



HIGHTOWER
Simmons Investment Advisors

MONTHLY MARKET UPDATE

JULY 2026

HEADLINES FROM LAST MONTH

US stocks were again mixed with value stocks rising and growth/tech stocks declining:

- There was a significant amount of volatility in July, with the Dow dropping -1,150 points during one trading session.
- Continued skepticism about massive capital spending on artificial intelligence caused weakness in the mega-cap tech sector, led lower particularly by semiconductor stocks.
- A hawkish interpretation of the Federal Reserve's keeping rates unchanged pushed longer term yields to 20-year highs.
- The ever-changing situation in the Middle East continued to drive volatility.

The Nikkei dropped -8.14% last month, now up 27.86% for the year.

Federal Reserve:

- Kevin Warsh testified before Congress for the first time as Federal Reserve Chairman.
- The FOMC left rates unchanged, as widely expected, but not without dissent.
 - Three out of the twelve policymakers voted for a rate increase.
 - Chairman Warsh continued his policy of not providing forward guidance.

Iran:

- On July 8th, Trump said that he believed the US's ceasefire deal with Iran was over and resumed strikes on Iran.
- Renewed attacks on oil tankers pushed oil prices above \$100 a barrel.

The price of Oil (WTI spot) dropped -20.48% last month, but is still up over 21% in 2026, closing the month at \$69.52 a barrel:

- The further drop of the price of oil was driven by the easing of Middle East geopolitical risks and a significant restoration of oil flows through the Strait of Hormuz.
- The national average for a gallon of gas dropped from \$4.43 at the end of May to \$3.85.

Tariffs

- The topic of tariffs returned to the headlines with the US government launching a wave of new tariffs ranging from 10% to 12.5% on 60 major trading partners.
 - Earlier, Canada and Brazil were targeted with 50% and 25% tariffs on specific exports.
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The price of **Oil (WTI spot)** jumped 21.65% in July (after falling -20.48% in June), up over 47% in 2026, closing the month at \$84.57 a barrel:

- Increased tension in the Middle East drove prices higher.
 - The national average for a gallon of gas rose from \$3.85 to \$4.09 in July.
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Metals were mixed in July:

- **Gold (NY Spot)** rose 0.94%, now down -6.42% for the year.
 - **Silver** fell -1.48%. Year-to-date, it is down -19.43%.
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Mortgage Rates (30-year fixed, conforming) jumped from 6.49% to 6.82%.

Sports

- In London, Jannik Sinner defeated recent French Open champion Alexander Zverev in 4 lengthy sets to defend his Wimbledon crown and win his 5th grand slam championship.
 - On the women's side, 21-year-old Linda Noskova beat Karolina Muchova 6-2, 5-7, 6-3, capturing her first major title. Both finalists are from Czechia. Actor Cristo Fernandez, known for his role as Dani Rojas on Ted Lasso, made his professional debut for El Paso in the USL Champions League. He also recently released a children's book titled "Futbol Is Life!", his catchphrase from the popular HBO series. Spain defeated Argentina with an extra-time goal by Ferran Torres to win their 2nd World Cup title (they won in 2010 as well). Defensively, they conceded only one goal throughout the tournament, with their goalie (Unai Simon) recording 7 shut outs.
 - In golf, New Zealand's Ryan Fox captured the Claret Jug, winning the 154th Open Championship with a birdie on the final hole at the Royal Birkdale Golf Club in England.
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Economic Data:

- GDP for Q2 increased 1.5%, below the expected rise of 1.8%, down from 2.1% for Q1.
- **Employment/Unemployment:**
 - **US Nonfarm Payrolls** rose by 57K in June, below the expected 115K (i).
 - **Unemployment** slipped from 4.3% to 4.2%, vs expectations for no change (i).
- **Retail Sales** rose 0.2% in June, as expected (i).

Inflation:

- **Consumer Price Index:**
 - CPI declined -0.4% in June vs expectations of -0.1%, and 3.5% on an annual basis, below the anticipated increase of 3.8% (i).
 - Core CPI was flat, below the expected increase of 0.2%, and rose 2.6% annually, below the expected rise of 2.8% (i).
 - **Producer Price Index:**
 - PPI fell -0.3% in June, vs expectations for no change. On a 12-month basis, it increased 5.5%, below the expected rise of 6.0% (i).
 - Core PPI (ex. food and energy) rose 0.3%, vs estimates for a rise of 0.3%, and up 4.7% year-over-year vs estimates for 5.0% (i).
 - **Personal-Consumption Expenditures Index:**
 - PCE fell -0.1% last month and rose 3.7% annually, both as anticipated (i).
 - Core PCE (ex. food and energy prices) rose 0.1% in June and 3.3% year-over-year, vs estimates for 0.2% and 3.3% (i).
 - **Personal Income** rose 0.2% for June, above estimates for 0.3% (i).
 - **Personal Spending** rose 0.3% for the month, below the expected 0.4% (i).
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US Equities

- **Sector performance:**
 - Energy resumed its rally this year, jumping by 12.54%, followed by Financials (6.04%), Real Estate (2.46%), Health Care (2.24%), and Consumer Staples (1.94%). On the downside, Info Tech lost -3.45%, Industrials fell -3.06%, Utilities lost -2.28%, and Materials fell -1.70% (vii).
 - Year-to-date, Energy is up 32.77%, followed by Industrials (15.81%), Info Tech (15.31%), Real Estate (12.37%), Materials (9.20%), Consumer Staples (8.80%), Health Care (4.86%), Financials (3.86%), Utilities (3.77%), and Comm Svcs (0.93%). Consumer Disc is the only sector in the red, off by -0.32% (vii).
- **Growth vs Value:**
 - Growth (Russell 1000 Growth Index) dropped -4.48% while Value (Russell 1000 Value Index) gained 3.86%. For the year, Growth is up 0.31% and Value is up 19.64%.
- **Small-cap stocks** (Russell 2000 Index) fell -2.99% in July, up 18.21% in 2026
- **Monthly performance**, calculated on a price-return basis:
 - Dow gained 0.32%
 - S&P 500 fell -0.13%
 - Nasdaq lost -3.20%
- **Year-to-Date performance**, calculated on a price-return basis:
 - Dow +9.20%
 - S&P 500 +9.41%
 - Nasdaq +9.17%

- **US Fixed Income** – Yields jumped on the longer end last month, with the 30-year UST climbing to its highest level since 2007:
 - Yields on US Treasuries at the end of July:
 - 1 year – 4.04% (iv)
 - 2 year – 4.27% (iv)
 - 10 year – 4.71% (iv)
 - As a point of reference, at June month-end, yields were at:
 - 1 year – 3.96% (iv)
 - 2 year – 4.15% (iv)
 - 10 year – 4.43% (iv)

Regards,

Mike & Steve



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