

## Beacon Weekly Investment Insights

Equity markets retreated somewhat last week, as gains in the prior week attributed to the passage of the One Big Beautiful Bill Act and expectations for rate cuts this year gave way to renewed tariff concerns. President Trump extended the deadline for negotiations on reciprocal tariffs until August 1<sup>st</sup>, and sent out numerous letters to over 20 trade partners detailing tariff rates of between 20%-40%, with Brazil being subject to a 50% tariff. President Trump also announced a 35% tariff on Canada saying that they had financially retaliated to earlier duties and have not done enough to curb the flow of fentanyl into the U.S., said that a 50% tariff on copper imports will begin on August 1<sup>st</sup>, and floated increasing blanket tariffs on most partners from the current 10% level up to 15%-20%. In addition, President Trump announced over the weekend that the U.S. will impose 30% tariffs on the European Union and Mexico starting on August 1<sup>st</sup>, warning against retaliation. Equity markets did experience additional volatility subsequent to the tariff announcements last week, however more or less took the news in stride with equity indices ending the week down slightly. The S&P 500 closed the week down -0.31%, with the Dow Jones down -1.02% and the Nasdaq closing the week down just -0.08%. The 10-year treasury yield finished the week at 4.42%, up from 4.34%. WTI Crude oil was up 2.2% despite output hike news from OPEC+, and copper finished the week up 8.9% on the heels of the tariff announcement.

Last week was a fairly light week from an economic data standpoint. The Minutes of the Fed's May FOMC (Federal Open Market Committee) meeting did not contain any major surprises, detailing that most Fed officials see interest rate cuts this year, while acknowledging inflation concerns. Weekly jobless claims fell to a new two-month low, coming in at 227,000 relative to expectations for 235,000 and down from the prior reading of 232,000. The data continues to point to a jobs markets in which it seems not many people are being hired or fired.

Earnings season will be kicking off in earnest this week, with large money center banks including the likes of J.P. Morgan, Bank of America, and Citibank set to report. Notably, Delta Airlines reported better than expected results last week for 2<sup>nd</sup> quarter earnings, as well as better than expected guidance for the 3<sup>rd</sup> quarter. The company had previously pulled their full-year guidance due to uncertainty around tariffs. However, Delta's CEO Ed Bastian reinstated guidance, noting an environment in which additional clarity has been achieved on a relative scale due to the passage of the One Big Beautiful Bill and some progress on trade deals/negotiations. The results and commentary sent shares of Delta up 12%. As we noted, tariff rhetoric subsequently continued to heat up toward the latter part of the week and over the weekend, and uncertainty remains. We will be listening carefully during the upcoming earnings calls to see if management of other companies express a similar sentiment in terms of potentially feeling somewhat more confident in the outlook, with the idea of more in the way of clarity having been achieved on a relative scale despite on-going uncertainty.

In addition to the kickoff of the 2<sup>nd</sup> quarter earnings season, there is a variety of consequential economic data set to be reported this week. Inflation data is on the docket, with the CPI (consumer price index) data set to be released on Tuesday and PPI (produce price index) data coming out on Wednesday. In addition to jobless claims, the U.S. retail sales report is also due out on Thursday. Housing starts, building

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permits, and consumer sentiment data are all due out on Friday. There will also be a variety of FedSpeak throughout the week.

<b>Market Scorecard:</b>	<b>7/11/2025</b>	<b>YTD Price Change</b>
Dow Jones Industrial Average	44,371.51	4.30%
S&P 500 Index	6,259.75	6.43%
NASDAQ Composite	20,585.53	6.60%
Russell 1000 Growth Index	4,305.83	6.52%
Russell 1000 Value Index	1,932.20	5.93%
Russell 2000 Small Cap Index	2,234.83	0.21%
MSCI EAFE Index	2,648.39	17.09%
US 10 Year Treasury Yield	4.41%	-16 basis points
WTI Crude Oil	\$68.45	-4.56
Gold \$/Oz.	\$3,364.00	27.38%



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