Monthly Market Metrics and Trends: Equities and Options, June 2026

Analyzing Volatility, Market Performance, and Equity and Options Volumes

Theme for the Month: Surprising Strength in Fundamentals

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Market Theme

- Recent market volatility has fueled concerns over equity valuations, yet S&P 500 fundamentals remain exceptionally strong.
- Corporate revenues and earnings are at near record levels while corporate profit margins are well above long-term averages, reflecting firms' ability to convert revenue growth into earnings despite higher interest rates, geopolitical uncertainty, and shifting trade policies.
- While valuation multiples may appear elevated, historically robust earnings and profitability currently underpin U.S. equity markets across a majority of sectors.

Market Metrics

- S&P 500 (Price Index): June close 7,499.36, -1.1% M/M, +9.6% YTD, +20.9% Y/Y
- S&P 500 Sector Total Return Performance:
  - Best = Industrials +7.3% M/M / Industrials +20.2% YTD / Information Technology +37.5% Y/Y
  - Worst = Communication Services -7.8% M/M / Financials -1.3% YTD / Financials +3.9% Y/Y
- Volatility Index (VIX): Monthly average 18.0%; +0.7 pp M/M, -0.3 pp Y/Y
- Equity Average Daily Volume (ADV): Monthly average 23.4 billion shares; +20.5% M/M, +28.2% Y/Y
- Options ADV: Monthly average 73.1 million contracts; +3.2% M/M, +35.9% Y/Y

Market Theme

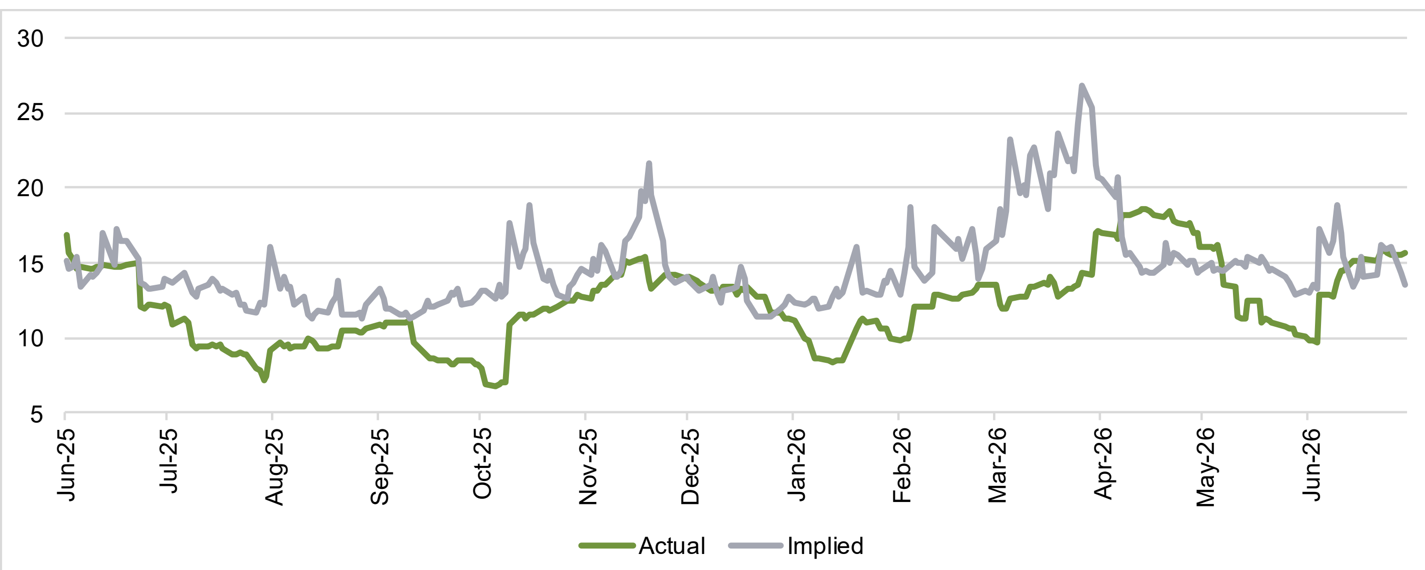
Surprising Strength in Fundamentals

Despite being widely described as an index of the 500 largest publicly traded companies in the United States, the S&P 500 is not a purely size-based benchmark. Rather, inclusion is governed by a broader set of eligibility criteria established by S&P Dow Jones Indices, entailing profitability, public float, liquidity, and trading history requirements. SpaceX's exclusion from the index following its June 2026 IPO illustrated this framework—which stood in contrast to the providers of the Nasdaq 100 and Russell 1000 indices—both of whom opted to include SpaceX and "fast track" its request for inclusion.

Among other requirements set by S&P Dow Jones Indices for a firm's inclusion into the S&P 500 is the need for positive as-reported GAAP net income in the most recent quarter as well as the trailing four quarters. While SpaceX recorded a GAAP net income of $791 million in 2024, it reported a GAAP net loss of $4.94 billion for the full-year 2025 and a $4.28 billion loss in the first quarter of 2026.

Despite persistent concerns of frothy valuations and excessive volatility (Chart 1)—particularly following the substantial appreciation of many AI and semiconductor-related stocks (Table 1 on the following page)—the S&P 500's profitability requirement ensures that companies entering the index have already demonstrated meaningful earnings power. Combined with historically strong earnings and profit margins across existing constituents, today's market rests on a fundamentally stronger foundation than one driven by speculative enthusiasm alone.

Chart 1: S&P 500 30-Day Actual and Implied Volatility



Source: Bloomberg L.P.

Table 1: Top Ten Returning S&P 500 Stocks, YTD 2026

Company	Total Return	Forward 12M P/E Estimate
Sandisk	857.8%	12.5
Micron Technology	304.6%	7.9
Intel	278.4%	128.6
Western Digital	271.0%	40.0
Seagate Technology	251.3%	39.1
Marvell Technology	251.0%	65.3
Dell Technologies	245.4%	23.2
Corning	192.7%	75.8
Applied Materials	182.0%	48.3
Advanced Micro Devices	171.3%	66.1

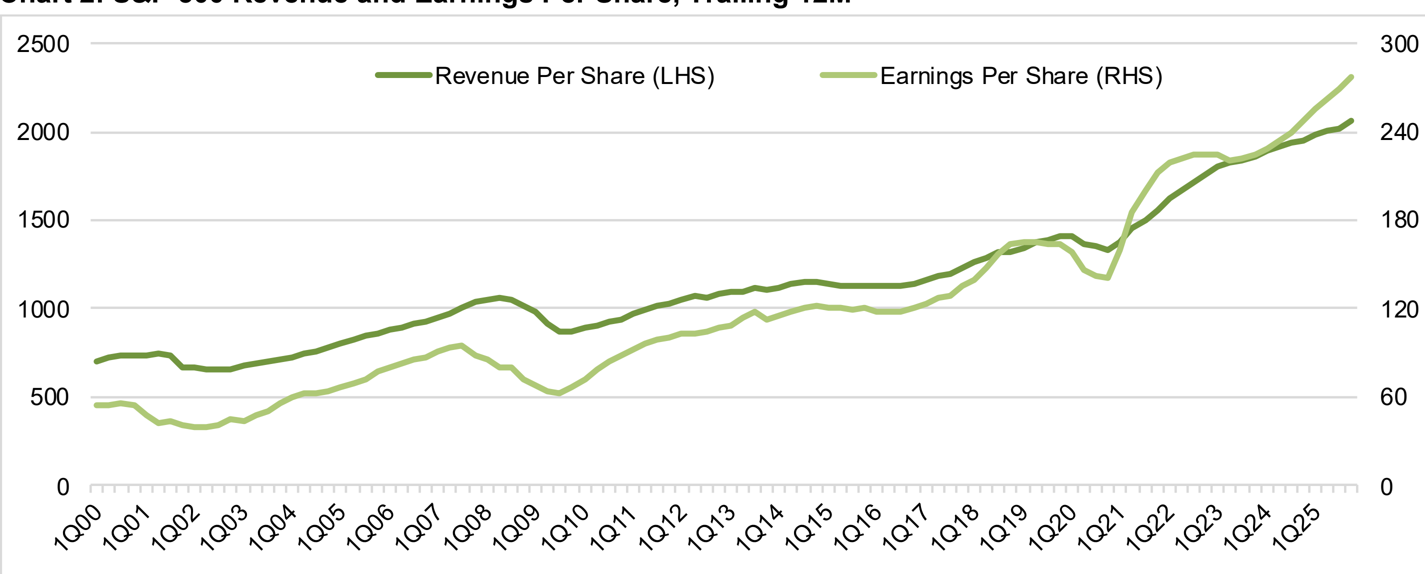
Source: Bloomberg L.P.
Note: YTD returns are for 12/31/25-6/30/26, Includes reinvested dividends where relevant.

Despite frequent commentary regarding speculation and market excesses, the benchmark S&P 500 has shown remarkable earnings power, led by robust revenue growth and in many cases, expanding profit margins. While most “bubble” narratives focus exclusively on the multiple applied to individual equities, a useful framework is to consider valuation in the context of the below equation, noting that both revenues and margins are also near historical highs.

Price = Revenue × Profit Margin × Multiple

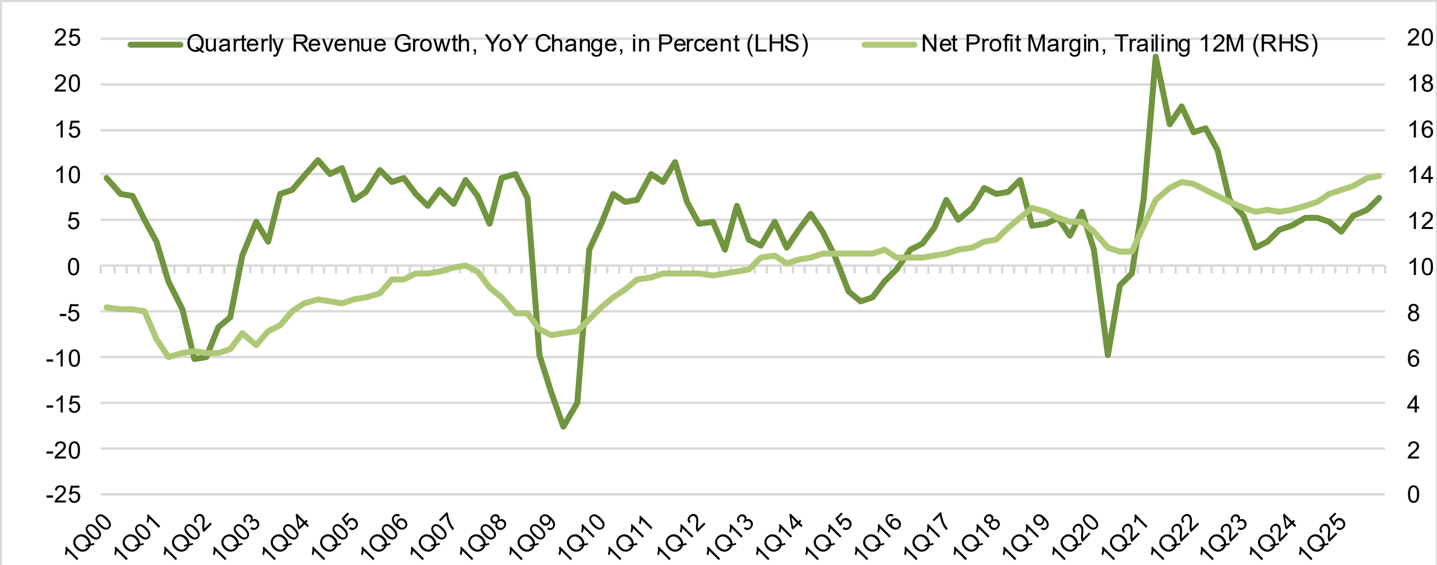
Both revenue and profit margins have expanded steadily, and perhaps even more notably, have risen at an accelerating rate in many cases (Charts 2 and 3).

Chart 2: S&P 500 Revenue and Earnings Per Share, Trailing 12M



Source: Bloomberg L.P.

Chart 3: S&P 500 Historical Revenue Growth (YoY % Change) and Net Profit Margins



Source: Bloomberg L.P.

Fundamental performance has been robust across all 11 of the S&P 500 major sectors. As shown in Table 2, gross margins and operating margins have expanded in the majority of the 11 sectors that constitute the full S&P 500 index. The majority of sectors saw margin expansion between Q4 2024 and Q4 2025—the last full quarter that was reported and gross margins and operating margins are estimated to expand between Q4 2025 and Q1 2026 for all but one of 11 sectors.[1]

Table 2: Gross and Operating Margins for the S&P 500 and its Sectors, Quarterly Basis

	Gross Margin, %			Operating Margin, %		
S&P 500 and Associated Sectors	**Q4 2024**	**Q4 2025**	**Q1 2026 (E)**	**Q4 2024**	**Q4 2025**	**Q1 2026 (E)**
S&P 500	34.2	34.5	36.0	14.5	15.1	16.9
S&P 500 Information Technology Sector	53.2	54.8	56.7	29.6	33.0	34.3
S&P 500 Energy Sector	17.9	18.8	20.7	9.0	10.0	10.7
S&P 500 Health Care Sector	24.6	23.3	25.9	6.2	6.0	8.2
S&P 500 Financials Sector	n/a	n/a	n/a	20.8	22.6	23.4
S&P 500 Industrials Sector	26.2	26.2	26.6	12.1	14.3	12.8
S&P 500 Consumer Discretionary Sector	35.6	34.4	39.5	10.5	7.5	11.4
S&P 500 Communication Services Sector	57.5	58.0	61.0	24.6	22.7	27.1
S&P 500 Utilities Sector	67.2	65.0	60.4	18.7	18.9	21.9
S&P 500 Consumer Staples Sector	27.8	28.1	28.2	7.1	7.2	8.9
S&P 500 Materials Sector	27.0	28.4	28.7	9.3	7.7	15.1
S&P 500 Real Estate Sector	n/a	n/a	n/a	10.4	16.7	25.1

Source: Bloomberg L.P.
Note: "E" indicates value is an estimate. Gross margins are not calculated for the Financials and Real Estate sectors. Figures in green (red) represent an increase (decrease) from prior period shown.

[1] Gross margins are not calculated for the Financials and Real Estate sectors.

Unlike prior periods where rising equity prices were driven primarily by expanding valuation multiples, today's market is supported by a combination of robust revenue growth, strong operating performance, and historically elevated earnings generation. None of this necessarily means that the market is immune from speculative excesses; however, unlike many historical episodes of speculative excess, current valuations are occurring alongside exceptionally strong underlying fundamentals.

Market Metrics

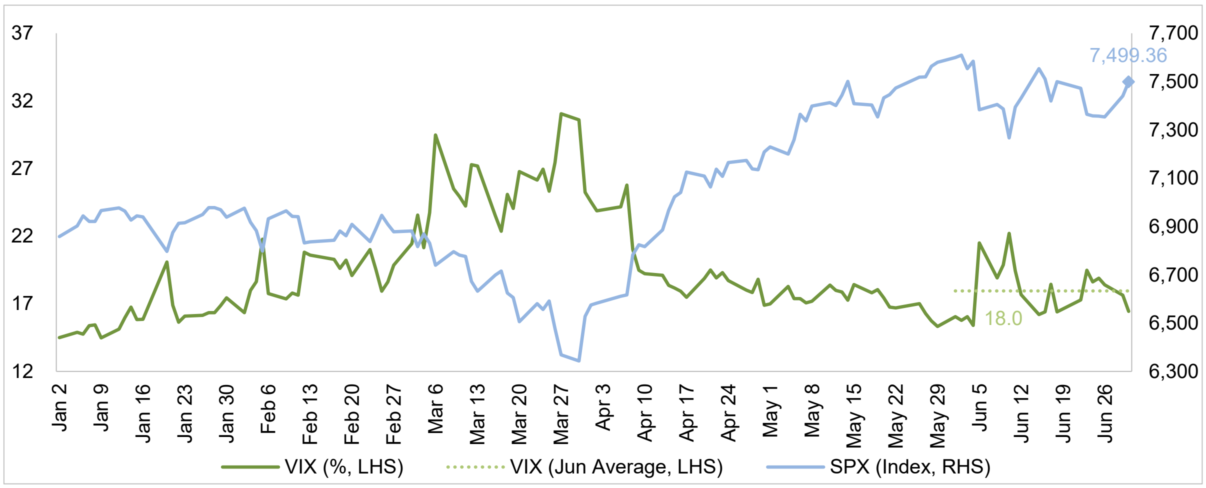
S&P 500 and Volatility Index (VIX)

Table 2: S&P 500 Index Price and Volatility Index (VIX, %), June 2026

	Value	M/M Change	YTD Change	Y/Y Change	Monthly Peak	Monthly Trough
S&P 500 (Close Price)	7,499.36	-1.1%	+9.6%	+20.9%	7,609.78	7,266.99
VIX (Monthly Average)	18.0%	+0.7 pp	-	-0.3 pp	22.2%	15.4%

Source: Bloomberg L.P., SIFMA estimates
Note: Figures shown for S&P 500 are price changes; total returns on a M/M, YTD, and Y/Y basis are -1.0%, +10.2% and +22.3%, respectively. Total returns assume dividends are reinvested into the index.

Chart 3: S&P 500 Index Price and Volatility Index (VIX, %), Year to Date 2026



Source: Bloomberg L.P., SIFMA estimates

S&P 500 Index: Sector Breakout

Looking at market performance by sector, we highlight the following:

- Best-performing sectors:
  - Month = Industrials at +7.3% followed by Health Care at +6.6%
  - YTD = Industrials at +20.2% followed by Information Technology at +19.8%
  - Y/Y = Information Technology at +37.5% followed by Energy at +29.0%
- Worst performing sectors:
  - Month = Communication Services at -7.8% followed by Energy at -5.1%
  - YTD = Financials at -1.3% followed by Consumer Discretionary at -0.8%
  - Y/Y = Financials at +3.9% followed by Consumer Staples at +5.5%

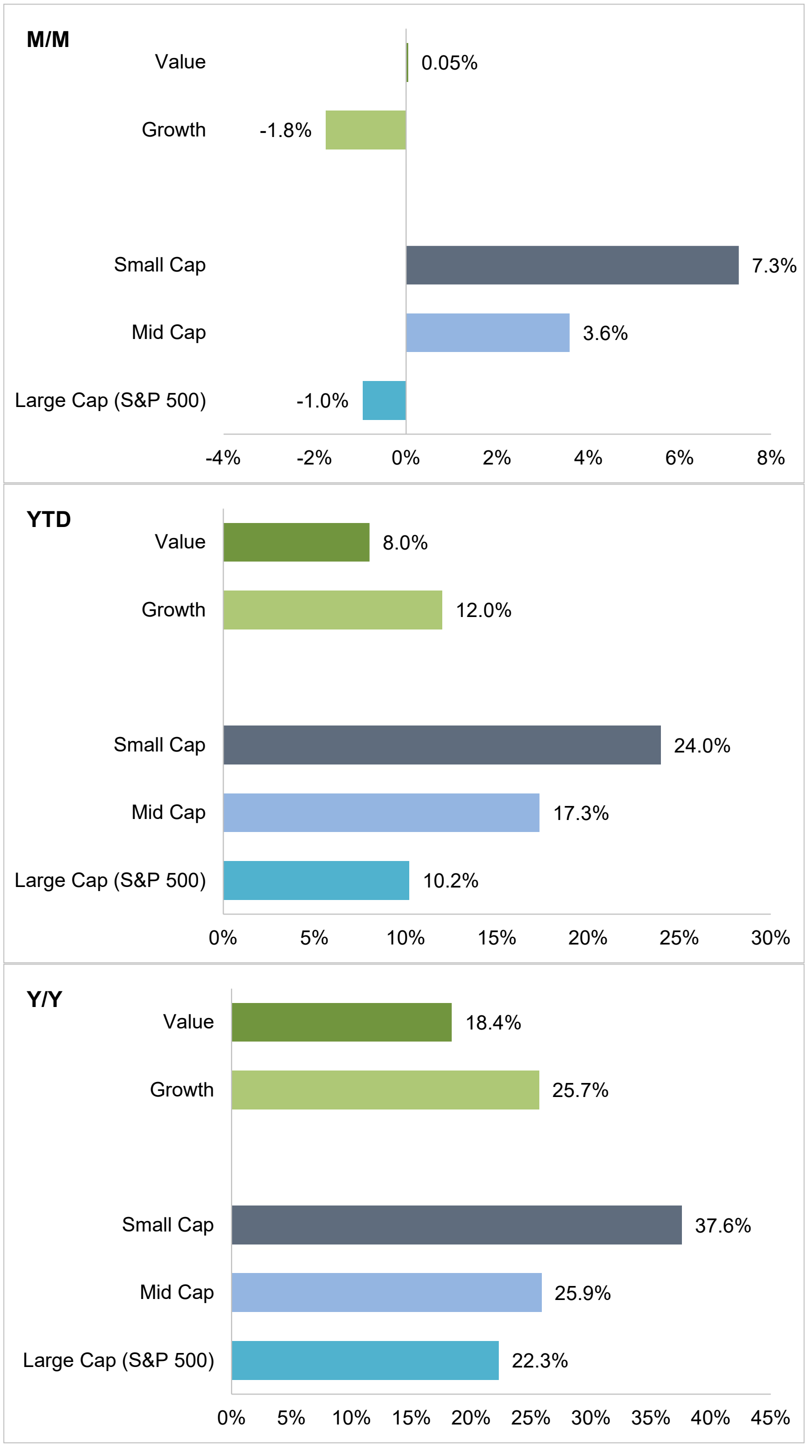
Table 3: S&P 500 Sector Indices Total Returns, June 2026

Sector (Weight)	Total Return (%)		
	M/M	YTD	Y/Y
SPX	**-1.0**	**10.2**	**22.3**
Information Technology (38.0%)	-3.3	19.8	37.5
Financials (11.8%)	4.4	-1.3	3.9
Communication Services (9.7%)	-7.8	0.8	21.1
Consumer Discretionary (9.3%)	-4.7	-0.8	9.5
Industrials (8.9%)	7.3	20.2	27.1
Health Care (8.9%)	6.6	3.5	19.9
Consumer Staples (4.6%)	0.5	8.0	5.5
Energy (3.0%)	-5.1	19.7	29.0
Utilities (2.2%)	2.7	7.7	14.2
Materials (1.8%)	0.0	12.0	16.7
Real Estate (1.8%)	0.8	11.5	11.1

Source: Bloomberg L.P., SIFMA estimates
Note: Sectors are ordered by their respective weights in the SPX Index at the end of the month, which are indicated in parenthesis. Total returns assume dividends are reinvested into the index.

S&P 500 Index: Strategy Breakout

Chart 4: S&P 500 Total Return Indices by Type, June 2026 (M/M, YTD, and Y/Y)



Source: Bloomberg L.P., SIFMA estimates
Note: Total returns assume dividends are reinvested into the index.

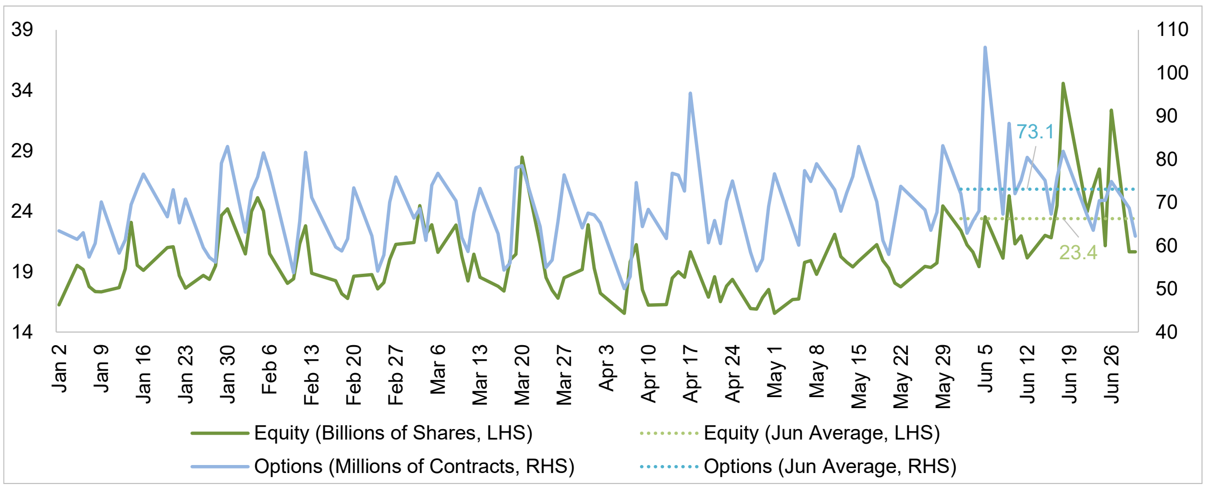
Equity and Options Volumes (ADV)

Table 4: Equities and Options Average Daily Trading Volumes, June 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
Equities ADV (Bil. Shares)	23.4	+20.5%	+28.2%	34.6	19.4
Off-Exchange	48.9%	+0.2 pp	-2.5 pp	-	-
Options ADV (Mil. Contracts)	73.1	+3.2%	+35.9%	106.0	62.2
Equity Options	66.9	+3.1%	+36.2%	-	-
Index Options	6.2	+4.8%	+33.3%	-	-

Source: Cboe Global Markets, SIFMA estimates. Equity trading volumes include ETF trading volumes.

Chart 5: Equities and Options ADV, Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates
Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

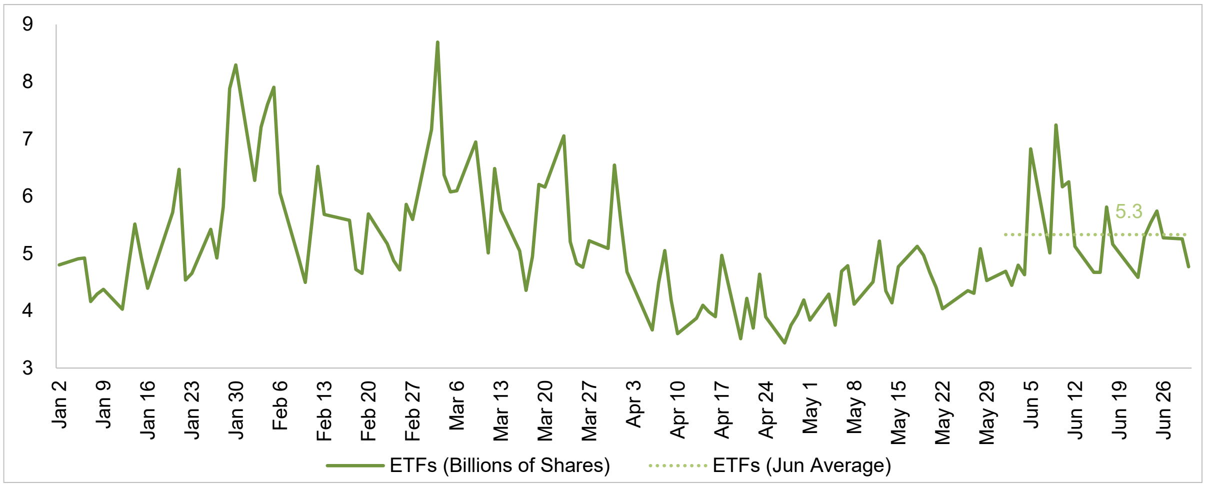
ETF Trading Volumes (ADV)

Table 5: ETF Average Daily Trading Volumes, June 2026

	Monthly Average	M/M Change	Y/Y Change	Monthly Peak	Monthly Trough
ETF Trading (Bil. Shares)	5.3	+18.6%	+63.7%	7.2	4.4
% of Equity Trading	22.8%	-0.4 pp	+5.0 pp	-	-

Source: Cboe Global Markets, SIFMA estimates

Chart 6: ETF Trading ADV (Billions of Shares), Year to Date 2026



Source: Cboe Global Markets, SIFMA estimates
Note: Equity and options values reflect average daily volumes across all US equity and options exchanges.

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