HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: July 10th, 2026

Week in Review

It was a Disappointing Week of Economic Data. Economic data from the past week generally disappointed. There was some sign of slowing in the services economy with S&P's and ISM's services Purchasing Managers Index (PMIs) both coming in a bit weaker than expected. Services prices continue to surge – hinting at more stubborn inflation as services has been at the core of hot inflation recently. Yet, employment was a bit better than expected. The trade balance report on Tuesday saw imports continue to outpace forecasts while exports lag, leading to a sizable trade gap. FOMC meeting minutes highlighted the divide between participants with many thinking the appropriate fed funds rate lies at or slightly below today's while "many others" think rates need to be higher. Both sides are clamoring for more data before instituting changes. The week was capped off with existing home sales a bit softer than expected.

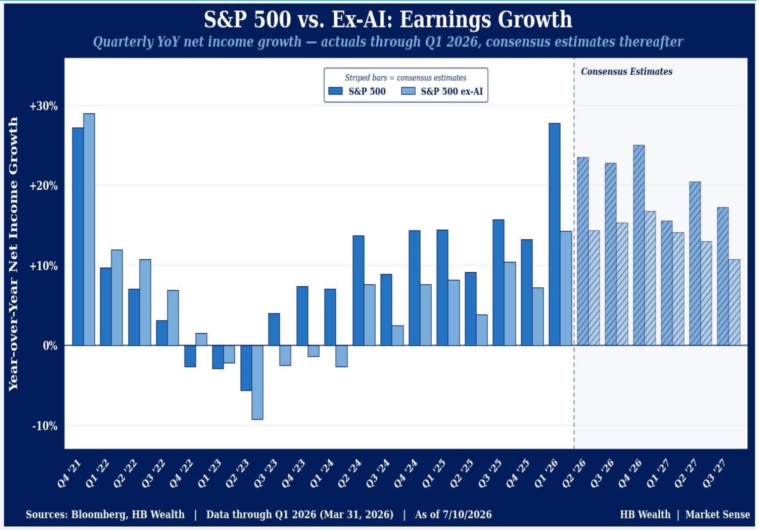
Large Caps Rebound for the Week as Rotation Favored Defense with War Concern. Following Iran's strikes on ships traversing the Strait of Hormuz, President Trump issued a fresh wave of strikes and initially claimed the Memorandum of Understanding is "over." That led to a more than 7% spike in oil prices that moderated a bit as the administration indicated a desire to continue negotiations despite ongoing strikes. The S&P 500 remains below its all-time high but was able to reverse its recent fortune and outperform for the week, followed by the Russell 1000 and 3000. Small caps dipped and value stocks likewise lagged across capitalizations as 10-year yields climbed with renewed strikes in Iran, though next week's earnings season will likely outshine war related headlines as they did for much of last season. Both emerging and developed market stocks slid for the week.

The Week Ahead

Heavy Week of Economic Data Ahead. Next week is a heavy week of data releases and will include everything from the Federal Budget Balance to Retail Sales and Consumer Sentiment to Industrial Production. However, back-to-back reports on inflation midweek – CPI, PPI and Import/Export Prices - may be most important to watch given the recent hawkish tilt at the Fed. PPI has been running much hotter than CPI since November.

2Q Earnings Season to Kick off With Financials. The 2Q26 earnings season will kick off on Tuesday. Consensus expects 21.8% EPS growth for the S&P 500 and 5.1% revenue growth for the Russell 2000. All S&P 500 sectors except health care are expected to post earnings gains year-over-year. Small cap revenue growth is expected to be particularly broad based with six of 11 sectors posting double-digit topline growth, led by energy and materials. Only utilities and staples are pegged for a drop in sales year-over-year.

Chart of the Week & Commentary



Another earnings season will kick off in the coming week, and consensus is expecting the spectacular growth that emerged in 1Q to continue. The current expectation is for 21.8% EPS growth for the S&P 500 and if growth turns out to be as strong or stronger than expected, it will contribute to a forecast for about 25% growth in earnings in 2026, an unusually strong pace of growth for the index, particularly in the middle of an economic cycle. On average, net income has risen at a pace of 7.8% annually for the last twenty years, and excluding recession declines and bounce-back years (20-'21 and '08-'10), growth has averaged 9.4%. There were only two other years since 2010 in which the index managed to post better than 20% growth in earnings – 2018 (tax reform) and 2021 (pandemic recovery).

Perhaps most encouragingly, even earnings ex-AI stocks are recovering smartly, showing that the recovery is powered by participation beyond the AI theme. After averaging 5.6% growth in 2024-25, ex-AI stocks should average 15% growth this year, including 14.3% growth in the current quarter.

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Equities

	Level	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
S&P 500	7,575	1.3%	1.0%	11.3%	22.0%	78.8%
NASDAQ	26,282	1.7%	0.3%	13.4%	28.2%	96.2%
Dow Jones 30	52,637	-0.5%	0.6%	10.5%	19.9%	63.7%
Russell 3000	4,308	1.0%	0.7%	11.6%	21.9%	76.7%
Russell 1000	4,125	1.0%	0.8%	11.2%	21.4%	77.5%
Russ. 1000 Growth	4,991	2.2%	-0.2%	5.1%	16.3%	85.6%
Russ. 1000 Value	2,427	0.0%	1.8%	18.3%	27.3%	66.9%
S&P 400	3,780	-0.6%	-1.9%	15.2%	19.8%	50.0%
S&P 600	1,769	-0.7%	-1.9%	21.6%	29.4%	53.3%
Russell 2000	2,978	-0.6%	-1.5%	20.8%	33.3%	63.8%
Russ. 2000 Growth	1,965	-0.6%	-2.4%	19.3%	32.0%	62.1%
Russ. 2000 Value	3,290	-0.6%	-0.6%	22.4%	34.7%	65.4%
MSCI ACWI Ex US	469	-0.5%	-0.7%	13.2%	26.7%	72.1%
MSCI Developed Ex US	3,192	-0.6%	0.2%	9.9%	21.4%	66.3%
MSCI EM	1,676	-0.4%	-2.6%	20.8%	39.2%	84.9%

Index Characteristics

	NTM P/E	P/B	Div. Yld.	Mkt Cap (B)
S&P 500	20.3	5.7	1.1	67434
NASDAQ	25.0	7.9	0.5	47234
Dow Jones 30	20.9	6.1	1.5	25191
Russell 3000	20.5	5.2	1.1	78291
Russell 1000	20.3	5.4	1.1	74622
Russ. 1000 Growth	24.0	13.2	0.4	50160
Russ. 1000 Value	17.8	3.5	1.7	47958
S&P 400	16.8	3.0	1.3	3796
S&P 600	15.9	2.2	1.5	1969
Russell 2000	29.4	2.6	1.4	3669
Russ. 2000 Growth	45.4	5.2	0.5	2469
Russ. 2000 Value	18.3	1.7	2.3	2217
MSCI ACWI Ex US	13.8	2.4	2.4	59789
MSCI Developed Ex US	15.9	2.4	2.6	30433
MSCI EM	10.8	2.5	2.0	29356

Fixed Income

	Yield	Spread	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
U.S. Aggregate	4.82	--	-0.3%	-0.5%	0.1%	3.7%	13.5%
U.S. Municipal	3.65	--	-0.3%	-0.4%	1.9%	6.5%	11.6%
U.S. Agency MBS	5.08	25	-0.3%	-0.4%	0.5%	5.1%	15.1%
U.S. IG Corporates	5.29	74	-0.4%	-0.6%	0.2%	4.0%	17.3%
U.S. High Yield	7.14	265	0.1%	0.1%	2.1%	5.9%	29.7%
EM $ Corporates	6.44	205	-0.1%	-0.2%	1.5%	5.2%	23.1%

Factor Returns - US (Russell 3000)

Factor	1 Wk %	QTD %	YTD %	1 Yr %
Multi Factor	-0.1%	6.2%	15.8%	23.7%
Size	-0.8%	6.6%	20.2%	35.1%
Value	-0.5%	5.9%	22.3%	32.4%
Quality	-0.4%	6.1%	11.9%	18.7%
Dividend Yield	-0.6%	5.3%	17.5%	22.3%
Momentum	0.2%	11.1%	23.0%	40.8%
Low Volatility	-1.0%	3.7%	7.5%	10.5%

Key Rates

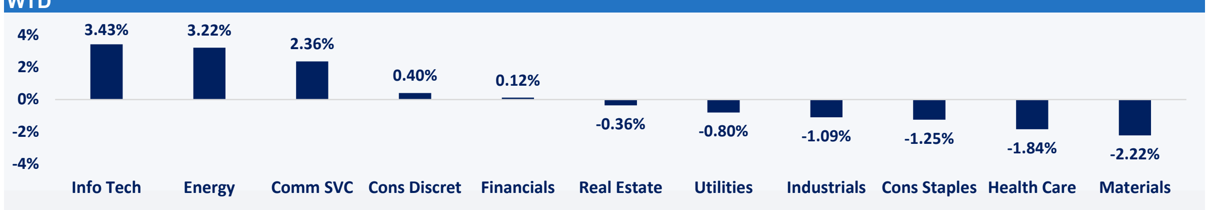
Rate	Yield	Prior Wk	Qtr-End	Yr-End	1 Yr Ago	Expectations
SOFR	3.53	3.64	3.68	3.87	4.31	3.47
2-yr U.S. Treasury	4.21	4.14	4.17	3.47	3.87	3.76
5-yr U.S. Treasury	4.30	4.23	4.23	3.73	3.93	3.93
10-yr U.S. Treasury	4.56	4.48	4.47	4.17	4.35	4.35
30-yr U.S. Treasury	5.06	4.99	4.95	4.84	4.87	4.88
10-yr German Bund	3.06	2.93	2.86	2.85	2.70	2.96
10-yr UK Gilts	4.87	4.78	4.76	4.48	4.60	
30-yr Fixed Mortgage	6.56	6.57	6.55	6.25	6.73	
1-yr Breakeven	1.31	1.31	1.42	2.29	2.71	
5-yr Breakeven	2.30	2.25	2.27	2.27	2.41	

Currencies & Commodities

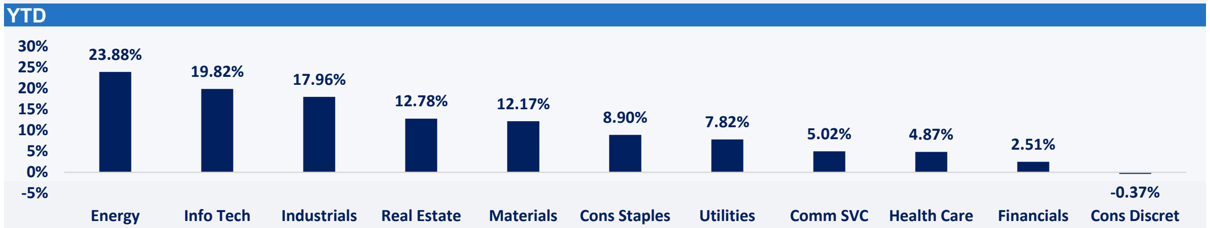
	Current	Prior Wk	Yr-End	1 Yr
$ per € (EUR/USD)	1.14	1.14	1.17	1.17
$ per £ (GBP/USD)	1.34	1.34	1.35	1.36
¥ per $ (USD/JPY)	161.74	161.34	156.71	146.26
Dollar Index	100.98	100.86	98.32	97.65
Gold ($/oz)	4111.31	4176.94	4319.37	3324.05
Silver ($/oz)	59.78	62.42	71.66	37.00
Copper	623.25	611.45	568.20	554.80
WTI Oil ($/bbl)	71.63	68.69	57.42	66.57
Brent Oil ($/bbl)	76.05	72.12	60.85	68.64

S&P 500 Sector Returns

WTD



YTD



Style Returns

WTD

	Value	Blend	Growth
Large	0.0%	1.0%	2.2%
Mid	-0.3%	-0.3%	-0.3%
Small	-0.6%	-0.6%	-0.6%

YTD

	Value	Blend	Growth
Large	18.3%	11.2%	5.1%
Mid	18.2%	14.9%	4.4%
Small	22.4%	20.8%	19.3%

Disclosure:

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