

WEEKLY MARKET COMMENTARY

July 6, 2026

WEEK IN REVIEW

Last week's economic releases reinforced a familiar theme: growth continues, but momentum is becoming increasingly mixed beneath the surface. Labor market indicators remained relatively resilient, manufacturing activity stayed in expansion, and consumer sentiment showed signs of stabilization despite lingering caution.

Labor Market: Resilient but Losing Momentum

Labor market data delivered a mixed message. The May Job Openings and Labor Turnover Survey (JOLTS) report showed job openings unexpectedly increased and came in above both expectations and the prior month's reading, suggesting demand for labor remained healthy heading into June.

However, June's employment report pointed to slower hiring activity. Nonfarm payrolls increased by just 57,000 jobs, well below expectations and a notable step down from the prior month's revised gain. The softer payroll figure may indicate employers are becoming more cautious as economic uncertainty persists. At the same time, unemployment measures improved modestly. The headline unemployment rate declined from 4.3 percent to 4.2 percent, while the broader U6 measure fell from 8.1 percent to 7.9 percent. Taken together, the data suggest labor market conditions remain stable, though evidence of renewed acceleration remains limited.

Manufacturing: Expansion Continues but Momentum Softens

Manufacturing data continued to point toward expansion but with signs of moderation. The Chicago Purchasing Managers' Index (PMI) exceeded expectations at 56.7, though it fell meaningfully from May's strong reading of 62.7, suggesting business activity remains healthy but has cooled from recent highs.

National surveys echoed a similar theme. The final S&P Global Manufacturing PMI was revised lower from its preliminary estimate, while the ISM Manufacturing survey showed modest softening in new orders. Even so, manufacturing employment improved from 48.6 to 49.7, moving closer to neutral, and suggesting firms may be becoming less cautious regarding hiring plans.

One encouraging development came from the ISM prices index, which fell sharply from 82.1 to 73.0 and came in below expectations. While still elevated, the decline suggests manufacturing-related price pressures eased during the month.

Consumer Sentiment: Stability Emerging

Consumer confidence came in below expectations but improved modestly from the prior month's revised level. While households remain cautious, sentiment has largely moved sideways in recent months rather than continuing to deteriorate.

The report reflects an economy where consumers remain concerned about affordability and uncertainty yet have not become materially more pessimistic. For now, stabilization appears to be the more meaningful trend than either improvement or decline.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	1.73%	-1.55%	14.00%	9.98%
Dow Jones 30	1.91%	3.22%	14.22%	10.99%
NASDAQ	1.88%	-4.59%	18.24%	11.49%
Russell 1000 Growth	2.74%	-5.33%	12.98%	2.81%
Russell 1000 Value	1.06%	3.56%	15.02%	18.38%
Russell 2000	-0.34%	2.32%	18.75%	21.43%
Wilshire 5000	1.70%	-1.12%	14.17%	10.72%
MSCI EAFE Index	0.50%	2.95%	9.75%	12.65%
MSCI Emerging Market Index	-3.65%	-4.28%	19.27%	24.50%
VIX	-14.51%	2.41%	-32.34%	8.03%
FTSE NAREIT All Equity REITs	0.50%	4.56%	10.34%	16.63%
S&P U.S. Aggregate Bond Index	-0.37%	0.14%	0.44%	0.67%
Interest Rates	7/2/2026	6/26/2026	6/18/2026	6/12/2026
3-month T-bill Yield (%)	3.75	3.74	3.75	3.71
10-year Treasury Yield (%)	4.49	4.37	4.45	4.48
10Y-2Y Treasury Spread (%)	0.31	0.29	0.28	0.40
30-year Fixed Mortgage Rate (%)	6.56	6.57	6.55	6.56
Commodities				
WTI Crude (\$/bl)	68.68	70.30	80.35	88.62
Gold (\$/Troy Oz)	4,129.20	4,072.05	4,236.15	4,185.95
Bitcoin	61,403.49	60,018.77	62,865.03	63,553.81

Weekly Indicators	7/2/2026	6/26/2026	6/18/2026	6/12/2026
Employment				
Initial Unemployment Claims (000's)	-	215.00	216.00	227.00

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)	-	1.04	0.33	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)	-	-0.61	-0.11	0.26
JOLTS Job Openings (000's)	-	7594	7585	6887
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	-	0.47	0.64	0.87
Core CPI (%m/m, sa)	-	0.21	0.38	0.20
Producer Price Index (PPI) (%m/m, sa)	-	1.06	1.06	0.75
Core PPI (%m/m, sa)	-	0.76	0.67	0.32
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)	-	0.14	0.87	-0.32
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 (%)	-	54.50	53.60	54.00
Leading Economic Index (%m/m)	-	0.10	0.20	-0.60
Housing and Construction				
Building Permits (Mil. of Units, saar)	-	1.41	1.42	1.36
Housing Starts (Mil. of Units, saar)	-	1.18	1.39	1.52
New Home Sales (Mil. of Units, saar)	-	0.58	0.63	0.66

WEEK AHEAD

This week's calendar will provide investors with additional insight into the health of the services sector, inflation expectations, and broader economic activity. Following last week's mixed labor market data, markets will be looking for evidence as to whether growth is merely moderating or beginning to slow more meaningfully.

Services Sector: Can Growth Hold Up?

Monday's S&P Global Services PMI and ISM Non-Manufacturing PMI will offer an important update on the largest segment of the U.S. economy. Given the services sector's outsized contribution to economic activity, investors will be watching closely to see whether business sentiment and demand remain resilient. Particular attention will be paid to the employment and prices subindexes. With June payroll growth coming in below expectations, markets will be looking for signs that hiring demand remains intact. At the same time, investors will monitor pricing activity to determine whether recent improvements in manufacturing-related inflation pressures are beginning to spread more broadly throughout the economy.

Inflation Expectations and Monetary Policy

The New York Fed's Consumer Inflation Expectations Survey on Tuesday will provide insight into how households view the future path of inflation. While temporary supply disruptions can impact prices in the short term, longer-term inflation expectations often play a critical role in determining whether those pressures become more persistent.

Markets will also receive the minutes from the June Federal Open Market Committee (FOMC) meeting. While the economic data discussed during the meeting is now somewhat dated, investors will look for additional insight into how committee members assessed the balance between inflation risks and labor market conditions, as well as any signs of emerging disagreement regarding the future path of monetary policy.

Housing and Energy

Existing home sales will provide an early look at housing market activity during June and may offer additional clues regarding consumer confidence in making long-term financial commitments. Markets will also monitor the Organization of the Petroleum Exporting Companies (OPEC) meeting and the IEA Monthly Oil Market Report for updates on global supply conditions. Following recent geopolitical tensions and concerns surrounding energy-driven inflation, investors will be watching for signs that oil markets are stabilizing and that supply risks are beginning to ease.

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.

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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.

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