MONTHLY MARKET UPDATE
July 2026

OPAL WEALTH ADVISORS

Economic Overview

Equity markets in July can be categorized by the notable internal rotation across sectors, industries, and geographies, as opposed to a "selloff." AI and AI-adjacent names, which had powered headline index gains for much of the past year, hit an air pocket where growth-oriented names lost ground, including one mega-cap technology company (Alphabet) that logged its largest single-day dollar decline on record after reporting negative free cash flow for the first time since going public. While growth/momentum stocks took a breather, value stocks, financials, energy, and a broader swath of names outside the largest handful of companies picked up the slack. The S&P 500 on a cap-weighted basis finished the month flat, but an equal-weighted view of the same index was modestly positive, a sign that market breadth remained constructive and improved in July. International markets, both developed and select emerging markets like China and Brazil, outperformed the U.S. on the month. Bond markets saw yields move higher, driven by a combination of rising oil prices, heavy Treasury issuance, and a Federal Reserve under new leadership that leaned hawkish in its latest meeting. Shorter-maturity bonds held up well, while longer-duration bonds bore the brunt of the move higher in interest rates.

Economic data in July painted a picture of a stable but unspectacular backdrop. Second-quarter GDP growth came in at 1.5%, below expectations, but the composition was reassuring, with accelerating consumer spending and relatively strong core growth indications excluding volatile one-time components of inventory, government spending, and net exports. Inflation and 2Q wage growth of 3.7% and 3.4%, respectively, were inline with expectations, while the labor market continued to show signs of stabilization after a soft patch earlier in the summer. The housing market remained a soft spot in the economy, while manufacturing and services activity continued to expand modestly.

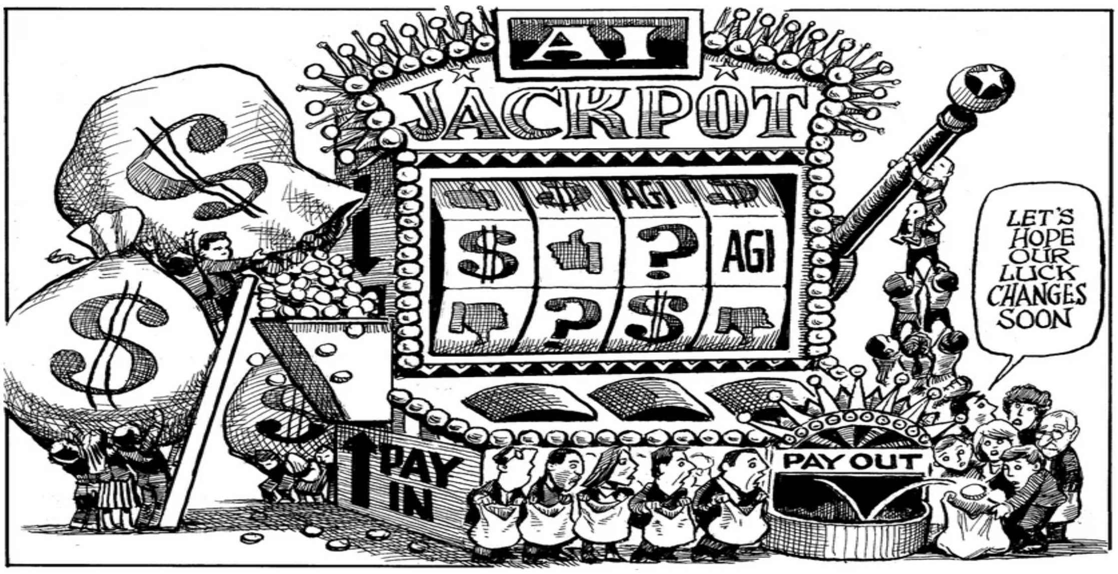
It was a busy month from a policy perspective. New leadership at the Fed, war in Ukraine and Iran, renewed tariff trade tax policies, and ongoing push for de-regulation across banking and energy sectors were all closely watched by financial markets. The Federal Reserve held rates steady at its late-July meeting, with the new Fed chair striking a notably more measured, less forward-guidance-driven tone than markets have grown accustomed to. Markets are currently pricing in at least one rate hike for the balance of 2026. On the geopolitical front, tensions in the Middle East re-escalated over the month, with disruptions in Red Sea shipping lanes contributing to a sharp rise in oil prices and a reversal from the deflationary tailwind that de-escalation had provided back in June. Trade policy also remained active, with Section 338 tariff taxes announced to replace the IEEPA tariffs struck down by the Courts. Legal challenges to the action are widely expected but less likely to be successful.

Overall, markets continue to weigh a familiar set of crosscurrents. On the constructive side of the ledger: corporate fundamentals remain robust, with strong earnings growth and positive guidance from management; the buildout of artificial intelligence infrastructure continues to support earnings momentum and productivity gains; fiscal and regulatory policy remain growth-conducive; and consumption remains resilient, supported by low unemployment and consumer balance sheets that are not overly leveraged. On the other side, the market continues to watch the capital-intensive nature of AI infrastructure spending and the rise in debt financing and decline in free cash flow to support it; the ever-present risk of further conflict re-escalation and its knock-on effects for supply chains, energy prices, and monetary policy; and the ongoing uncertainty created by protectionist trade policy. Markets are currently pricing in a more measured pace of rate cuts than earlier in the year, a signal worth watching, though not one that changes the broadly constructive underlying fundamentals.

QUOTE OF THE MONTH

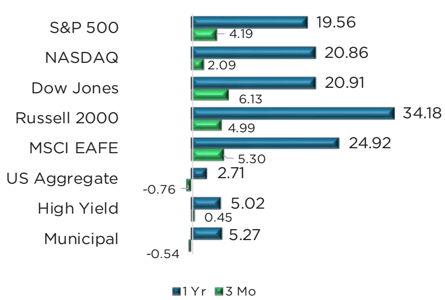
"The longer you can lengthen your time horizon, the better off you will be."
-Howard Marks

CARTOON OF THE MONTH



Source: The Economist

INDEX RETURNS (%)



CONSUMER METRICS

Levels	7/31/26	4/30/26	7/31/25
Fed Funds	3.63	3.64	4.33
10 Year Treasury	4.75	4.40	4.37
30 Year Mortgage	6.66	6.30	6.72
Gasoline	4.23	4.26	3.25
Used Cars and Trucks*	179.59	179.82	183.75

ECONOMIC TRENDS

Macro Metrics	7/31/26	4/30/26	7/31/25
US Real GDP (QoQ)	1.50	2.10	3.80
Core PCE	3.29	3.32	2.86
Unemployment Rate	4.20	4.30	4.30
Oil (WTI)	86.16	108.64	70.36
Gold	4,107.0	4,723.9	3,338.3
Dollar Index	99.8	98.1	100.04

Trailing Returns	1 Mo	3 Mo	1 Yr
Oil (WTI)	-22.60	-31.40	6.43
S&P GSCI Gold Spot	1.70	-11.29	22.65
Dollar Index	-1.26	1.89	-0.05

PERIODIC TABLE OF INVESTMENTS – JULY 31, 2026

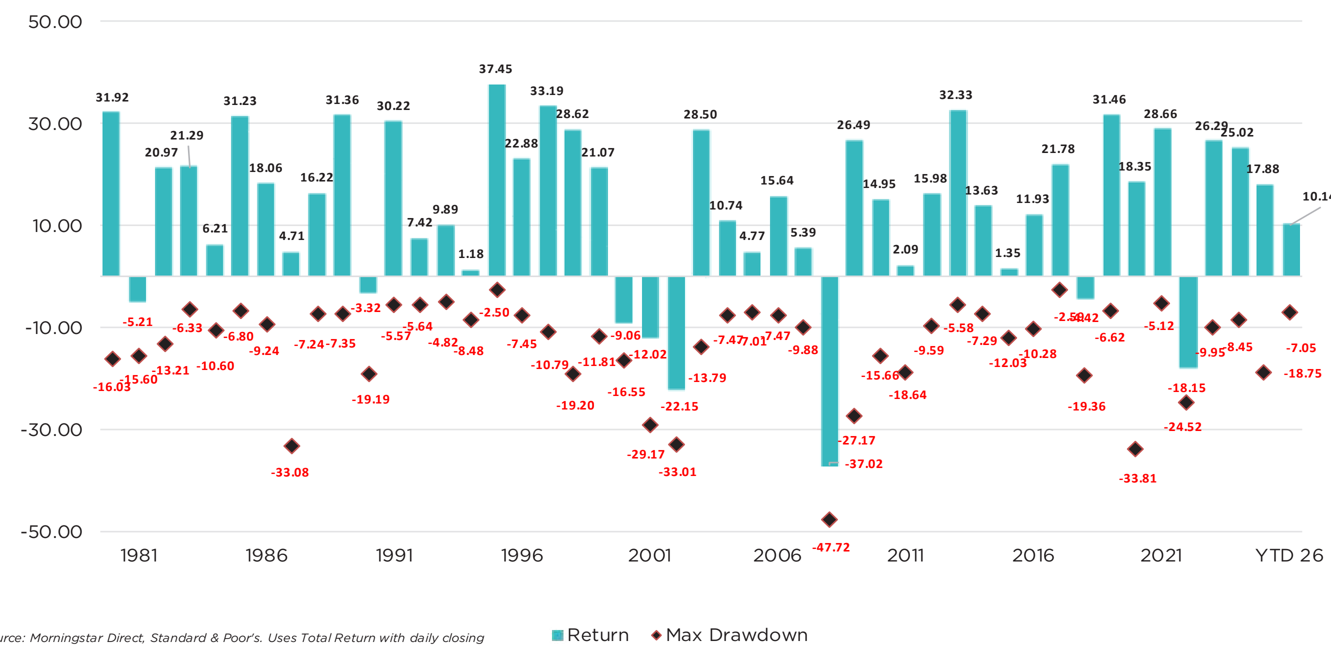
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Small Cap 21.31	Emerging Markets 37.75	Private Equity 11.75	Large Cap 31.49	Private Equity 27.67	Private Equity 43.54	Commodities 16.09	Large Cap 26.29	Large Cap 25.02	Emerging Markets 34.36	Commodities 22.98
High Yield 17.49	International Stocks 25.62	Private Real Estate 8.35	Mid Cap 30.54	Small Cap 19.96	Large Cap 28.71	Private Real Estate 7.46	Global Stocks 22.81	Global Stocks 18.02	International Stocks 31.89	Emerging Markets 20.27
Mid Cap 13.80	Global Stocks 24.62	Private Credit 5.90	Global Stocks 27.30	Emerging Markets 18.69	Commodities 27.11	Private Credit 5.78	International Stocks 18.85	Mid Cap 15.34	Global Stocks 22.87	Small Cap 18.85
Private Equity 13.29	Large Cap 21.83	Bank Loans 0.35	Small Cap 25.52	Large Cap 18.40	Mid Cap 22.58	Private Equity -0.38	Mid Cap 17.23	Small Cap 11.54	Large Cap 17.88	Mid Cap 14.59
Large Cap 11.96	Private Equity 19.00	Core Fixed Income 0.01	International Stocks 22.66	Mid Cap 17.10	Private Real Estate 22.18	Bank Loans -1.25	Small Cap 16.93	Hedge Funds 9.13	Commodities 15.77	International Stocks 12.00
Commodities 11.77	Mid Cap 18.52	High Yield -2.26	Emerging Markets 18.90	Global Stocks 16.82	Global Stocks 19.04	Hedge Funds -5.32	High Yield 13.46	Bank Loans 8.80	Small Cap 12.81	Global Stocks 11.60
Emerging Markets 11.60	Small Cap 14.65	EM Debt -2.46	Private Equity 17.45	Hedge Funds 10.88	Private Credit 17.96	High Yield -11.22	Bank Loans 13.02	Private Equity 8.32	EM Debt 11.11	Large Cap 10.14
Bank Loans 10.14	Private Credit 9.53	Hedge Funds - 4.02	High Yield 14.41	International Stocks 8.28	Small Cap 14.82	Core Fixed Income -13.01	Private Credit 12.63	High Yield 8.20	Mid Cap 10.60	Hedge Funds 5.39
EM Debt 9.88	EM Debt 8.17	Large Cap -4.38	EM Debt 13.11	Core Fixed Income 7.51	International Stocks 11.78	International Stocks -14.01	Emerging Markets 10.27	Emerging Markets 8.05	Hedge Funds 10.41	Bank Loans 1.85
Private Credit 10.58	Hedge Funds 7.76	Global Stocks -8.93	Core Fixed Income 8.72	EM Debt 6.52	Hedge Funds 6.2	EM Debt -15.26	Private Equity 9.91	Private Credit 6.72	High Yield 8.20	High Yield 1.59
Private Real Estate 8.76	Private Real Estate 7.61	Mid Cap -9.06	Private Credit 8.87	High Yield 6.17	High Yield 5.36	Mid Cap -17.32	EM Debt 9.09	EM Debt 6.58	Core Fixed Income 7.30	EM Debt 0.70
Global Stocks 8.48	High Yield 7.48	Small Cap -11.01	Hedge Funds 8.38	Private Credit 5.78	Bank Loans 5.14	Global Stocks -17.96	Hedge Funds 6.06	Commodities 5.38	Bank Loans 5.03	Core Fixed Income -0.69
Core Fixed Income 2.65	Core Fixed Income 3.54	Commodities -11.25	Bank Loans 7.87	Bank Loans 2.26	Core Fixed Income -1.54	Large Cap -18.11	Core Fixed Income 5.53	International Stocks 4.35	Private Real Estate 3.77	Private Real Estate -N/A
International Stocks 1.51	Bank Loans 3.29	International Stocks -13.36	Commodities 7.69	Private Real Estate 1.18	EM Debt -1.65	Emerging Markets -19.74	Commodities -7.91	Core Fixed Income 1.25	Private Equity 5.62	Private Equity -N/A
Hedge Funds 0.49	Commodities 1.70	Emerging Markets -14.25	Private Real Estate 5.34	Commodities -3.12	Emerging Markets -2.22	Small Cap -20.44	Private Real Estate -12.02	Private Real Estate -1.44	Private Credit 4.62	Private Credit -N/A

"-" indicates data not yet available

STOCK MARKETS CAN TRADE LOWER IN THE SHORT-RUN

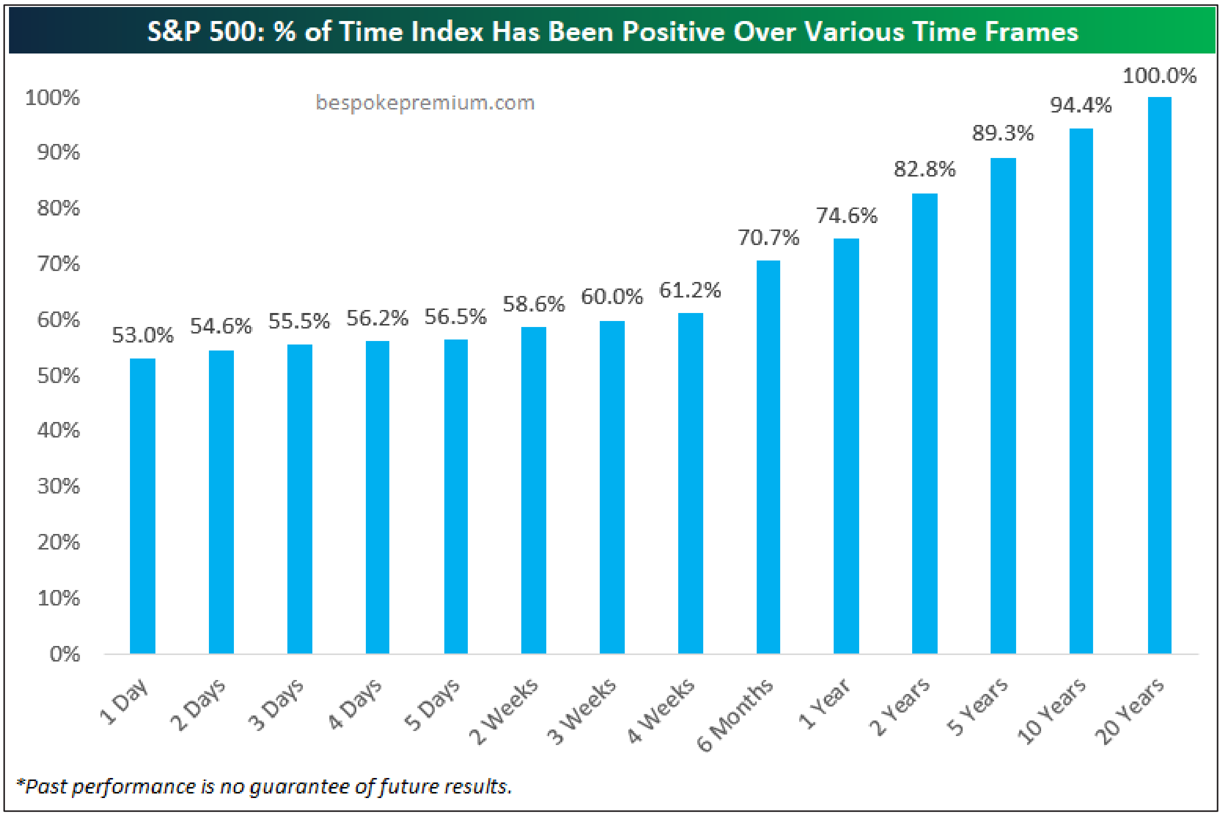
Intra-year S&P 500 Drawdowns with Annual Returns

Market volatility is normal and can be difficult to time. History shows that staying the course has been a successful investing strategy.



Source: Morningstar Direct, Standard & Poor's. Uses Total Return with daily closing prices.

STOCK MARKETS TRADE HIGHER IN THE LONG-RUN



Source: Bespoke

Opal Wealth Advisors / 2 Jericho Plaza / Suite 208 / Jericho, NY 11753 / t. 516.388.7980 / f. 516.388.7968 / **opalwealthadvisors.com**