July 10, 2026

MARKET VIEW WEEKLY

Philip Blancato, Chief Market Strategist, Osaic

ECONOMIC REVIEW[1]

- Geopolitical tensions in the Middle East remained elevated, as the ceasefire between the U.S. and Iran deteriorated and Iran resumed attacks on vessels transiting the Strait of Hormuz, underscoring the ongoing uncertainty surrounding the conflict.
- SpaceX was added to the Nasdaq-100 Index, providing passive index investors with exposure to the company.
  - The recently public company was added to the index with an initial weighting of 1.30%.
- The ISM Non-Manufacturing (Services) Index decreased to 54.0 in June but met consensus expectations. (Readings above 50 indicate expansion, while readings below 50 indicate contraction).
  - While some activity components moderated from May, hiring picked up and the employment index moved into expansion.
  - Additionally, the prices paid index decreased from 71.3 to 67.7, reflecting easing energy prices and marking its lowest reading since the onset of the Iran conflict.
- Minutes from the Federal Reserve's (Fed) June Federal Open Market Committee meeting indicated that most policymakers would likely maintain or lower interest rates if inflation moves toward the Fed's 2% target.
  - Officials also noted that tariffs, higher energy prices, supply chain disruptions, and continued AI-related investments could keep inflation elevated and potentially warrant a more hawkish policy stance.
- Weekly jobless claims reflected a stable labor market with initial claims falling from 217k to 215k and continuing claims seeing a modest uptick by 8,000 to 1.814 million.
- Existing home sales trailed expectations and fell 2.4% month-over-month (MoM) to an annualized pace of 4.090 million.
  - Elevated mortgage rates continue to pressure housing affordability, weighing on home sales activity.

How does the most recent economic data impact you?

- While markets continue to price in the possibility of a Fed rate hike by year-end, this week's inflation report, along with the trajectory of energy prices and developments in Iran, will play a pivotal role in shaping their path.
- Labor market data continues to indicate a stable job market, supporting household income and consumer spending, while ongoing strength in the services sector remains a key driver of overall economic growth.

A LOOK FORWARD[1]

- This week, investors will be closely watching inflation data for June and retail sales.

How does this week's slate of economic data impact you?

- This week's Consumer Price Index (CPI) report is expected to show a moderation in inflation, supported in part by lower gasoline prices. A softer-than-expected reading could shift market expectations away from the possibility of Fed rate hikes.
- Retail sales have remained resilient, supported in part by larger tax refunds and positive wealth effects from higher asset prices. While growth is expected to moderate from the previous month, consumer spending continues to serve as the primary driver of economic growth.

MARKET UPDATE[2]

Market Index Returns as of 7/10/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	1.26%	1.05%	11.36%	22.48%	21.11%	13.26%
NASDAQ	1.74%	0.27%	13.44%	28.45%	24.92%	13.15%
Dow Jones Industrial Average	-0.48%	0.64%	10.46%	20.61%	17.49%	10.68%
Russell Mid-Cap	-0.33%	-0.32%	14.93%	19.64%	15.69%	8.27%
Russell 2000 (Small Cap)	-0.60%	-1.52%	20.71%	34.89%	17.48%	6.94%
MSCI EAFE (International)	-1.37%	0.30%	9.77%	20.86%	16.99%	9.03%
MSCI Emerging Markets	-1.74%	-1.73%	21.70%	40.05%	21.97%	7.69%
Bloomberg US Agg Bond	-0.44%	-0.58%	0.04%	4.04%	4.23%	-0.12%
Bloomberg High Yield Corp.	0.02%	0.11%	2.07%	6.05%	8.93%	4.11%
Bloomberg Global Agg	-0.40%	-0.47%	-0.69%	1.11%	3.31%	-1.73%

OBSERVATIONS

- Major U.S. large-cap equity indices ended the week with mixed performance as a handful of big tech stocks bolstered index returns.
  - The Nasdaq led the advance for the week (+1.74%), followed by the S&P 500 (+1.26%), while the Dow Jones retreated (-0.48%).
- Mid-cap stocks finished the week in negative territory, declining -0.33%. Small-cap stocks also finished lower for the week, posting a loss of -0.60%.
- Developed international markets trailed domestic equities and posted lower returns for the week (-1.37%), while emerging markets were the worst performer (-1.74%).
- Domestic and international fixed income indices fell on the week as interest rates rose. The U.S. Aggregate Bond Index dipped 0.44% as yields rose, while less interest-rate-sensitive high-yield corporate bonds were muted (+0.02 %).
  - International bonds underperformed for the week and finished down -0.44%.

BY THE NUMBERS

The World has an Anchovy Problem: One of the world's current hottest commodities is in the midst of a huge disruption. Global production has plunged as much as 40% from a year ago; prices are up 80% over the same period to an all-time high. The commodity in question? The humble anchovy. The anchovy sits at the bottom of a crucial supply chain that sustains the $500-billion-a-year global aquaculture industry. Anchovies are the main ingredient in fishmeal, and without enough of it, global production of salmon, seabass, shrimp, oysters and other seafood will suffer. The problem is that the 2026 El Niño, which meteorological agencies have just declared, is shaping up to be one of the strongest in modern history, crashing anchovy catches. If the industry's fears are confirmed, salmon prices are likely to rise to an all-time high by 2027.[3]

Manhattan High-Rise Deemed Stable After Columns Buckled: An under-construction Manhattan high-rise at risk of collapse was stabilized late Tuesday, and some evacuations of nearby buildings were lifted. The scene unfolded after columns were spotted buckling on Tuesday morning at the 1970s-era building, which is being converted into luxury apartments. Construction workers at the site and people in nearby buildings — including a school, diplomatic offices and several hotels — in the busy corridor of midtown were rushed out. City officials, going floor by floor, later found no further movement of the damaged columns, giving on-site contractors the green light to proceed with emergency repairs, his office said.[4]

Economic Definitions

Continuing Jobless Claims: Continuing claims are the number of people filing for unemployment benefits who have already filed an initial claim. To be included in continuing claims, the person must be covered by unemployment insurance and must be currently receiving benefits. They must have been unemployed for at least a week after filing the initial claim, per Department of Labor (DoL) specifications.

CPI (headline and core): Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

Federal Open Market Committee (FOMC): The Federal Open Market Committee (FOMC) is the policymaking body of the U.S. Federal Reserve responsible for setting national monetary policy and overseeing open market operations.

ISM Services Index: The Services ISM Report On Business® is based on data compiled from purchasing and supply executives nationwide. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (Business Activity, New Orders, Backlog of Orders, New Export Orders, Inventory Change, Inventory Sentiment, Imports, Prices, Employment and Supplier Deliveries) this report shows the percentage reporting each response, and the diffusion index. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Orders to the service producers make up about 90 percent of the US economy.

Initial Jobless Claims: Initial unemployment claims track the number of people who have filed jobless claims for the first time during the specified period with the appropriate government labor office. This number represents an inflow of people receiving unemployment benefits.

Producer Prices - PPI (headline and core): Producer prices (output) are a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Retail Sales: Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

NASDAQ-100: The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country definition are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

---

[1] Data obtained from Bloomberg as of 7/10/26.

[2] Data obtained from Morningstar as of 7/10/26.

[3] The world has an anchovy problem - MSN

[4] Midtown Manhattan building deemed stable after evacuations | AP News