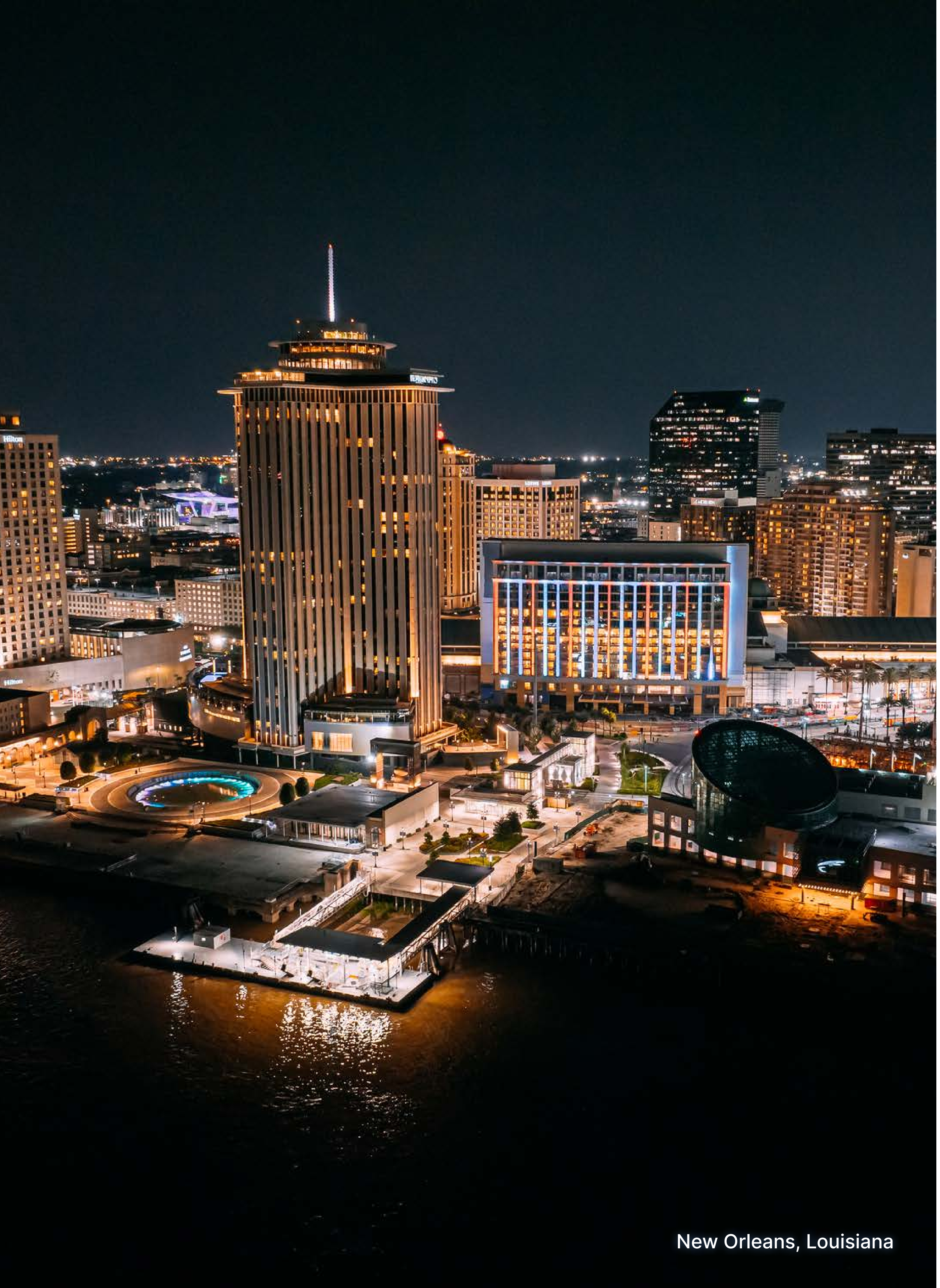


New Orleans, Louisiana

WEEK OF AUGUST 3, 2026

Market Navigator

After a sell-off on Wednesday, stocks rallied at the end of the week. The Nasdaq Composite fared best on the strength of Microsoft and Amazon. The 30-year Treasury yield closed at its highest level since 2007.

Quick Hits

1. **Beyond the headlines:** The Federal Reserve (Fed) holds steady as markets look for more.
2. **Report releases:** Data was weaker across the board, and the Fed held interest rates steady.
3. **Financial market data**: A strong late-week rally led markets higher.
4. **Looking ahead:** The July employment report is this week's highlight.

LifeTime Asset Management

Beyond the Headlines: The Fed Holds Steady as Markets Look for More

Even after Fed Chair Kevin Warsh reiterated the central bank's commitment to bringing down inflation during recent congressional testimony, the Fed left interest rate policy unchanged at its July meeting. Although this outcome was expected, a rate increase wasn't completely ruled out. The meeting revealed growing disagreement among policymakers, with three regional Fed presidents voting for an immediate rate increase because of persistent inflation concerns.

The Fed's View

With no change to interest rates, the market shifted its attention to the post-meeting news conference, where Warsh emphasized that the central bank remains committed to restoring price stability and stressed that the Fed's inflation target remains 2 percent. He made it clear that recent improvements in inflation are not enough to declare victory. Warsh also noted that the Federal Open Market Committee (FOMC) would not hesitate to act if inflation remains stubbornly high.

Markets are also wrestling with Warsh's belief that the Fed should be less communicative about its intentions, continuing his effort to reduce the amount of forward guidance from policymakers.

Markets are also wrestling with Warsh's belief that the Fed should be less communicative about its intentions, continuing his effort to reduce the amount of forward guidance from policymakers. Rather than signaling the likely direction of future moves, he argued that markets should focus on economic data and financial conditions. Because this approach represents a significant departure from the style investors were accustomed to under previous Fed leadership, it will take a while for the market to adjust.

The Market's View

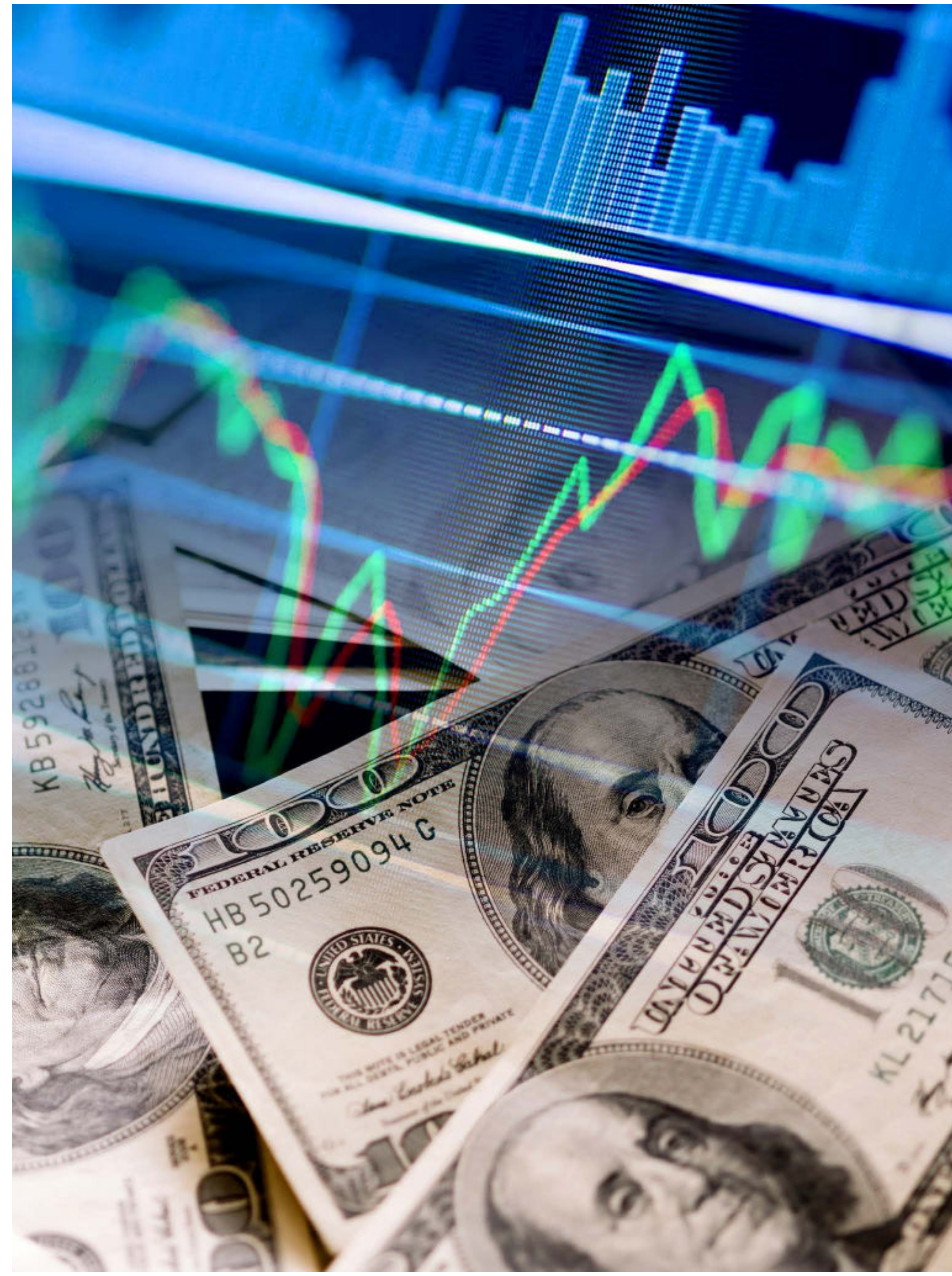
There was something for everyone after the FOMC meeting. Dovish investors who believe recent improvements in inflation data could be the start of a trend interpreted the decision to hold rates steady as a sign that the Fed would be cautious about raising rates. Others, however, took note of the fact that Warsh once again pointed to inflation risks and viewed his comments as hawkish. They came away believing he was laying the groundwork for a rate increase, perhaps as soon as September.

This difference played out in the U.S. Treasury market. Short-term yields declined slightly as the market unwound the possibility that rates could be increased. Longer-term Treasury yields moved higher. The 30-year Treasury yield climbed above 5.2 percent, its highest level in 19 years.

What Does It Mean for Investors?

The next several updates on the employment market and consumer and producer inflation will play an important role in whether the Fed remains on hold or considers another rate increase later this year. That likely means continued volatility in stocks and bonds as markets attempt to gauge the path of inflation, with little guidance from the Fed.

Higher yields could create competition between stocks and bonds for capital as investors lock in higher rates to help generate income for portfolios. Earnings continue to remain strong, however, and long-term opportunities exist for diversified portfolios.



Report Releases: July 27–31, 2026

Preliminary Durable Goods Orders
June (Monday)

Durable goods orders grew modestly in June, but the pace of headline orders missed economists' expectations.

- Expected/prior monthly change: +1.8%/–4.0%
- Actual change: +0.3%

Conference Board Consumer Confidence Index
July (Tuesday)

Consumer confidence unexpectedly dropped last month because of worsening views of current economic conditions.

- Expected/prior month confidence: 92.4/92.2
- Actual confidence: 90.8

FOMC Rate Decision
July (Wednesday)

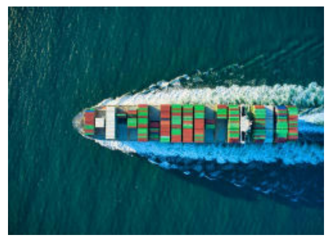
The FOMC kept rates unchanged, largely meeting economists' expectations. Three regional Fed presidents voted to raise rates.

- Expected/prior federal funds rate upper limit: 3.75%/3.75%
- Actual federal funds rate upper limit: 3.75%

Advance GDP Annualized
Second Quarter (Thursday)

Economic growth slowed more than expected in the second quarter, with the annualized growth rate dropping to 1.5 percent, versus expectations for 2 percent.

- Expected/prior quarter GDP growth: +2.0%/+2.1%
- Actual GDP growth: +1.5%



Personal Income and Spending
June (Thursday)

Personal income and spending rose less than expected in June after strong increases in May.

- Expected/prior month personal income change: +0.3%/+0.7%
- Actual personal income change: +0.2%
- Expected/prior month personal spending change: +0.4%/+0.9%
- Actual personal spending change: +0.3%

>> The Takeaway

- Data was weaker across the board. Second-quarter GDP and personal income and spending continued to grow, but at a slower rate than economists had expected.
- Although the Fed held interest rates steady, an increase in September is possible.

Financial Market Data

Equity

Strong late-week rallies helped markets close higher across the board. The Nasdaq Composite led the rally, rising 1.6 percent, while the S&P 500 and Dow Jones Industrial Average each rose 1 percent. With just two sectors driving the rally, market breadth was limited. The consumer discretionary sector increased more than 8 percent on the strength of Amazon, and communication services rallied more than 5 percent. Underperforming sectors included utilities and real estate, which declined 4 percent and 2 percent, respectively.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
S&P 500	1.06%	–0.06%	10.12%	19.53%
Nasdaq Composite	1.60%	–3.19%	9.53%	20.87%
DJIA	1.04%	0.38%	10.17%	20.91%
MSCI EAFE	2.02%	1.98%	12.08%	25.06%
MSCI Emerging Markets	2.36%	–3.03%	20.25%	37.04%
Russell 2000	0.05%	–3.02%	18.98%	34.32%

Source: Bloomberg, as of July 31, 2026

Fixed Income

The Treasury yield curve steepened after the Fed's decision to hold rates steady, with the 2-year yield declining by 6 basis points (bps). The 30-year yield traded at its highest level in 19 years. Core bonds, Treasuries, and mortgages were down marginally; municipal markets moved up slightly.

Index	Week-to-Date	Month-to-Date	Year-to-Date	12-Month
U.S. Broad Market	–0.12%	–1.30%	–0.69%	2.71%
U.S. Treasury	–0.11%	–1.11%	–0.84%	1.97%
U.S. Mortgages	–0.24%	–1.42%	–0.45%	4.13%
Municipal Bond	0.13%	–1.85%	0.43%	5.27%

Source: Bloomberg, as of July 31, 2026

>> The Takeaway

- Equity markets rallied late in the week to close higher.
- Fixed income markets were essentially unchanged, and the 30-year Treasury yield traded at levels not seen since 2007.

Looking Ahead

Another busy week of economic reports will give investors insight into the strength of the manufacturing and services sectors. The highlight of the week will be the release of the July employment report on Friday.

- The week kicks off on Monday with the Institute for **Supply Management (ISM) Manufacturing index** for July. Manufacturing confidence is expected to rise after declining modestly in June.
- On Wednesday, we'll see the **ISM Services index** for July. Confidence is expected to increase marginally. If estimates hold, the index will be in expansionary territory.
- On Friday, we'll receive the July **employment report**. Economists expect to see a modest 88,000 jobs created, which would be an improvement from June's disappointing 57,000 jobs.
- It will be a busy week for **earnings reports**, with reports from Pfizer, Caterpillar, Disney, and Uber Technologies among the highlights.

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Bonds are subject to availability and market conditions; some have call features that may affect income. Bond prices and yields are inversely related: when the price goes up, the yield goes down, and vice versa. Market risk is a consideration if sold or redeemed prior to maturity.

Certain sections of this commentary contain forward-looking statements that are based on our reasonable expectations, estimates, projections, and assumptions. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. All indices are unmanaged and are not available for direct investment by the public. Past performance is not indicative of future results. The S&P 500 is based on the average performance of the 500 industrial stocks monitored by Standard & Poor's. The Nasdaq Composite Index measures the performance of all issues listed in the Nasdaq Stock Market, except for rights, warrants, units, and convertible debentures. The Dow Jones Industrial Average is computed by summing the prices of the stocks of 30 large companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Bloomberg US Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Bloomberg US Mortgage Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Bloomberg US Municipal Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than $50 million. One basis point is equal to 1/100th of 1 percent, or 0.01 percent.

Authored by the Investment Research team at Commonwealth Financial Network®.

LIFETIME Asset Management

LifeTime Asset Management, LLC

801 Corporate Center Drive,Suite 110 | Raleigh, NC 27607
919.845.5315 | 919.845.5346 fax | www.lifetimeasset.com