WEEKLY MARKET COMMENTARY

July 20, 2026

WEEK IN REVIEW

The week's most closely watched economic release came on Tuesday with the June Consumer Price Index (CPI). Headline CPI declined 0.4% month-over-month, the largest monthly decrease since April 2020, while the annual inflation rate slowed to 3.5%, down from 4.2% in May. Core CPI, which excludes the more volatile food and energy categories, remained flat on the month and increased 2.6% year-over-year. The sharp decline in headline inflation was largely driven by a 5.7% drop in energy prices, particularly gasoline, which more than offset continued strength in shelter and services inflation. For markets, the report reinforced the disinflation narrative and substantially reduced expectations of additional Federal Reserve tightening. The combination of moderating inflation and still-positive economic growth increased confidence that inflationary pressures are easing, providing the Federal Reserve with greater flexibility as it evaluates the appropriate path for monetary policy.

On Wednesday, the Producer Price Index (PPI) provided additional evidence that inflationary pressures at the wholesale level continue to moderate. Headline PPI fell 0.3% month-over-month, marking the largest monthly decline in 14 months, while core PPI – excluding food, energy, and trade services – rose a modest 0.1%. Similar to the CPI report, declining energy costs were the primary driver behind the softer reading, although pricing pressures tied to AI-related goods and services remained elevated. The report indicates businesses are facing fewer input cost pressures, reducing the likelihood that higher production costs will be passed through to consumers in the months ahead. Taken together with Tuesday's CPI report, the data support the view that inflation is moving in the right direction, even as certain sectors remain resilient.

Also on Wednesday, the Energy Information Administration (EIA) reported that U.S. commercial crude oil inventories declined by 1.7 million barrels for the week ending July 10. Although inventories continued to fall during the peak summer driving season, the draw was smaller than market expectations of roughly 2.6 million barrels, suggesting that supply conditions remain relatively balanced despite ongoing geopolitical tensions in the Middle East. A continued decline in inventories generally reflects healthy demand or constrained supply, but the smaller-than-expected draw indicates that oil markets have not tightened as rapidly as many investors had anticipated. Looking ahead, renewed disruptions in global energy markets remain a key upside risk to inflation.

On Thursday, the June Retail Sales report showed that consumer spending remained resilient despite a softer headline figure. Retail sales increased 0.2% month-over-month, the slowest pace of growth in five months, largely reflecting lower gasoline prices that reduced receipts at service stations. However, the closely watched control group, which feeds directly into GDP calculations, rose a stronger 0.5%, indicating that underlying consumer demand remains healthy. Given that consumer spending accounts for roughly two-thirds of U.S. economic activity, the report suggests household demand continues to support economic growth despite elevated interest rates. The data reinforce expectations for a solid second-quarter GDP reading and indicate that domestic demand remains on stable footing.

Also on Thursday, initial jobless claims came in at 208,000, down from 216,000 the previous week and below expectations of approximately 218,000. The decline to a two-month low suggests layoffs remain limited and the labor market continues to show resilience despite a moderating pace of economic growth. Combined with this week's other economic data, the report reinforces the view that inflation is easing while consumer demand and labor market conditions remain supportive of continued growth.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	-1.55%	0.57%	4.95%	9.64%
Dow Jones 30	-0.93%	1.31%	5.88%	9.43%
NASDAQ	-2.90%	-1.90%	4.45%	10.15%
Russell 1000 Growth	-3.64%	-1.76%	0.45%	1.25%
Russell 1000 Value	0.45%	3.19%	9.54%	18.86%
Russell 2000	-0.51%	1.60%	6.97%	20.09%
Wilshire 5000	-1.49%	0.65%	4.97%	10.16%
MSCI EAFE Index	-0.86%	-0.66%	3.46%	11.24%
MSCI Emerging Market Index	-4.08%	-8.08%	3.95%	19.28%
VIX	24.88%	1.79%	7.38%	25.55%
FTSE NAREIT All Equity REITs	2.83%	5.47%	5.40%	19.22%
S&P U.S. Aggregate Bond Index	0.11%	-0.08%	-0.49%	0.42%
Interest Rates	**7/17/2026**	**7/10/2026**	**7/2/2026**	**6/26/2026**
3-month T-bill Yield (%)	3.80	3.79	3.75	3.74
10-year Treasury Yield (%)	4.55	4.56	4.49	4.37
10Y-2Y Treasury Spread (%)	0.37	0.36	0.31	0.29
30-year Fixed Mortgage Rate (%)	6.61	6.56	6.56	6.57
Commodities				
WTI Crude ($/bl)	78.97	72.45	69.73	73.59
Gold ($/Troy Oz)	3,995.35	4,099.15	4,129.20	4,072.05
Bitcoin	63,901.01	64,058.43	61,403.49	60,018.77

Weekly Indicators	7/17/2026	7/10/2026	7/2/2026	6/26/2026
Employment				
Initial Unemployment Claims (000's)	-	208.00	216.00	217.00

Quarterly Data	6/30/2026	3/31/2026	12/31/2025	9/30/2025
Output				
Real GDP Growth (%q/q, saar)	-	2.10	0.50	4.40
Private Consumption (%q/q, saar)	-	0.50	1.90	3.50

Monthly Indicators	6/30/2026	5/29/2026	4/30/2026	3/31/2026
Consumption				
Consumer Expenditures (%m/m, sa)	-	0.71	0.41	0.94
Retail Sales (%m/m, sa)	0.24	1.00	0.62	1.99
Personal Savings Rate (%)	-	3.00	3.00	3.50
Labor				
Civilian Unemployment Rate (%)	4.20	4.30	4.30	4.30
Nonfarm Employment (Chg, 000's)	57	129	148	214
Real Average Hourly Earnings (%y/y)	-0.05	-0.61	-0.11	0.26
JOLTS Job Openings (000's)	-	7594	7585	6887
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	-0.42	0.47	0.64	0.87
Core CPI (%m/m, sa)	-0.02	0.21	0.38	0.20
Producer Price Index (PPI) (%m/m, sa)	-0.28	0.62	1.05	0.78
Core PPI (%m/m, sa)	0.19	0.71	0.73	0.33
Personal Consumption Expenditures (PCE) (%m/m, sa)	-	0.45	0.41	0.67
Core PCE (%m/m, sa)	-	0.32	0.25	0.30
Output and Capacity				
Industrial Production (%m/m, sa)	0.08	0.14	0.79	-0.30
Mfg New Orders (%m/m, sa)	-	-1.28	5.25	1.83
Durable New Orders (%m/m, sa)	-	-4.47	8.51	1.34
Durable Inventories (%m/m, sa)	-	0.14	0.32	0.29
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	91.20	90.60	93.80	92.20
ISM Manufacturing Report (%)	53.30	54.00	52.70	52.70
ISM Non-Manufacturing Report (%)	54.00	54.50	53.60	54.00
Leading Economic Index (%m/m)	-	0.10	0.20	-0.60
Housing and Construction				
Building Permits (Mil. of Units, saar)	1.37	1.41	1.42	1.36
Housing Starts (Mil. of Units, saar)	1.43	1.20	1.41	1.52
New Home Sales (Mil. of Units, saar)	-	0.58	0.63	0.66

WEEK AHEAD

The week begins on Wednesday with the release of the EIA's Crude Oil Inventories report. This weekly release measures the change in U.S. commercial crude oil stockpiles and provides insight into the balance between energy supply and demand. Because energy prices are a key driver of inflation, investors closely monitor inventory trends for their potential impact on oil prices and inflation expectations.

On Thursday, the Department of Labor will release initial jobless claims, one of the most timely indicators of labor market health. The report tracks new filings for unemployment benefits and serves as an early gauge of layoffs. Markets watch the trend in claims for signs of either continued labor market resilience or emerging weakness.

Also on Thursday, S&P Global will publish the preliminary Manufacturing and Services Purchasing Managers' Index (PMI) reports for July. These surveys measure business activity across the manufacturing and services sectors, with readings above 50 indicating expansion and below 50 indicating contraction. As some of the first economic data released each month, the PMIs provide an early read on business activity, hiring, and pricing trends.

The week's final major release comes on Friday with new home sales, which measures the annualized pace of newly constructed homes sold during the prior month. As one of the most interest rate-sensitive sectors of the economy, the report offers insight into housing demand, consumer confidence, and the impact of higher borrowing costs on economic activity.

DISCLOSURES AND DEFINITIONS

Economic Indicators:

1. CPI: Consumer Price Index measures the average change in prices paid by consumers for goods and services over time. Source: Bureau of Labor Statistics.
2. Core CPI: Core Consumer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
3. PPI: Producer Price Index measures the average change in selling prices received by domestic producers for their output. Source: Bureau of Labor Statistics.
4. Core PPI: Core Producer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
5. PCE: Personal Consumption Expenditures measure the average change in prices paid by consumers for goods and services. Source: Bureau of Economic Analysis.
6. Core PCE: Core Personal Consumption Expenditures exclude food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Economic Analysis.
7. Industrial Production: Measures the output of the industrial sector, including manufacturing, mining, and utilities. Source: Federal Reserve.
8. Mfg New Orders: Measures the value of new orders placed with manufacturers for durable and non-durable goods. Source: Census Bureau.
9. Durable New Orders: Measures the value of new orders placed with manufacturers of durable goods. Source: Census Bureau.
10. Durable Inventories: Measures the value of inventories held by manufacturers for durable goods. Source: Census Bureau.
11. Consumer Confidence (CB, 1985=100): Measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Source: Conference Board.
12. ISM Manufacturing Report: Measures the economic health of the manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
13. ISM Non-Manufacturing Report: Measures the economic health of the non-manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
14. Leading Economic Index: Measures overall economic activity and predicts future economic trends. Source: Conference Board.
15. Building Permits (Mil. of Units, saar): Measures the number of new residential building permits issued. Source: Census Bureau.
16. Housing Starts (Mil. of Units, saar): Measures the number of new residential construction projects that have begun. Source: Census Bureau.
17. New Home Sales (Mil. of Units, saar): Measures the number of newly constructed homes sold. Source: Census Bureau.
18. SA: Seasonally adjusted.
19. SAAR: Seasonally adjusted annual rate.

Market Indices & Indicators:

1. S&P 500: A market-capitalization-weighted index of 500 leading publicly traded companies in the U.S., widely regarded as one of the best gauges of large U.S. stocks and the stock market overall.
2. Dow Jones 30: Also known as the Dow Jones Industrial Average, it tracks the share price performance of 30 large, publicly traded U.S. companies, serving as a barometer of the stock market and economy.
3. NASDAQ: The world›s first electronic stock exchange, primarily listing technology giants and operating 29 markets globally.
4. Russell 1000 Growth: Measures the performance of large-cap growth segment of the U.S. equity universe, including companies with higher price-to-book ratios and growth metrics.
5. Russell 1000 Value: Measures the performance of large-cap value segment of the U.S. equity universe, including companies with lower price-to-book ratios and growth metrics.
6. Russell 2000: A market index composed of 2,000 small-cap companies, widely used as a benchmark for small-cap mutual funds.
7. Wilshire 5000: A market-capitalization-weighted index capturing the performance of all American stocks actively traded in the U.S., representing the broadest measure of the U.S. stock market.
8. MSCI EAFE Index: An equity index capturing large and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada.
9. MSCI Emerging Market Index: Captures large and mid-cap representation across emerging markets countries, covering approximately 85% of the free float-adjusted market capitalization in each country.
10. VIX: The CBOE Volatility Index measures the market’s expectations for volatility over the coming 30 days,

often referred to as the «fear gauge.»

11. FTSE NAREIT All Equity REITs: Measures the performance of all publicly traded equity real estate investment trusts (REITs) listed in the U.S., excluding mortgage REITs.
12. S&P U.S. Aggregate Bond Index: Represents the performance of the U.S. investment-grade bond market, including government, corporate, mortgage-backed, and asset-backed securities.
13. 3-Month T-bill Yield (%): The yield on U.S. Treasury bills with a maturity of three months, reflecting short-term interest rates.
14. 10-Year Treasury Yield (%): The yield on U.S. Treasury bonds with a maturity of ten years, reflecting long-term interest rates.
15. 10Y-2Y Treasury Spread (%): The difference between the yields on 10-year and 2-year U.S. Treasury bonds, often used as an indicator of economic expectations.
16. WTI Crude ($/bl): The price per barrel of West Texas Intermediate crude oil, a benchmark for U.S. oil prices.
17. Gold ($/Troy Oz): The price per troy ounce of gold, a standard measure for gold prices.
18. Bitcoin: A decentralized digital currency without a central bank or single administrator, which can be sent from user to user on the peer-to-peer bitcoin network.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange.