustion signals; Meanwhile, the rotation into non-Technology sectors has continued.

Crypto

Another Tough Day for Risk Assets: It was another difficult session for both crypto and broader risk assets. Unlike some of the recent crypto-specific weaknesses, today's move occurred alongside a broader selloff across equities.

News We're Following

Breaking News

- Inflation Heated Up to 4.2% in May, as Energy Costs Continued to Bite WSJ
- Anthropic Releases New 'Mythos-Class' Model to General Public With Guardrails WSJ

Markets and economy

- Dow futures slide 400 points as Trump says Iran has taken too long negotiating CNBC
- US stock market to stop shrinking for first time in 23 years FT
- How exploding investor euphoria and leveraged ETFs turned one stock-market bull cautious MW

Business

- Trump Regulator Proposes New Rules on What's Allowed on Prediction Markets WSJ
- Meta agrees to Indian AI data center deal as hyperscaler bolsters its infrastructure CNBC

- Super Micro stock plunges as \$7 billion equity raise overshadows booming backlog MW
- Oracle's stock has surged on AI hype. Now it has to deliver the earnings to match. MW

Politics/U.S.

- Graham Platner Wins Maine Primary Despite Controversies WSJ
- The Battle for the Senate Could Come Down to Hopes and Fears in Maine NYT

Overseas

- Three Days of Clashes Show the Iran Conflict Is Entering a Dangerous New Phase WSJ
- Trump's Sharp Turn on China: Embracing It as a Peer Power NYT

Of Interest

- Chinese investors turn to digital bets for exposure to US tech IPOs FT

Overnight

S&P Futures	-60 ▼ point(s) (-0.81% ▼)
overnight range:	-74 ▼ to +0 ▲ point(s)

APAC

Nikkei	-1.89% ▼
Topix	-1.25% ▼
China SHCOMP	-0.42% ▼
Hang Seng	-0.64% ▼
Korea	-4.52% ▼
Singapore	-1.28% ▼
Australia	+0.57% ▲
India	-0.03% ▼
Taiwan	-3.31% ▼

Europe

Stoxx	50	-0.28% ▼
Stoxx	600	-0.24% ▼
FTSE	100	-0.33% ▼
DAX		-0.42% ▼
CAC	40	-0.13% ▼
Italy		+0.12% ▲
IBEX		-0.10% ▼

FX

Dollar Index (DXY)		-0.02% ▼ to 99.890
EUR/USD		+0.13% ▲ to 1.1558
GBP/USD		+0.13% ▲ to 1.3397
USD/JPY		-0.06% ▼ to 160.45
USD/CNY		-0.06% ▼ to 6.7788
USD/CNH		-0.03% ▼ to 6.7806
USD/CHF		-0.04% ▼ to 0.7985
USD/CAD		+0.17% ▲ to 1.3926
AUD/USD		-0.28% ▼ to 0.7010

UST Term Structure

2Y-3M Spread narrowed		-1.2bps ▼ to 39.5bps
10Y-2Y Spread widened		0.1bps to 39.8bps
30Y-10Y Spread widened		0.3bps to 47.9bps

USD HY Oas

All Sectors	+1.5bps ▲ to 310bps
All Sectors ex-Energy	+3.0bps ▲ 298bps
Cons Disc	+2.6bps ▲ to 472bps
Indu	+2.0bps ▲ to 250bps
Tech	+3.9bps ▲ to 217bps
Comm Svcs	+2.7bps ▲ to 298bps
Materials	+4.0bps ▲ to 251bps
Energy	+1.0bps ▲ to 289bps
Fin Snr	+2.1bps ▲ to 205bps
Fin Sub	+2.3bps ▲ to 308bps
Cons Staples	+4.9bps ▲ to 440bps
Healthcare	+2.4bps ▲ to 317bps
Utes	+4.1bps ▲ to 210bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
6/10	8:30 AM	May CPI m/m	0.5	0.6
6/10	8:30 AM	May Core CPI m/m	0.3	0.4
6/10	8:30 AM	May CPI y/y	4.2	3.8
6/10	8:30 AM	May Core CPI y/y	2.9	2.8
6/11	8:30 AM	May PPI m/m	0.7	1.4
6/11	8:30 AM	May Core PPI m/m	0.5	1
6/12	10:00 AM	Jun P UMich 1yr Inf Exp	4.9	4.8
6/12	10:00 AM	Jun P UMich Sentiment	46	44.8
6/15	10:00 AM	Jun Homebuilder Sentiment	37	37
6/16	8:30 AM	May Import Price m/m	n/a	1.9

Disclosures

This research is for the clients of Fundstrat Global Advisors only. For additional information, please contact your sales representative or Fundstrat Global Advisors at 150 East 52nd Street, New York, NY, 10022 USA.

Conflicts of Interest

This research contains the views, opinions and recommendations of Fundstrat. At the time of publication of this report, Fundstrat does not know of, or have reason to know of any material conflicts of interest.

General Disclosures

Fundstrat Global Advisors is an independent research company and is not a registered investment advisor and is not acting as a broker-dealer under any federal or state securities laws.

Fundstrat Global Advisors is a member of IRC Securities' Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of Fundstrat (i.e., Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by Fundstrat clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of Fundstrat, which is available to select institutional clients that have engaged Fundstrat.

As registered representatives of IRC Securities, our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

Fundstrat does not have the same conflicts that traditional sell-side research organizations have because Fundstrat (1) does not conduct any investment banking activities, (2) does not manage any investment funds, and (3) our clients are only institutional investors.

This research is for the clients of Fundstrat Global Advisors only. Additional information is available upon request. Information has been obtained from sources believed to be reliable, but Fundstrat Global Advisors does not warrant its completeness or accuracy except with respect to any disclosures relative to Fundstrat and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client

circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies.

The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein.

Except in circumstances where Fundstrat expressly agrees otherwise in writing, Fundstrat is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, fundstrat.com. Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.

Copyright 2026 Fundstrat Global Advisors LLC. All rights reserved. No part of this material may be reprinted, sold or redistributed without the prior written consent of Fundstrat Global Advisors LLC.