What's on Our Minds

July 20, 2026

MARKET HIGHLIGHTS

- **Investors weighed geopolitics and second-quarter earnings over economic data;** strong early earnings were tempered by concerns over AI investment durability amid rising Chinese competition and cautious guidance.
- **The US–Iran conflict escalated in the Strait of Hormuz,** with US strikes on Iranian defenses and vessels and Iranian attacks on shipping and US bases. The US reinstated its Iran blockade, voiding last month's memorandum of understanding and sending oil prices sharply higher as strait traffic slowed to a trickle.
- **The June Consumer Price Index (CPI) fell 0.4%**—its first decline since 2020—on lower energy; core was flat. The Producer Price Index also declined. July rate-hike odds fell to 12%, with September now in focus.
- **In his congressional testimony, Federal Reserve (Fed) Chair Kevin Warsh stated he has no tolerance for persistent inflation** but won't overreact to one soft CPI print. Governor Christopher Waller, Dallas Fed President Lorie Logan, and Kansas City Fed President Jeffrey Schmid struck more hawkish tones on broad, sticky inflation.
- **June retail sales rose 0.2%,** capping off a quarter where consumer spending should be a positive contributor to GDP.

MARKET PERFORMANCE

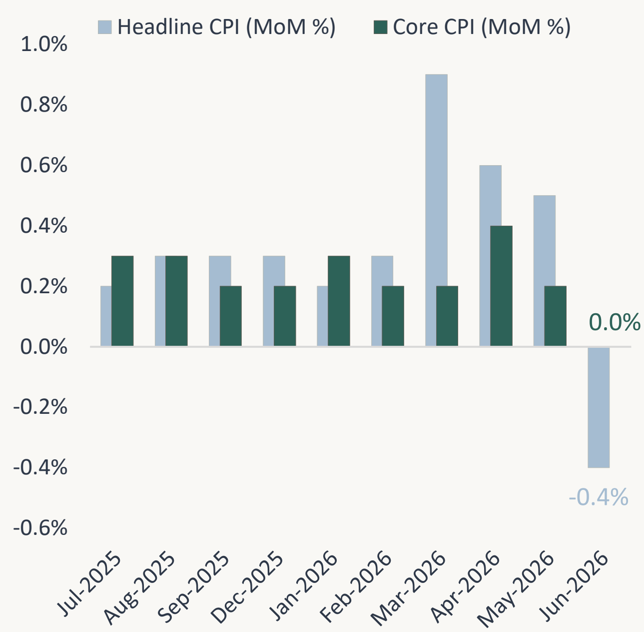
ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	0.13%	0.16%
Municipal Bonds 1-10Y	-0.25%	0.67%
U.S. High Yield	0.04%	2.04%
S&P 500	-1.55%	9.64%
Russell 2500 (SMID cap)	-0.49%	20.12%
MSCI EAFE (International)	-0.81%	8.89%
MSCI Emerging Markets	-4.10%	16.71%
MSCI ACWI (Global)	-1.57%	10.14%
Crude Oil (NYMEX WTI)	4.02%	43.87%
Gold LBMA PM	-1.10%	-8.53%
60/40 ACWI/Agg Portfolio	-0.89%	6.15%

WHAT CAUGHT OUR EYES THIS WEEK

All Around a Great Inflation Report

As expected, June's 23% fall in WTI crude oil prices was a notable drag for monthly CPI inflation, but the most interesting drivers of June's -0.4% print came from other areas. Core inflation (which excludes food and energy) was flat on the month for the first time in over five years. Drivers of this cooling were broad-based. Core goods prices fell slightly for the second straight month. Shelter inflation also slowed meaningfully to +0.1% on the month. Perhaps most surprisingly, prices for other services besides shelter also fell in the aggregate for only the eighth time in the last 10 years. This report was followed by encouraging data from producer prices, where the broader fallout from the war in Iran is still being felt (for example, in elevated transportation and warehousing costs) but is still moving in the right direction. Taken together, these two reports dampened expectations for rate hikes in 2026. Federal funds futures markets now see the Federal Open Market Committee on hold for July before a roughly two-thirds chance of a rate hike in September.

Headline vs. Core CPI: Month-over-Month % Change



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

What's on Our Minds

July 20, 2026

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

Startups Should Not Wait to Hire CFOs

Tax Challenges Every Business Operating in Multiple States Must Navigate

The Tax Drag Hiding in Your Long-Term Financial Plan

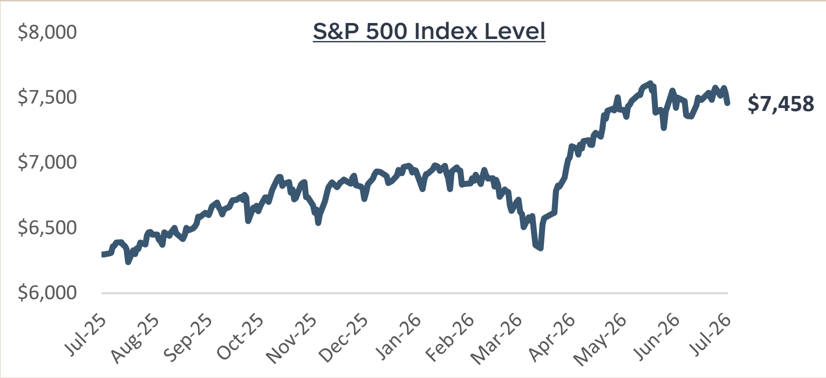
ARCHIVE

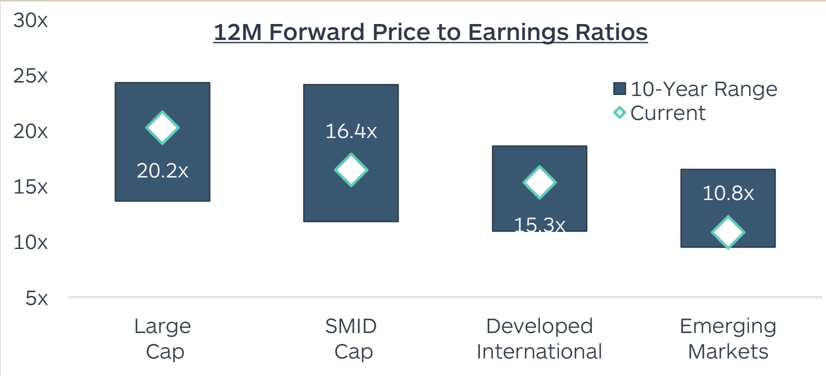
Historical Economic and Market Outlooks Insights

WEBINARS

Recording: Q2 2026 Market & Economic Outlook

EQUITIES





S&P 500 SECTOR	1-WEEK	YTD
Energy	5.0%	30.1%
Real Estate	2.3%	15.3%
Consumer Staples	1.4%	10.4%
Financials	1.0%	3.6%
Health Care	0.1%	5.0%
Utilities	-0.5%	7.3%
Consumer Discretionary	-1.3%	-1.6%
Materials	-1.3%	10.7%
Industrials	-1.4%	16.4%
Comm. Services	-2.4%	2.5%
Information Technology	-3.8%	15.3%

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

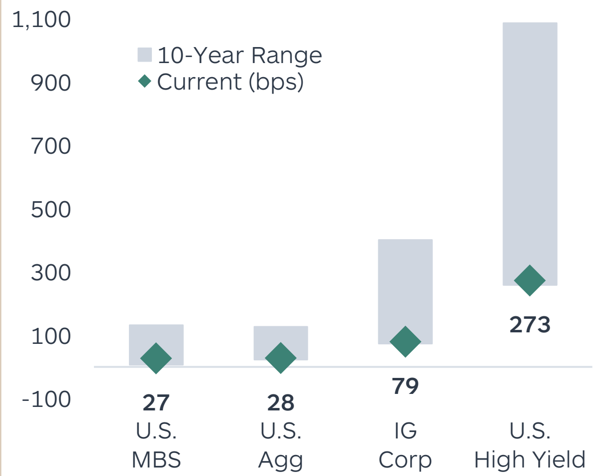
What's on Our Minds

July 20, 2026

FIXED INCOME

KEY INTEREST RATES	7/17/2026	Δ YTD
Municipal Bonds 1-10Y	3.22%	0.25%
Effective Federal Funds Rate	3.63%	-0.01%
3M T-Bill	3.80%	0.16%
10Y Treasury Yield	4.55%	0.38%
U.S. Aggregate	4.83%	0.51%
30Y Mortgage Rate	6.61%	0.36%
Prime Rate	6.75%	0.00%
U.S. High Yield	7.41%	0.34%

Option-Adjusted Spreads



COMMODITIES, CURRENCIES, CRYPTO

Asset Class	7/17/2026
Crude Oil	$82.38
Gold	$3,995.35
U.S. Dollar Index	$100.77
Bitcoin	$64,270.00

From headlines to horizon, discover how smart insights can shape your financial future. Visit the Cerity Partners website for more information.

THE WEEK AHEAD

Jul. 20 (Mon.)

Jul. 21 (Tue.)

Jul. 22 (Wed.)

Jul. 23 (Thu.)

Weekly Jobless Claims

Jul. 24 (Fri.)

Jun. S&P Manufacturing & Services PMIs

Jun. New Home Sales

Coming Up

FOMC Meeting (7/29)

Q2 GDP (7/30)

Jun. PCE (7/30)

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

What's on Our Minds

July 20, 2026

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 7/17/26. 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 7/17/26 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 7/17/26. 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 7/17/26.

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 7/17/26. 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.

GENERAL DISCLOSURES

This material discusses general market activity, industry or sector trends, or other broad-based economic, market, or political conditions and should not be construed as research or investment advice. It is provided for informational and educational purposes only and does not constitute personalized investment, tax, or legal advice. The views and opinions expressed are those of Cerity Partners LLC ("Cerity Partners") as of the date indicated and are subject to change without notice.

This material is not financial research and was not prepared in accordance with legal requirements designed to promote the independence of financial analysis. The views expressed may differ from those of other professionals at Cerity Partners. Investors should consult with their financial advisors before making any investment decisions.

This content may contain forward-looking statements or forecasts that reflect assumptions and expectations as of the date indicated. These statements are inherently subject to change and involve uncertainties that may cause actual results to differ materially. These forecasts do not consider the specific investment objectives, financial situation, or particular needs of any specific person or organization and should not be relied upon as a guarantee of future performance.

Past performance is not indicative of future results. All investments involve risk, including the potential loss of principal. The value of investments and the income derived from them may fluctuate over time.

Index performance is shown for illustrative purposes only. Investors cannot invest directly in an index. Case studies and examples, if any, are for illustrative purposes only and do not guarantee future outcomes.

Any links to third-party websites are provided for convenience and informational purposes only. Cerity Partners does not endorse or guarantee the accuracy or completeness of any information provided by these third parties.

Cerity Partners LLC is an SEC-registered investment adviser with offices located throughout the United States. Registration does not imply a certain level of skill or training. For additional information about Cerity Partners, including our services and conflicts of interest, please refer to our Form CRS and ADV Part 2, available at www.adviserinfo.sec.gov.

This material is intended for general informational purposes only. Redistribution or reproduction, in whole or in part, is not permitted without prior written consent from Cerity Partners LLC.