First Trust

Weekly Market Commentary

Week Ended July 10, 2026

US Economy and Credit Markets

Yields and Weekly Changes:

3 Mo. T-Bill:	3.780 (2.9 bps)	Bond Buyer 40 Yield:	4.60 (6 bps)
6 Mo. T-Bill:	3.947 (1.6 bps)	Crude Oil Futures:	71.41 (2.72)
1 Yr. T-Bill:	4.047 (12.2 bps)	Gold Spot:	4,119.93 (-57.01)
2 Yr. T-Note:	4.208 (7.1 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.243 (7.9 bps)	US High Yield:	7.44 (1 bps)
5 Yr. T-Note:	4.305 (7.5 bps)	BB:	6.32 (2 bps)
10 Yr. T-Note:	4.561 (7.8 bps)	B:	7.74 (-3 bps)
30 Yr. T-Bond:	5.059 (7.3 bps)		

Treasury yields rose materially over the course of the week as the conflict between the United States and Iran flared up along with comments from Fed officials. On Tuesday, after Iran struck several tankers in the Strait of Hormuz, the U.S. Treasury Department revoked a waiver that allowed the sale of Iranian oil. On Wednesday, The United States hit approximately 80 targets in Iran as President Trump said that a ceasefire with Iran may be over, leading investors to speculate that the conflict would be prolonged with increased fighting. This caused a material rise in oil prices and fears that this would fuel higher inflation and caused Treasury yields to rise materially. However, the reaction by the market to the renewed conflict was more muted than before, especially after President Trump said that he does not think that this will lead to a new war. Elsewhere, several Federal Reserve Bank officials said in their most recent policy meeting that there was a case for raising rates, citing growing concern over inflation. The market implied probability of a 25-basis-point increase to the Federal Funds Rate at the July 29th meeting rose from 18% to 34% over the course of the week, while the implied end-of-year 2026 rate rose from 3.93 to 4.00. Oil rose 4% over the course of the week on the conflict in the Strait of Hormuz. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: June CPI MoM (-0.1%, 0.5%), June CPI YoY (2.8%, 2.9%); Wednesday: July 10 MBA Mortgage Applications (n/a, -2.2%), July Empire Manufacturing (8.7, 5.7), June PPI Final Demand MoM (0.0%, 1.1%); Thursday: June Retail Sales Advance MoM (0.3%, 0.9%), July 11 Initial Jobless Claims (215k, 215k); Friday: June Housing Starts (1318k, 1177k), June Industrial Production MoM (0.2%, 0.1%), July U. of Mich. Sentiment (51.4, 49.5).

US Equities

Weekly Index Performance:		Market Indicators:	
The Dow®	52,637.01 (-0.48%)	Strong Sectors:	Info Tech, Energy
S&P 500®	7,575.39 (1.26%)		Comm. Services
S&P MidCap 400®	3,780.11 (-0.58%)	Weak Sectors:	Cons. Staples, Health Care
S&P SmallCap 600®	1,769.61 (-0.66%)		Materials
Nasdaq Composite®	26,281.61 (1.74%)	NYSE Advance/Decline:	1,297 / 1,552
Russell 2000®	2,977.81 (-0.6%)	NYSE New Highs/New Lows:	254 / 114
		AAII Bulls/Bears:	36.3% / 37.2%

The S&P 500 rose 1.26% as the market emerged from the July 4th holiday weekend into a headline-filled week. The US renewed its attacks on Iran as Trump declared an end to the ceasefire in response to Iranian attacks on commercial ships. **Meta Platforms** announced on Thursday that it would begin to produce its own IRIS AI chips starting this September, along with plans to double its compute capability to 14GW in 2027. Thursday also saw **AstraZeneca**'s stock drop on the news that its heart disease drug trial missed expectations. On Friday, Korean memory chip company **SK Hynix** raised $26.5b in what became the largest foreign IPO in US market history. The information technology sector performed best among sectors, led by communications equipment and semiconductors. The energy sector also performed well as conflict increased in the Straits of Hormuz and oil prices moved higher. Materials performed worst among sectors as renewed conflict in Iran threatens to raise input costs; metals and mining was the only positive industry within the sector. More defensive sectors such as health care and consumer staples did not keep pace with surging risk assets. Turning to economic news, the S&P Global US Services PMI registered 51.2 (51.3 exp.) while the S&P Global US Composite PMI registered 51.9 (52.2 exp.) The ISM Services Index matched the expectation of 54.0. The Trade Balance was -$77.6b versus the -$78.4b expected. May Wholesale Trade Sales registered a 3.4% figure, exceeding the 0.8% expectation. Consumer credit registered a -$0.182b figure, far below the $17.50b expected. Existing home sales were 4.09m, below the 4.20m expected. Expect the following economic data this week: earnings growth, CPI data, various PPI statistics, retail sales, pending home sales, import and export prices, housing starts, industrial production growth, and consumer sentiment data. On the earnings front, 32 members of the S&P 500 report earnings this week, including many bank names (**JPMorgan Chase, Bank of America**, among others), as well as healthcare names **Johnson & Johnson** and **UnitedHealth Group**.