WEEKLY MARKET COMMENTARY

August 3, 2026

WEEK IN REVIEW

This week's economic data continued to offer conflicting signals on growth, inflation, and labor market conditions. While some reports pointed toward moderation, others suggested areas of resilience, leaving the broader economic picture difficult to characterize.

Inflation and Monetary Policy

Core Personal Consumption Expenditures (PCE), the Federal Reserve's preferred inflation measure, rose 0.1% in June, below expectations and below the prior month's 0.3% reading, suggesting underlying inflation pressures may be easing. However, the broader inflation picture remained less clear. The second quarter GDP Price Index accelerated to 6.3%, well above expectations and significantly higher than the prior quarter's 3.6%. While the GDP Price Index is a less precise inflation measure than Core PCE, the sharp increase suggests inflationary pressures remain uneven across the economy.

Additional market signals were also mixed. University of Michigan inflation expectations improved, with one-year expectations falling to 4.2% from 4.6% in the prior month. At the same time, Treasury auctions across the 2-, 5-, and 7-year portions of the curve cleared at higher yields than the prior month, suggesting investors may not be fully convinced inflation risks have been eliminated.

Consumer and Business Activity

Several reports pointed toward moderating economic activity. Core Durable Goods Orders increased 0.6%, below expectations and the prior month's 1.8% reading. Consumer Confidence weakened for a second consecutive month, while Personal Spending rose 0.3%, slowing from the prior month's 0.9% increase. While none of these reports point to a sharp decline in activity, they suggest consumers and businesses may be becoming more cautious.

Labor Market

Labor market data remained relatively constructive. Continuing Jobless Claims declined for a fourth consecutive week to 1.782 million, suggesting labor market conditions remain stable despite softer readings elsewhere in the economy.

Federal Open Market Committee

The Federal Open Market Committee (FOMC) left interest rates unchanged as widely expected. Similar to the mixed signals markets received this past week, recent economic reports have not pointed to a single clear narrative for the economy. Instead, the data continues to provide evidence that can support differing views on growth, inflation, and the appropriate path for monetary policy. As a result, investors are likely to remain highly focused on incoming economic releases as they assess the future direction of interest rates.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	1.06%	-0.06%	4.19%	10.14%
Dow Jones 30	1.04%	0.38%	6.13%	10.17%
NASDAQ	1.60%	-3.19%	2.09%	9.53%
Russell 1000 Growth	0.57%	-4.76%	-0.63%	0.32%
Russell 1000 Value	1.41%	3.82%	9.28%	20.67%
Russell 2000	0.05%	-3.03%	4.99%	18.85%
Wilshire 5000	0.39%	-1.10%	3.58%	9.82%
MSCI EAFE Index	0.62%	0.94%	7.29%	13.16%
MSCI Emerging Market Index	1.47%	-4.26%	4.99%	21.53%
VIX	-13.94%	-2.80%	-5.33%	6.96%
FTSE NAREIT All Equity REITs	-2.36%	2.42%	4.01%	17.68%
S&P U.S. Aggregate Bond Index	-0.09%	-1.16%	-0.60%	-0.33%
Interest Rates	**7/31/2026**	**7/24/2026**	**7/17/2026**	**7/10/2026**
3-month T-bill Yield (%)	3.76	3.90	3.80	3.79
10-year Treasury Yield (%)	4.71	4.68	4.55	4.56
10Y-2Y Treasury Spread (%)	0.44	0.35	0.37	0.36
30-year Fixed Mortgage Rate (%)	6.73	6.66	6.61	6.56
Commodities				
WTI Crude ($/bl)	83.56	91.74	80.77	72.45
Gold ($/Troy Oz)	4,026.60	4,067.30	3,995.35	4,099.15
Bitcoin	62,818.68	64,114.56	63,901.01	64,058.43

Weekly Indicators	7/31/2026	7/24/2026	7/17/2026	7/10/2026
Employment				
Initial Unemployment Claims (000’s)	-	197.00	188.00	209.00

Quarterly Data	6/30/2026	3/31/2026	12/31/2025	9/30/2025
Output				
Real GDP Growth (%q/q, saar)	1.50	2.10	0.50	4.40
Private Consumption (%q/q, saar)	3.20	0.50	1.90	3.50

Monthly Indicators	7/31/2026	6/30/2026	5/29/2026	4/30/2026
Consumption				
Consumer Expenditures (%m/m, sa)	-	0.29	0.85	0.54
Retail Sales (%m/m, sa)	-	0.24	1.00	0.62
Personal Savings Rate (%)	-	2.70	2.80	3.00
Labor				
Civilian Unemployment Rate (%)	-	4.20	4.30	4.30
Nonfarm Employment (Chg, 000's)	-	57	129	148
Real Average Hourly Earnings (%y/y)	-	-0.05	-0.61	-0.11
JOLTS Job Openings (000's)	-	-	7594	7585
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	-	-0.42	0.47	0.64
Core CPI (%m/m, sa)	-	-0.02	0.21	0.38
Producer Price Index (PPI) (%m/m, sa)	-	-0.28	0.62	1.05
Core PPI (%m/m, sa)	-	0.19	0.71	0.73
Personal Consumption Expenditures (PCE) (%m/m, sa)	-	-0.11	0.46	0.41
Core PCE (%m/m, sa)	-	0.13	0.33	0.25
Output and Capacity				
Industrial Production (%m/m, sa)	-	0.08	0.14	0.79
Mfg New Orders (%m/m, sa)	-	-	-1.28	5.25
Durable New Orders (%m/m, sa)	-	0.32	-4.04	8.51
Durable Inventories (%m/m, sa)	-	0.34	0.15	0.32
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	90.80	92.20	90.60	93.80
ISM Manufacturing Report (%)	-	53.30	54.00	52.70
ISM Non-Manufacturing Report (%)	-	54.00	54.50	53.60
Leading Economic Index (%m/m)	-	-0.20	0.10	0.20
Housing and Construction				
Building Permits (Mil. of Units, saar)	-	1.37	1.41	1.42
Housing Starts (Mil. of Units, saar)	-	1.43	1.20	1.41
New Home Sales (Mil. of Units, saar)	-	0.63	0.62	0.65

WEEK AHEAD

Next week's economic calendar will provide investors with several important updates on manufacturing activity, inflation pressures, and labor market conditions. Manufacturing data will be a primary focus, with both the ISM Manufacturing Index and S&P Global Manufacturing Purchasing Managers' Index (PMI) scheduled for release. While the headline readings will be closely watched, investors may place greater emphasis on the employment and prices sub-indexes for clues regarding hiring trends and inflationary pressures within the sector.

The services side of the economy will also receive attention through the ISM Non-Manufacturing Index and S&P Global Services PMI. Given the outsized role the services sector plays in overall economic activity, markets will be looking for signs of either continued expansion or broadening economic moderation.

Labor market data will remain a key theme throughout the week. Tuesday's Job Openings and Labor Turnover Survey (JOLTS) report will provide insight into labor demand, hiring activity, and overall labor market tightness. Additional employment data arrives on Friday with Nonfarm Payrolls, the unemployment rate, U6 unemployment rate, and labor force participation rate. Together, these reports could play an important role in shaping expectations for economic growth and monetary policy.

Investors will also receive preliminary readings on non-farm productivity and unit labor costs. These reports sit at the intersection of inflation and employment, as stronger productivity can support wage growth without necessarily generating additional inflationary pressures. Construction Spending data will round out the week's releases, offering another measure of business and economic activity, though the report is often subject to meaningful revisions.

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.