US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.328 (-0.3 bps)	Bond Buyer 40 Yield:	5.16 (16 bps)
6 Mo. T-Bill:	4.256 (unch.)	Crude Oil Futures:	67.34 (-1.11)
1 Yr. T-Bill:	4.063 (-0.2 bps)	Gold Spot:	3,349.94 (-5.65)
2 Yr. T-Note:	3.869 (-1.6 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.836 (-2.5 bps)	US High Yield:	7.38 (-6 bps)
5 Yr. T-Note:	3.947 (-2.6 bps)	BB:	6.16 (-6 bps)
10 Yr. T-Note:	4.416 (0.6 bps)	B:	7.58 (-5 bps)
30 Yr. T-Bond:	4.987 (3.8 bps)		

The consumer price index rose 2.7% in June from a year ago, which was higher than expected. The core CPI, which excludes food and energy costs, increased 2.9%, which was in line with expectations. However, the monthly increase in the core CPI was lower than expected. The report left expectations unchanged for no rate cut at the Fed's July meeting. Meanwhile, producer prices were unchanged in June from the prior month. Treasury yields fell on the report, which eased inflation concerns. Retail sales rebounded from last month's decline, rising 0.6% in June from the prior month, easily beating expectations. The increase in sales was broad based across categories and pointed to a resilient consumer. The University of Michigan's consumer sentiment index rose to a 5-month high on an improving inflation outlook. The survey showed expectations for inflation over the next year fell to 4.4% from 5% previously. Long-term inflation expectations also fell. Sentiment remains weaker than a year ago but has improved in recent months. Treasury yields fell on Friday after Fed Governor Christopher Waller argued for a rate cut at this month's meeting, which the market is not expecting. Waller argued that the labor market is weaker than it appears on the surface, particularly in the private sector. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: June Leading Index (-0.2%, -0.1%); Wednesday: July 18 MBA Mortgage Applications (N/A, -10.0%), June Existing Home Sales (4.00m, 4.03m); Thursday: July 19 Initial Jobless Claims (228k, 221k), July Preliminary S&P Global US Manufacturing PMI (52.7, 52.9), June New Home Sales (650k, 623k); Friday: June Preliminary Durable Goods Orders (-10.5%, 16.4%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	44,342.19 (-0.05%)	Strong Sectors:	Info. Tech., Utilities, Industrials
S&P 500:	6,296.78 (0.61%)		
S&P Midcap:	3,171.55 (-0.02%)	Weak Sectors:	Materials, Health Care, Energy
S&P Smallcap:	1,364.85 (-0.84%)		
NASDAQ Comp:	20,895.66 (1.51%)	NYSE Advance/Decline:	1,178 / 1,651
Russell 2000:	2,240.00 (0.24%)	NYSE New Highs/New Lows:	207 / 76
		AAII Bulls/Bears:	39.3% / 38.0%

Since the S&P 500's low on April 8, 2025, following President Trump's 90-day tariff pause for trade negotiations, equities have experienced a significant rally, with the S&P 500 returning 26.8%. Last week alone the S&P 500 returned 0.6%. This surge was supported by robust economic data, including CPI remaining under 3% since January, alongside strong wage growth, PPI, retail sales, and housing starts, all indicating a resilient U.S. economy. The current earnings season is proving to be exceptionally strong, with 84% of the 67 S&P 500 companies that have reported thus far beating earnings estimates by a median of 4.1%, and, notably, earnings revisions are inflecting positively. Last week, banks initiated the reporting cycle with **JPMorgan Chase & Co.** rising 1.5% on strong earnings and CIB (Corporate and Investment Bank) trading, and **Bank of America Corp.** increasing 1.3% due to a 7% rise in NII (Net Interest Income) and effective cost controls. Conversely, **Wells Fargo & Co.** declined 2.3% despite good earnings, hampered by a weaker NII forecast. **Netflix Inc.** fell 2.9% after issuing a warning about weaker margins and subdued engagement. **Johnson & Johnson**, however, saw a 4.3% rally following an earnings beat and an optimistic forecast driven by tariff confidence and a robust product pipeline. The earnings season is set to intensify next week, with 110 S&P 500 companies scheduled to report, including major players like **Alphabet Inc.**, **Tesla Inc.**, **The Coca-Cola Co.**, **ServiceNow Inc.**, **T-Mobile US Inc.**, **AT&T Inc.**, **Intuitive Surgical Inc.**, and **NextEra Energy Inc.**