

EAGLE FOCUS

weekly

July 13, 2026

MARKET PERFORMANCE RECAP

WEEK ENDING
July 10, 2026

INDEX	LAST FRIDAY'S CLOSE	% CHANGE YTD
S&P 500	7575.39	10.66%
Dow Jones Industrial Average	52637.01	9.52%
Nasdaq Composite	26281.61	13.08%
S&P MidCap 400	3780.11	14.37%
Russell 2000	2984.27	19.98%

U.S. nonfarm payrolls rose by just 57,000 in June, falling short of expectations and down from May's revised 129,000 gain. The unemployment rate edged down to 4.2%, mainly due to a drop in labor force participation to 61.5%, its lowest level since March 2021, while household employment fell by 507,000. Job gains were led by professional and business services, along with increases in social assistance and healthcare. (Source: CNBC)

The trade deficit swelled by \$23.0 billion in May to \$77.6 billion, the biggest gap in 14 months, albeit

slightly below the consensus. Imports rose a broad-based 3.3%, up for the fourth consecutive month, helped by a stabilizing U.S. dollar, while exports fell 3.2%, the most since last November. On a 12-month total basis, the trade gap widened by \$10.8 billion to \$728.0 billion, a four-month high. A bigger goods trade deficit was only partially offset by a larger services trade surplus. (Source: Ned Davis Research)

Small-cap stocks have been outperforming expectations this year. The Russell 2000 surged about 22% in the first half, marking its strongest start since

1991 and outpacing the Nasdaq Composite by roughly 9 percentage points, the widest gap since 2006. The index also reached four consecutive record closes at one point last week. (Source: Wall Street Journal)

Wholesale inventories rose 0.1% in May, below expectations, and were up about 4% year over year, while petroleum stocks declined. Wholesale sales jumped 3.4% and were up more than 13% annually, reflecting strong demand. The inventory to sales ratio fell to 1.15, its lowest since April 2012, signaling tighter supply. This points to upside risks to inflation in the second half of 2026 and supports a more hawkish Fed, with one rate hike still expected this year. (Source: Ned Davis Research)

Morgan Stanley forecasts global M&A activity will reach a record \$6.4 trillion in 2026, surpassing 2021 levels as strong equity markets and renewed corporate confidence drive dealmaking. After years of high interest rates and volatility, activity is rebounding, with second-quarter announced deals rising over 64% year-on-year and completions up more than 33%, led by software, utilities, energy, and healthcare. (Source: Reuters)

The private equity industry may face a slow decade ahead as firms struggle to sell a growing backlog of portfolio companies. Around 13,500 U.S. companies remain in portfolios, many held far longer than the traditional three to five years, with thousands exceeding six years. At the current pace, it could take nearly a decade to

clear the backlog, prompting some investors to shift their capital elsewhere. (Source: Wall Street Journal)

Mortgage rates have edged down about 10 basis points since late May but remain above pre-Iran war levels at around 6.5%, with the MBA Refinance Index down 4.1% and near a one year low. High rates are also limiting affordability and housing activity, with the MBA Purchase Index down 0.6% and little changed over the past year. Despite some recovery from 2023 lows, activity remains near its weakest since 2014, pointing to subdued home sales and slower growth in the second half of 2026. (Source: Ned Davis Research)

The International Monetary Fund slightly lowered its global growth outlook, citing energy disruptions linked to the Iran conflict. It now expects the world economy to grow 3% in 2026, down from 3.5% last year and below its earlier 3.1% forecast. Strong investment in artificial intelligence and technology is helping offset some of the slowdown, with growth projected to recover to 3.4% the following year. (Source: Associated Press)

Enterprise AI is shifting from experimentation to a core business investment, with financial firms leading the push. About 85% of financial services and insurance companies plan to increase AI budgets, mainly to boost productivity, competitiveness, and risk management, while media and healthcare firms are investing for different reasons. Overall, the trend shows companies are moving



from testing AI to committing real capital. (Source: PYMNTS)

Home prices reached a record high this summer, even as higher interest rates slowed buyer demand. In June, the average existing-home price rose to \$440,600, according to the National Association of Realtors. Meanwhile, sales fell 2.4% from May to an annual pace of 4.09 million. Compared to June 2025, prices were up 1.8%, continuing the upward trend in resale home values. (Source: MarketWatch)

A New York Federal Reserve survey shows many firms are planning further price increases in response to tariffs, often spread over months or longer. About 44% of manufacturers and 47% of service firms expect to raise prices, suggesting tariff-related inflation may persist rather than occur as a one-time adjustment. This view contrasts with some Fed officials who see tariff impacts as temporary and nearing their peak. (Source: Yahoo Finance)

Existing home sales fell 2.4% in June to a below-consensus 4.09 million unit annual rate. This is in line with the 12-month average rate, as sales have changed little over the past year and remain near the lowest level since the GFC. Both single-family and condo/co-op sales fell last month, with the latter matching its post-pandemic cycle low. Among regions, only the Northeast posted a modest monthly gain in sales, while the other three regions declined. (Source: Ned Davis Research)

The United States is increasingly relying on foreign investment in equities rather than debt to finance its deficits, a shift that could add risk to the dollar,

according to Deutsche Bank. Geopolitical tensions are discouraging demand for U.S. debt, while the AI boom is drawing capital into stocks, tying the dollar more closely to the volatile tech sector. With large current account and trade deficits, continued foreign inflows remain critical to U.S. funding. (Source: Reuters)

In Homer's Odyssey, Odysseus leaves his son Telemachus in the care of his friend Mentor, whose name comes from the Greek root meaning "mind" or "purpose." The term entered English around 1750 and now describes a trusted advisor who guides someone less experienced. Ironically, Mentor himself was ineffective until the goddess Athena took his form and provided the guidance. (Source: Word Smarts)

On July 13, 1930 the first FIFA World Cup kicked off in Montevideo, Uruguay, with 13 teams competing.

In the opening matches, France's Lucien Laurent scored the tournament's first ever goal, reportedly in falling snow, and Uruguay went on to become the first champions. (Source: Britannica)

The phrase "mind your Ps and Qs" may come from old waterfront taverns, where bartenders tracked sailors' drinks as pints and quarts on credit. It was a reminder to keep track of what you owed and behave properly, especially if you wanted an accurate tab. (Source: U.S.O.)



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