Beacon Trust
INNOVATING WEALTH STRATEGY

July 27, 2026

Beacon Weekly Investment Insights

Last week saw equity indices decline for a second straight week, with escalating geopolitical tensions and a significant move higher in oil prices driving volatility. Investors remain apprehensive with respect to the trajectory for inflation, fiscal concerns, and shifting Fed expectations. The 10-year treasury yield moved above 4.7% for the first time since early 2025, putting pressure on equities. The dollar also continued to firm, with the DXY (U.S. Dollar Index) up 0.7% last week and now up 3.2% year-to-date. WTI crude oil ended the week up 12.7% on the latest ramp in the US-Iran conflict, as Iran rejected President Trump's ceasefire proposal last Thursday and fighting continued to escalate. The Red Sea has emerged as an additional chokepoint after Houthi attacks on Saudi oil tankers. WTI crude oil is up almost 30% in July, as simultaneous disruptions across the Strait of Hormuz, the Red Sea, and Black Sea risk a sharp tightening of global oil markets, with low inventories providing a limited buffer. The geopolitical backdrop continues to prove fickle, as announcements over the weekend of a pause in attacks and further efforts to restart negotiations subsequently drove oil prices and yields back down. President Trump also reimplemented tariffs last week, with duties of up to 12.5% on most major trading partners.

Earnings releases for mega-cap tech companies and the broader AI trade also remain a focus for markets, as investors balance continued enthusiasm around AI with increased scrutiny around the timing and magnitude of the return on investment, relative to the immense spending and resultant margin pressures for the hyperscalers. A good example of this was Alphabet's earnings release last week in which the company reported strong Cloud growth and AI demand. However, shares sold off as the company raised their Capex guidance and reported negative free cash flow for the quarter, and search revenues were slightly less than anticipated. Tesla also reported earnings last week, with shares declining as weaker auto margins and higher spending overshadowed robotaxi progress.

Economic data released last week included mixed Flash PMI Manufacturing and Services reports, showing softer manufacturing but stronger services readings, employment rebounding, and input and selling price inflation accelerating. The Leading Economic Indicators Index was also released last week and turned down by -0.2% for June relative to a prior increase of 0.1% and expectations for a flat reading. New Homes Sales for the month of June came in ahead of expectations increasing 1.6% to 628,000, relative to expectations for 606,000 and up meaningfully from the prior month's reading of 580,000, as builders lowered prices and offered sales incentives to offset high mortgage rates. Weekly jobless claims continue to point towards a resilient jobs market with limited layoffs, dropping to 187,000 relative to expectations for 212,000 and the prior week's reading of 208,000.

This will be the busiest week of the quarter with respect to earnings releases, with roughly one third of S&P 500 companies set to report earnings including Microsoft, Apple, Amazon, and Meta. Earnings growth has been exceptionally strong to this point, coming in at roughly 37% with just over a quarter of companies in the S&P 500 having reported earnings.

Alongside earnings, the focus on the macroeconomic front will be on the Fed's interest rate decision and press conference for the July meeting on Wednesday. Investors will also be focused on inflation data, with the June PCE reading set to be released on Thursday. Durable goods data, personal income, consumer spending and sentiment data, the S&P Case-Shiller Home Price Index, and the Q2 GDP estimate are all set to be released this week as well.

Market Scorecard:	7/24/2026	YTD Price Change
Dow Jones Industrial Average	$51,947.25	8.08%
S&P 500 Index	$7,411.98	8.28%
NASDAQ Composite	$24,975.82	7.46%
Russell 1000 Growth Index	$4,738.18	-0.55%
Russell 1000 Value Index	$2,440.22	17.80%
Russell 2000 Small Cap Index	$2,930.00	18.05%
MSCI EAFE Index	$3,113.50	7.63%
US 10 Year Treasury Yield	4.68%	+51 basis points
WTI Crude Oil	$89.31	55.54%
Gold $/Oz.	$4,070.80	-6.23%

BeaconTrust 163 Madison Avenue, Suite 600 | Morristown, NJ 07960 | 973.377.8090 | BeaconTrust.com