Market Down & Dirty

July 20, 2026

The Data

- Major equity indices moved lower last week.
    - S&P 500 -1.58% Dow -0.93% Russell 2000 -0.52%, Nasdaq -2.90%[1]
        - The All-Country World Index sank -1.77%.[1]
    - S&P 500 sub-sectors were mixed.
        - Energy & Real Estate led to the upside with gains of +1.75%.[1]
        - Tech & Utilities led to the downside.[1]
    - The CBOE Volatility Index (VIX) shot higher by 25% to end at 18.74.[1]

- US Treasury bond yields were mixed last week.
    - US 2yr -0.04% at 4.17%, 10yr -0.01% to 4.55%, 30yr +0.01% to 5.07%.[1]
    - Mixed global economic catalysts had bond yields in a tug of war last week.

- Commodities as an aggregate asset class were higher last week.
    - WTI Crude gained +15.49%.[1]
    - Gold declined by -2.53%.[1]
    - The US Dollar index rose -0.20%.[1]

- In our opinion, U.S. economic data was mixed last week.
    - The NFIB Small Business Optimism index ticked higher last month.[1]
    - Consumer Sentiment rose in its latest monthly reading.[1]
    - Both Consumer & Producer monthly measures of inflation surprisingly fell.[1]

- An index of equities outside the US (FTSE All-World ex-US) lost -2.32%.[1]

---

[1] Source: Bloomberg – 7/17/2026

Conclusion

- US stocks ended the week lower at the headline index level but continued to show historic "dispersion".
  - Individual stocks under the surface continued to move in wildly different directions.
  - Small-caps led major index performance after losing around a half of a percent.
    - The Nasdaq led to the downside with a loss of almost 3%.
  - The S&P 500 was lower by -1.58% while the equal-weight version outperformed it by over a percent.[1]
    - The market cap S&P 500 was dragged lower by its overweight in the Technology sector.
- S&P 500 sub-sectors were very mixed last week.
  - Megacap tech was pulled lower by a sharp decline in semiconductor stocks.[1]
  - Energy led to the upside as oil prices bounced on the resumption of conflict in Iran.
- US Treasury yields were mixed last week.
  - While flaring geopolitical risks in the Middle East put upward pressure on bond yields, lower than expected consumer & producer inflation measures provided relief.
  - Market participants are now pricing in one rate hike by the Federal Reserve in 2026.
    - This differs greatly from the beginning of the year when participants were anticipating multiple rate cuts.
- Commodities were higher last week but continue to trade very mixed.
  - Oil continued its recent rise on the back of fresh tensions in the Middle East.[1]
  - Metals remained under pressure due to the recent rise in bond yields and expectations for a rate hike later in the year.
  - We continue to watch copper closely as despite a bullish supply & demand outlook, its price has recently met resistance.
    - We believe these headwinds have more to do with AI capex concerns than higher interest rates.
- Earnings season is off to a strong start.
  - With 10% of S&P 500 companies reporting results an impressive 88% have beaten EPS estimates while 85% have exceeded revenue expectations.[1]
    - Banks have been the major contributors thus far.
  - Megacap growth company's earnings are coming over the next couple of weeks.
    - We believe the market will be hyper focused on the outlook for AI capex.
    - While we expect America's largest companies to continue multi-billion dollar commitments to spend on their buildouts, we will be paying attention to the market's response to these announcements.
- Headlines emerged last week around China's growing competition in the global "AI Arms Race".
  - The risk to American companies dominating this space is Chinese competitors finding a cheaper way to produce the same technology.
    - If this becomes consensus, it will likely make the on-going capex by US firms seem extremely inefficient.

Justin Greenhill - Chief Investment Officer – justin@sollinda.com

Ryan A. Mumy, CFP® - CEO – ryan@sollinda.com

Phone: 844/662-1211