HB Wealth | Market Sense: Weekly Market Recap

For the Week Ending: August 7th, 2026

Week in Review

Economic Data Was Strong This Week, Headlined by Manufacturing. Data this week showed the manufacturing sector continued to gather momentum in July. The ISM's PMI hit its highest level since May 2022. Nondefense capital goods orders ex aircraft – a key component of our earnings model – also posted yet another strong surprise and suggests capital spending is running at a pace of about 15% growth year over year. News on the services economy also confirmed expansion. However, the consumer outlook remains mixed. Layoffs are low, but the employment report showed job growth slowed materially over the last three months, and average hourly earnings growth weakened.

Déjà vu: Oil Falls on Supposed Peace Talks. WTI crude is back down to $77/bbl as the US and Iran are supposedly close to a deal to reopen the Strait of Hormuz. Still, current levels are more than 39% higher than the December low and the 73rd percentile of readings back to 1995. This has partially reversed the hawkish momentum from the Fed meeting, with futures now pricing in one hike by year end vs two at the start of the week. Even though the short end eased with oil prices, longer bonds got less relief,

Stocks Bounce with Wide Breadth. All major US indices rose this week, led by large caps. Though growth sharply led value this week, the latter style also posted roughly 2% rise across capitalizations, highlighting the breadth behind stocks' surge. All sectors but energy, utilities, real estate and staples rose across the Russell 3000, led by materials, tech and telecom. While developed markets ex-US gained, emerging markets stocks slid.

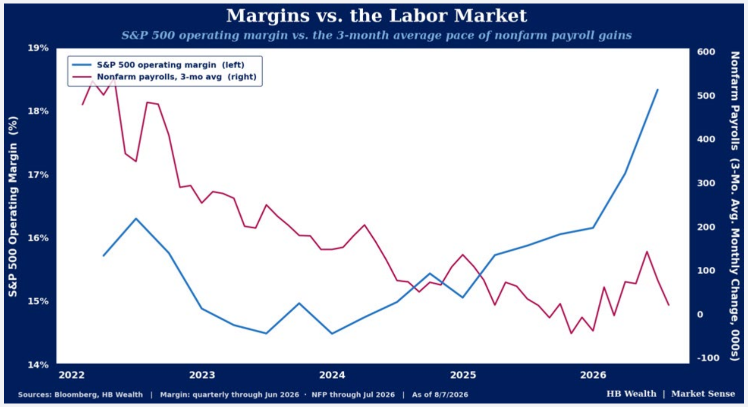
Big Beats are Baked as Earnings Wind Down. The S&P 500 is on track for 31.6% EPS growth, easily beating the 23.2% preseason estimate, while small caps are tracking 11% revenue growth (versus a 7.5% hurdle). However, elevated earnings bars and spending plans continued to drive individual stock volatility.

The Week Ahead

Inflation Headlines Next Week's Releases. NFIB Small Business Optimism and Existing Home Sales kick off the week on Tuesday. Inflation news may highlight the week - the CPI report will drop Wednesday, followed by PPI on Thursday. Confirmation of economist expectations for easing price growth may be necessary to soothe recent bond market jitters. Friday will offer a read on the consumer with retail sales and University of Michigan Sentiment. The two series have been going in opposite directions all year, driven by higher prices that inflate sales but depress consumers.

Earnings Will Start to Wind Down. Just 10 S&P 500 companies (1.8% of index market cap) are set to report in the coming week, headlined by Cisco, Applied Materials and Simon Property Group. Likewise, there will be just 52 Russell 2000 companies reporting this week (2.3% of index market cap).

Chart of the Week & Commentary



U.S. jobs growth is weakening again, but it will not likely materially impact the run rate of corporate profits, which are getting a boost from surging business investment on everything but employees.

U.S. companies are not laying off workers, but they aren't hiring many either. Nonfarm payrolls rose just 20,000 over the three months ending in July, the slowest 3-month gain since February. Government layoffs were a large portion of July weakness, but not entirely responsible for the summer slowdown - private sector jobs rose a mere 30K in both June and July, a far cry from the pre-pandemic normal run rate of about 200K jobs per month. This lack of job growth signals a lackluster outlook for consumer spending, but it may only signal ongoing strength for profits, for two reasons. First, profits are currently being driven by strongly surging AI-related business investment, not consumption. Discretionary sector (ex-TSLA and AMZN) revenue is a mere 7% of S&P 500 revenue. Second, corporate margins continue to expand in part because unit labor costs have risen less than 2% so far this year, even as corporate revenues have accelerated more than 10%. S&P 500 operating margins hit a new all-time high of 17% in the first quarter and continued to march higher to a whopping 18% in 2Q, a full 400 basis points above pre-pandemic norms.

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Equities

	Level	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
S&P 500	7,758	3.6%	3.5%	14.1%	23.8%	78.6%
NASDAQ	26,691	5.2%	1.8%	15.2%	26.4%	94.9%
Dow Jones 30	54,037	3.0%	3.3%	13.4%	24.9%	60.8%
Russell 3000	4,414	3.7%	3.2%	14.4%	24.0%	76.6%
Russell 1000	4,228	3.7%	3.4%	14.0%	23.3%	77.4%
Russ. 1000 Growth	5,019	5.3%	0.3%	5.7%	13.4%	82.7%
Russ. 1000 Value	2,531	2.3%	6.2%	23.4%	34.7%	69.1%
S&P 400	3,886	3.4%	0.9%	18.4%	26.1%	50.3%
S&P 600	1,798	1.7%	-0.3%	23.6%	35.5%	49.4%
Russell 2000	3,034	3.5%	0.4%	23.2%	38.9%	61.5%
Russ. 2000 Growth	1,992	5.1%	-1.0%	21.0%	34.9%	62.4%
Russ. 2000 Value	3,371	1.9%	2.0%	25.6%	43.2%	60.7%
MSCI ACWI Ex US	478	1.1%	1.5%	15.7%	28.2%	71.1%
MSCI Developed Ex US	3,306	1.8%	3.9%	13.9%	25.5%	68.3%
MSCI EM	1,659	-0.4%	-3.4%	19.8%	34.6%	76.7%

Index Characteristics

	NTM P/E	P/B	Div. Yld.	Mkt Cap (B)
S&P 500	20.1	5.9	1.1	68741
NASDAQ	24.7	8.0	0.5	48511
Dow Jones 30	20.9	6.3	1.5	26761
Russell 3000	20.3	5.3	1.1	79340
Russell 1000	20.2	5.6	1.1	75680
Russ. 1000 Growth	23.0	13.3	0.4	50717
Russ. 1000 Value	18.1	3.6	1.6	49378
S&P 400	17.0	3.0	1.2	3854
S&P 600	15.7	2.2	1.5	1986
Russell 2000	29.3	2.6	1.3	3661
Russ. 2000 Growth	43.6	5.2	0.5	2442
Russ. 2000 Value	18.4	1.5	2.2	2234
MSCI ACWI Ex US	13.4	2.4	2.4	60619
MSCI Developed Ex US	16.0	2.4	2.5	31485
MSCI EM	10.0	2.4	2.0	29134

Fixed Income

	Yield	Spread	1 Wk %	QTD %	YTD %	1 Yr %	3-Yr Cum
U.S. Aggregate	4.93	--	0.4%	-0.9%	-0.3%	2.3%	13.0%
U.S. Municipal	3.86	--	0.5%	-1.4%	0.9%	5.1%	11.1%
U.S. Agency MBS	5.22	27	0.6%	-0.9%	0.1%	3.7%	14.5%
U.S. IG Corporates	5.41	76	0.5%	-1.2%	-0.3%	2.2%	16.4%
U.S. High Yield	7.22	263	0.6%	0.3%	2.3%	5.5%	28.2%
EM $ Corporates	6.51	206	0.4%	-0.3%	1.4%	3.9%	22.1%

Factor Returns - US (Russell 3000)

Factor	1 Wk %	QTD %	YTD %	1 Yr %
Multi Factor	1.0%	3.9%	19.3%	29.1%
Size	4.0%	0.3%	18.3%	32.4%
Value	1.7%	5.2%	23.3%	38.0%
Quality	2.3%	4.5%	16.8%	25.0%
Dividend Yield	1.9%	5.2%	23.1%	33.2%
Momentum	1.7%	-6.0%	20.8%	39.0%
Low Volatility	1.1%	4.1%	13.6%	19.3%

Key Rates

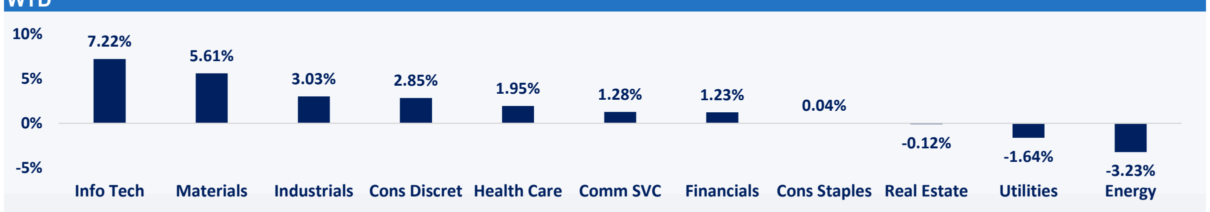
Rate	Yield	Prior Wk	Qtr-End	Yr-End	1 Yr Ago	Expectations
SOFR	3.65	3.66	3.68	3.87	4.35	3.51
2-yr U.S. Treasury	4.20	4.29	4.17	3.47	3.73	3.76
5-yr U.S. Treasury	4.35	4.45	4.23	3.73	3.79	3.95
10-yr U.S. Treasury	4.64	4.73	4.47	4.17	4.25	4.32
30-yr U.S. Treasury	5.20	5.27	4.95	4.84	4.83	4.84
10-yr German Bund	3.13	3.21	2.86	2.85	2.63	
10-yr UK Gilts	4.92	5.05	4.76	4.48	4.55	
30-yr Fixed Mortgage	6.78	6.73	6.55	6.25	6.74	
1-yr Breakeven	1.68	1.71	1.42	2.29	2.72	
5-yr Breakeven	2.23	2.29	2.27	2.27	2.44	

Currencies & Commodities

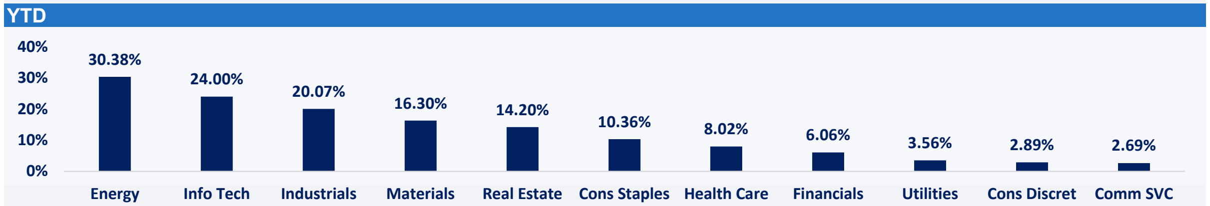
	Current	Prior Wk	Yr-End	1 Yr
$ per € (EUR/USD)	1.16	1.15	1.17	1.17
$ per £ (GBP/USD)	1.35	1.35	1.35	1.34
¥ per $ (USD/JPY)	157.75	157.40	156.71	147.14
Dollar Index	99.61	99.91	98.32	98.40
Gold ($/oz)	4337.45	4046.15	4319.37	3396.38
Silver ($/oz)	63.44	57.60	71.66	38.27
Copper	657.65	646.55	568.20	439.85
WTI Oil ($/bbl)	77.01	84.67	57.42	63.88
Brent Oil ($/bbl)	82.13	90.12	60.85	66.43

S&P 500 Sector Returns

WTD



YTD



Style Returns

YTD

	Value	Blend	Growth
Large	23.4%	14.0%	5.7%
Mid	22.4%	18.2%	5.5%
Small	25.6%	23.2%	21.0%

WTD

	Value	Blend	Growth
Large	2.3%	3.7%	5.3%
Mid	2.5%	3.2%	5.1%
Small	1.9%	3.5%	5.1%

Disclosure:

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