What's on Our Minds

July 13, 2026

MARKET HIGHLIGHTS

- **Geopolitical tensions dominated a light data week as hostilities resumed in Iran.** At the NATO Summit, President Donald Trump declared the ceasefire over after new US strikes followed Iranian attacks on shipping in the Strait of Hormuz. President Trump pulled Iran's oil sales waiver and called talks a "waste of time" but left room for negotiation.
- **With 63 million barrels of Iranian oil stranded at sea, oil prices spiked initially** but settled up approximately 4% on the week as markets judged supply adequate. Bond yields rose on inflation concerns while gold and silver fell.
- **Equities shrugged off the initial shock,** refocused on strong fundamentals and AI-driven earnings ahead of second-quarter reporting season.
- **Minutes from the June Federal Open Market Committee meeting showed a hawkish hold,** unanimous but with some members open to hikes. Inflation expectations ticked up, services growth held steady, and existing home sales fell 2.4% as prices hit a record high of $440,600.

MARKET PERFORMANCE

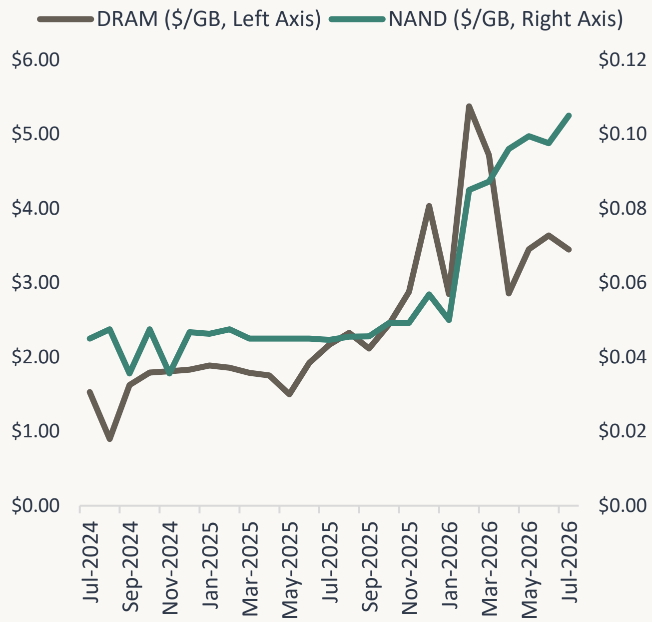
ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	-0.44%	0.04%
Municipal Bonds 1-10Y	-0.14%	0.92%
U.S. High Yield	0.02%	2.00%
S&P 500	1.26%	11.36%
Russell 2500 (SMID cap)	-0.78%	20.71%
MSCI EAFE (International)	-1.37%	9.77%
MSCI Emerging Markets	-1.74%	21.70%
MSCI ACWI (Global)	0.26%	11.90%
Crude Oil (NYMEX WTI)	2.60%	24.71%
Gold LBMA PM	-1.01%	-6.15%
60/40 ACWI/Agg Portfolio	-0.02%	7.15%

WHAT CAUGHT OUR EYES THIS WEEK

A Memorable Rally in Memory Stocks

Momentum in the AI trade has shifted. Major hyperscalers—seen as the pick-and-shovel play—are now being scrutinized for the jaw-dropping capital outlays needed to compete in the AI infrastructure race. Naturally, investor attention turned from the spenders to the recipients of that spending. Hyperscaler capital expenditures have been a windfall for memory-chip makers like Micron, Samsung, and SK Hynix (which raised $26.5 billion in US markets last week as the second biggest US stock sale in history behind SpaceX). The memory business has historically been a tough one, plagued by cyclicality, commoditization, consolidation, and a steady march lower for prices. But right now, it has what AI needs. As capabilities shift from chatbots to agentic workflows, demand for memory is expanding rapidly and currently far outstripping available supply, sending memory-chip prices higher for not just the hyperscalers, but also the many other industries who rely on them as inputs (see recent price hikes for MacBooks and Xbox consoles). Investors have been following the money, sending the cohort up nearly 100% in the past three months. Is this new source of demand enough to change the game for the memory industry like it did for GPUs? Or is it just another boom in a history of booms and busts?

DRAM and NAND Memory Prices



Please see important disclosures and other key information on page 4.

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OUR KEY THEMES FOR 2026 (updated as of July)

1) Monetary policy moves to neutral or slightly restrictive and fiscal policy moves to neutral or slightly positive while the AI infrastructure build-out remains a key structural tailwind.
2) One Big Beautiful Bill Act corporate tax changes are spurring a reacceleration in non-AI business investment.
3) Global growth on net remains positive as trend-or-better US growth offsets supply shocks overseas.
4) Broader economic activity lifts employment, while labor force growth remains sluggish.
5) Inflation remains above target, but progress should resume when the current supply shock fades.
6) The jury is still out on new Fed Chair Warsh's direction regarding interest rates, the Fed balance sheet, and the inflationary versus productivity-enhancing impacts of the AI build-out.
7) We see stability or slight upward pressure for long-term rates, based on strong economic activity.
8) It's hard to fight strong fundamentals for equity markets, with double-digit profit growth balancing high earnings multiples.
9) Better earnings breadth was delayed, not canceled.
10) International stocks still offer diversification benefits and an impressive fundamental outlook considering geopolitical headwinds.

IN CASE YOU MISSED IT

INSIGHTS

The Tax Drag Hiding in Your Long-Term Financial Plan

Process Over Outcomes: What Plan Fiduciaries Need to Watch in the Second Half of 2026

Second Quarter 2026 Review and Third Quarter 2026 Economic and Market Outlook

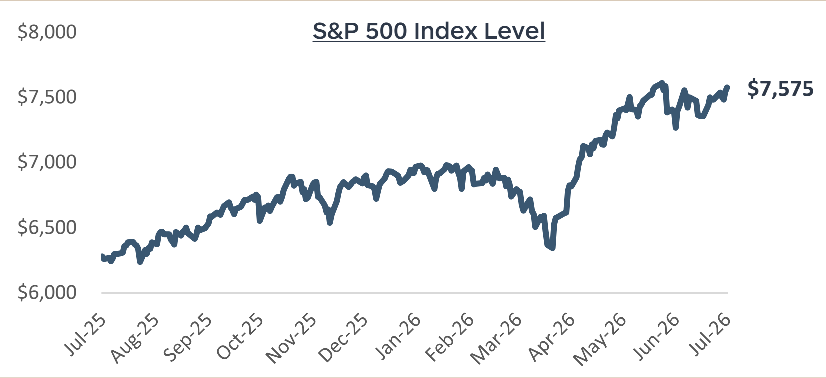
ARCHIVE

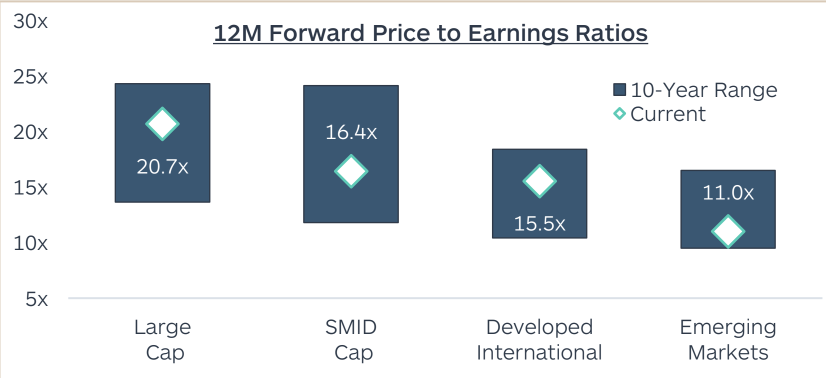
Historical Economic and Market Outlooks Insights

WEBINARS

Recording: Q2 2026 Market & Economic Outlook

EQUITIES





S&P 500 SECTOR	1-WEEK	YTD
Information Technology	3.4%	19.8%
Energy	3.2%	23.9%
Comm. Services	2.4%	5.0%
Consumer Discretionary	0.4%	-0.4%
Financials	0.1%	2.6%
Real Estate	-0.4%	12.8%
Utilities	-0.8%	7.8%
Industrials	-1.1%	18.0%
Consumer Staples	-1.2%	8.9%
Health Care	-1.8%	4.9%
Materials	-2.2%	12.2%

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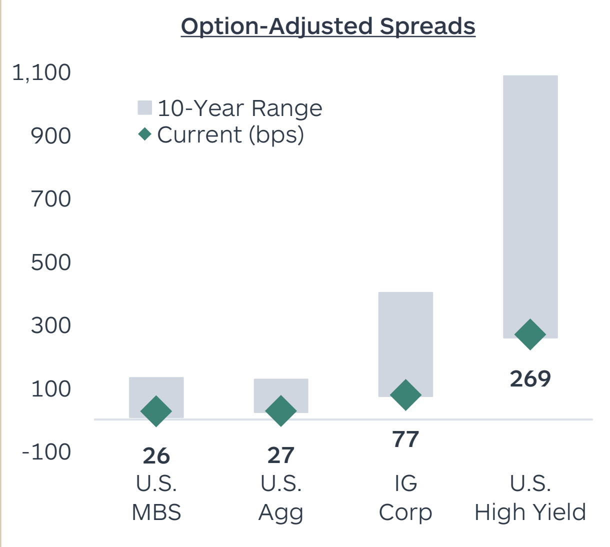
FIXED INCOME

KEY INTEREST RATES	7/10/2026	Δ YTD
Municipal Bonds 1-10Y	3.15%	0.18%
Effective Federal Funds Rate	3.62%	-0.02%
3M T-Bill	3.79%	0.15%
10Y Treasury Yield	4.56%	0.39%
U.S. Aggregate	4.84%	0.52%
30Y Mortgage Rate	6.56%	0.31%
Prime Rate	6.75%	0.00%
U.S. High Yield	7.44%	0.37%



COMMODITIES, CURRENCIES, CRYPTO

Asset Class	7/10/2026
Crude Oil	$71.41
Gold	$4,099.15
U.S. Dollar Index	$100.95
Bitcoin	$64,085.00

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THE WEEK AHEAD

Jul. 13 (Mon.)	Jul. 14 (Tue.)	Jul. 15 (Wed.)	Jul. 16 (Thu.)	Jul. 17 (Fri.)	Coming Up
	Jun. CPI	Jun. PPI	Jun. Retail Sales	Jun. Import & Export Prices	FOMC Meeting (7/29)
	Jun. NFIB Small Business Index		May Business Inventories	Jul. Michigan Sentiment	Q2 GDP (7/30)
			Jul. NAHB Housing Market Index	Jun. Industrial Production	Jun. PCE (7/30)
			Jun. Pending Home Sales		

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ABBREVIATIONS: Agg: Aggregate. EM: Emerging Markets. SOFR: Secured Overnight Financing Rate. MBS: Mortgage-backed securities. IG: Investment Grade.

CHART OF THE WEEK: Cerity Partners, FactSet

MARKET PERFORMANCE: All returns represent total return for the stated period. 1-Week and Year-to-Date (YTD) returns are as of 7/10/26. Underlying indices are in descending order: Bloomberg US Aggregate provided by Bloomberg Capital; Bloomberg Municipal Bond 10 Yr provided by Bloomberg Capital; ICE BofA US High Yield Index provided by Bloomberg Capital; S&P 500; provided by: Standard & Poor's. Index; Russell 2500; provided by: Russell Investments; MSCI Europe, Australasia, and the Far East (EAFE) provided by MSCI net official pricing; MSCI EM provided by MSCI net official pricing; MSCI All Country World Index (ACWI) provided by MSCI net official pricing; Crude Oil (WTI) provided by CME; LBMA Gold Price PM provided by FactSet. The 60/40 ACWI/Agg Portfolio (60% ACWI / 40% AGG) is not a recommendation and is provided for reference purposes only.

EQUITIES: Top Left-hand Chart. S&P 500 Index Level as of 7/10/26 and provided by Standard & Poor's. Bottom Left-hand Chart. Forward Price to Earnings Ratios refers to the price-to-earnings ratio for the forward 12 months, which is a valuation measure applied to respective broad equity indices as of 7/10/26. Large Cap data is proxied with the S&P 500 and provided by FactSet. SMID data is proxied by the Russell 2500 and provided by FactSet. Developed International data is proxied with the MSCI EAFE and provided by FactSet. Emerging Markets data is proxied by the MSCI EM and provided by FactSet. S&P 500 Sector performance table. Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends. 1-Week and Year-to-Date (YTD) returns are as of 7/10/26.

FIXED INCOME: Top Table. Effective Federal Funds Rate provided by FactSet. Composite Municipal Bond Yield provided by FactSet. Bloomberg US Aggregate provided by FactSet. 3-Month Treasury Bill rate provided by FactSet. 10-Year Treasury Yield provided by FactSet. 30-Year Mortgage Rate provided by FactSet. ICE BofA US High Yield Index provided by FactSet. Prime Rate provided by FactSet. Bottom Table. Option Adjusted Spreads as of 7/10/26. Bloomberg US Aggregate Securitized – MBS, Bloomberg US Aggregate, ICE BofA US Corporate, ICE BofA US High Yield data provided by Bloomberg Capital.

COMMODITIES, CURRENCIES, CRYPTO: WTI NYMEX Crude Oil provided by FactSet. Gold is proxied with the LBMA Gold PM and provided by FactSet. Bitcoin is proxied by the Bitcoin (CME) Continuous index and provided by FactSet. U.S Dollar prices are proxied with the U.S. Dollar Index and provided by FactSet.

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