Investment Weekly: One Small Number for Claims, One Giant Problem for the Fed

For the week ended July 24, 2026

Commentary

Last week, America celebrated 57 years since we strapped three guys to a building-sized firecracker and yeeted them at the moon. The labor market saw that anniversary and said, "Hold my clipboard."

- **Initial jobless claims fell 22,000 to 187,000** for the week ending July 18, the lowest since September 1969. Forecasters had penciled in something north of 210,000. Continuing claims came in at 1.796 million for the week ending July 11, down another 2,000. So not only is almost nobody getting laid off, people who DO get laid off land a new desk before their "open to work" banner finishes uploading.
- **The Conference Board's Leading Economic Index slipped 0.2% in June** to 99.1, dragged down by consumer expectations and building permits. Total damage for the first half of 2026: 0.3%, versus a 1.1% faceplant in the back half of 2025. The best part: the same week their own forward-looking index went DOWN, they raised their 2026 GDP forecast from 1.8% to 1.9%. That's like checking your bank account, wincing, and then opening a food delivery app.
- **New home sales rose 1.6% in June** to a 628,000 annual rate, beating the 610,000 estimate, and the median price fell to $398,300. A new house in America now costs less than it did twelve months ago, which is a sentence I typed and then read four times, the way you reread a text from an ex at 11:40 pm on a Tuesday.
- **The preliminary reading of S&P Global's purchasing managers' index—which surveys manufacturing and services—jumped to 53.6 in July,** up from 51.9 in June. Services crushed it, employment rose for the first time in three months, and S&P Global says this points toward roughly 2% annualized growth versus the 1.2% Q2 was limping toward. But here's the thing: July got a sugar rush from hosting a certain global soccer tournament AND the country's 250th birthday party, so some of this glow is the economic equivalent of feeling incredible at your own wedding. Also, selling prices climbed at the fastest clip in nearly four years.
- **The Chicago Fed National Activity Index improved to -0.02 in June** from -0.19. Despite the name, it's a national index of 85 indicators covering the whole economy; the Chicago Fed just publishes it. Activity is running a whisker below its long-term trend, which, after everything above, is almost soothing. It's the one guy at the party drinking water, and honestly? Godspeed, water guy. Somebody has to remember where everyone's keys are.
- **The Fed meets Wednesday.** Somewhere in the building, a 57-year low in jobless claims and a four-year high in what businesses are charging are sharing an elevator in silence.

Market summary

- **Most major U.S. stock and bond indexes retreated** for the week, with the Nasdaq leading the move lower. By contrast, many international markets advanced.
- **It was a tough week for communication services and consumer discretionary names,** while energy and utilities fared much better. Value stocks largely outperformed growth, widening their YTD lead. Small caps lagged, while mid caps were more resilient.

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Market data

Index prices ($)	07/24/26	12/31/25
Dow Jones Industrial Average	51,947	48,063
S&P 500	7,412	6,846

Returns (%)	1wk	QTD	YTD	3mo
Equities				
S&P 500	-0.61	-1.11	8.98	3.74
S&P Mid Cap 400	0.23	-1.74	15.29	4.25
S&P Small Cap 600	-0.84	-2.31	21.04	6.57
Russell 1000	-0.65	-1.35	8.82	3.69
Russell MidCap	-0.04	-0.93	14.22	5.66
Russell 2000	-1.09	-3.08	18.79	5.43
Dow Jones Industrial Average	-0.38	-0.65	9.05	5.94
NASDAQ Composite	-2.13	-4.71	7.80	0.71
Fixed income				
Bloomberg U.S. Aggregate	-0.74	-1.18	-0.57	-1.14
Bloomberg Global Aggregate	-0.72	-1.16	-1.37	-1.66
Bloomberg High Yield Bond	-0.57	-0.43	1.52	0.24
S&P / LSTA Senior Loan	0.04	1.05	1.47	1.06
JPM EMBI+ Emerging Markets Bond	-0.88	-1.14	2.42	-0.06
S&P 500 sectors				
Technology	0.43	-3.32	15.79	7.07
Materials	1.24	0.07	12.04	-2.20
Consumer discretionary	-6.09	-6.91	-7.63	-9.07
Health care	0.90	2.41	5.96	13.24
Utilities	2.48	2.06	9.91	0.86
Consumer staples	-1.25	0.94	9.05	-0.54
Energy	3.76	12.78	34.95	5.80
Financials	0.14	5.04	3.79	9.88
Industrials	1.77	-1.45	18.41	6.13
Communication services	-6.15	-4.54	-3.78	-8.80
Real Estate	1.35	4.83	16.90	5.95
Equity style performance				
Large cap value	0.09	2.35	19.00	9.44
Large cap growth	-1.49	-5.30	-0.25	-1.63
Mid cap value	0.17	1.11	18.89	7.29
Mid cap growth	-0.68	-6.62	0.17	0.69
Small cap value	-0.44	0.10	23.12	7.43
Small cap growth	-1.72	-6.05	14.79	3.50
International equities				
MSCI EAFE	0.45	-0.05	9.78	3.90
MSCI U.K.	0.50	3.01	9.41	2.69
MSCI Europe ex-U.K.	-0.19	-1.10	7.75	4.33
MSCI Japan	1.71	-1.48	14.26	5.06
MSCI AC Asia ex-Japan	0.51	-5.51	19.38	3.51
MSCI Emerging Markets	0.49	-5.27	17.49	1.90
MSCI ACWI	-0.27	-1.26	10.08	3.59

Source: FactSet.

Commentary, cont'd

- **Bond markets came under pressure** as yields rose globally across the maturity curve.
- **WTI crude oil climbed 8%** during the week as tensions escalated in the Middle East. Gold rose, while copper—generally viewed as a rough measure of industrial activity—held steady.

Earnings review

- **2Q26 earnings have been generally strong.** Analysts are expecting YoY earnings growth of 38.8%. With 132 companies in the S&P 500 reported, 85% beat earnings estimates—exceeding the 80% average from the prior four quarters.
- **Companies are also beating both earnings and revenue estimates by a wider margin than usual:** Earnings have averaged 8.8% higher than estimates (vs. prior four-quarter average of 7.5%), while earnings have been 2.6% above estimates (vs. 2.2%).

Market data, cont'd

As of:	Last close	Prior week	Year end	3 mos ago
U.S. bond rates (%)				
U.S. federal funds target rate	3.75	3.75	3.75	3.75
U.S. 2yr Treasury	4.33	4.21	3.48	3.78
U.S. 10yr Treasury	4.68	4.59	4.18	4.30
U.S. 20yr Treasury	5.19	5.12	4.79	4.89
U.S. 30yr Treasury	5.17	5.11	4.86	4.91
High yield (Merrill U.S. Corporates)	6.86	6.73	6.42	6.52
Consumer rates (%)				
30yr mortgage rate	6.66	6.61	6.25	6.36
Prime rate	6.75	6.75	6.75	6.75
Commodities				
Gold (USD/oz)	$4,071	$4,016	$4,341	$4,741
Crude oil (USD/bbl)	$89.31	$82.48	$57.42	$94.40
Copper (LME $/mt)	$13,617	$13,629	$12,504	$13,230
Gasoline (USD/gal)	$4.30	$4.13	$3.10	$4.38
Exchange rates				
$ per €	1.14	1.14	1.17	1.17
$ per £	1.33	1.34	1.35	1.35
¥ per $	163.75	162.54	156.75	159.51
U.S. Dollar Index	101.47	100.95	98.32	98.53

Source: FactSet.

Index definitions

Bloomberg Global Aggregate Bond Index measures a wide range of global government, government-related, corporate and securitized fixed-income investments, all with maturities greater than one year.

Bloomberg High Yield Bond Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Bloomberg U.S. Aggregate Index is a bond market index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $250 million.

Dow Jones Industrial Average is a price-weighted average computed from the stock prices of 30 of the largest and most widely held public companies in the U.S., adjusted to reflect stock splits and stock dividends.

FTSE EPRA / NAREIT Global Real Estate Index represents general performance trends of the equity securities of real estate companies involved in the ownership, disposition and development of income-producing properties worldwide.

JPMorgan Emerging Markets Bond Index Plus (EMBI+) tracks total returns for traded foreign currency denominated debt instruments in the emerging markets which meet minimum criteria for face value outstanding and market trading liquidity.

MSCI ACWI Index is a free float-adjusted market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world, capturing large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries.

MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to measure developed markets' equity performance, excluding the U.S. & Canada, for 21 countries.

MSCI Europe ex-U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed European markets except the U.K..

MSCI U.K. Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in the U.K..

MSCI Asia ex-Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of the 15 developed Asian markets except Japan.

MSCI Japan Index is a free float-adjusted market capitalization weighted index designed to measure equity performance of listed common stocks in Japan.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures emerging market equity performance of 23 countries.

Municipal Bond Index is a bond index that includes investment-grade, tax-exempt fixed-rate bonds with long-term maturities (greater than two years) selected from issues larger than $50 million.

NASDAQ Composite Index is a market capitalization weighted index of the performance of domestic and international common stocks listed on the Nasdaq Stock Market including over 2,800 securities.

Large Growth: Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

Large Value: Russell 1000 Value Index measures the large-cap value segment of the U.S. equity market including Russell 1000 companies with lower price-to-book ratios and lower expected growth.

Midcap Growth: Russell MidCap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with higher price-to-book ratios and forecasted growth.

Midcap Value: Russell MidCap Value Index measures the performance of the mid-cap growth segment of the U.S. equity market including Russell Midcap Index companies with lower price-to-book ratios and forecasted growth.

Small Cap Growth: Russell 2000 Growth Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with higher price-to-value ratios and forecasted growth.

Small Cap Value: Russell 2000 Value Index measures the performance of small-cap growth stocks in the U.S. equity market including Russell 2000 companies with lower price-to-value ratios and forecasted growth.

S&P 500 Index is a widely regarded as the best single gauge of the U.S. equities market, including 500 leading companies in major industries of the U.S. economy.

S&P 500 Sectors are defined as the GICS (Global Industry Classification Standard) sectors which provide standardized industry definitions consisting of 10 sectors, 24 industry groups, and 67 industries.

The S&P MidCap 400 includes 400 companies and represents almost 6% of the U.S. markets. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 3.3 billion to USD 11.8 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The S&P SmallCap 600 includes 600 companies and represents almost 3% of the U.S. market. To be eligible for inclusion in the index, a company should be a U.S. company, have a market cap between USD 750 million to USD 3.3 billion, maintain a public float of at least 10% of its shares outstanding, and its most recent quarter's earnings and the sum of its trailing four consecutive quarters' earnings must be positive. The index implements changes on an as-needed basis.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity market and includes approximately 1,000 of the largest securities based on market capitalization and representing approximately 92% of the U.S. market.

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