

# Market Update – July 6, 2026

## The Weekly Briefing

Large cap equities rose in the holiday-shortened week as volatility in the tech sector continued. The S&P 500 increased +1.8% and the Nasdaq 100 rose +0.7%. International equity indexes also showed positive results. The MSCI EAFE Index jumped +2.8% and the MSCI Emerging Markets Index increased +1.0%.

Technology stocks continued to experience significant volatility. The State Street Technology Sector ETF saw swings of more than +/-2% every day last week. Stocks with direct AI exposure were particularly volatile. The Philadelphia Semiconductor Index was +/-4% each day last week and has had a +/-5% move in each of the past seven trading weeks. The iShares MSCI South Korea ETF had its sixth consecutive week of a +/-10% change.

One potential contributor to the extreme volatility is the rise in popularity of leveraged ETFs composed of single stocks and narrow subsectors. An ETF listed on the Hong Kong Stock exchange that seeks to replicate two-times the daily return of SK Hynix became the largest levered single-stock ETF in the world earlier this year despite launching less than twelve months ago. Assets under management in this fund currently sit at approximately \$10 billion, up from about \$500 million at the start of this year. The size of other levered memory stock ETFs has also increased rapidly. The Direxion Micron and Sandisk 2x ETFs each have more than \$5 billion in AUM. For comparison, SPUU, the 2x leveraged S&P 500 ETF, has \$250 million in fund assets. An increase in the use of leverage can amplify volatility as investors take on more risk.

Regarding last week's economic data, the most notable data release last week was a mixed June jobs report. According to the initial estimate, the US economy added 57,000 jobs in June, well below expectations for 115,000. Prior month job gains were revised lower, with May and April adds reduced by a combined 74,000 jobs. Despite the disappointing June number and downward revisions to past months, the three-month average increase in nonfarm payrolls is 111,000 – a solid rate. The unemployment rate decreased slightly to 4.2%, which is the lowest level in more than a year. Though this appears positive on the surface, the drop was largely attributed to a decline in the labor force participation rate rather than an increase in employment.

Interest rate futures markets showed little change on the week. Current pricing continues to suggest a Fed hike in the Sept-Oct timeframe. Odds of a second hike in Mar-Apr of 2027 increased slightly but remain close to a 50-50 proposition. Supporting hike expectations, recent jobs numbers have been solid while inflation remains above target and on an upward trend.

2Q26 corporate earnings season begins this week. According to Factset, analysts expect combined EPS for the companies in the S&P 500 to increase +23% year-over-year. This rate of growth would be the second consecutive increase of more than +20% and the seventh consecutive quarter of double-digit growth. Notably, the forward P/E multiple for the S&P 500 has come down closer to historical averages. The forward P/E ended last week at about 20x, down from 24x at the start of the year. The 5-year and 10-year average forward P/E for the Index is 19.9x and 19.0x, respectively.

### The Week Ahead

Monday	Tuesday	Wednesday	Thursday	Friday
ISM Services PMI		FOMC Minutes	Initial Jobless Claims Continuing Claims	Nonfarm Payrolls Unemployment Rate
			PEP	DAL

### Market Snapshot

	Last Week	YTD	1yr
S&P 500	1.8%	10.0%	20.6%
DJIA	2.0%	11.0%	20.0%
Nasdaq 100	0.7%	16.5%	29.1%
Russell 2000	-0.4%	21.4%	34.9%
S&P 500 E/W	1.1%	13.3%	18.2%
2yr Yield	4.14%	0.66%	0.26%
10yr Yield	4.48%	0.32%	0.14%
VIX	16.15	1.20	(1.33)
WTI Crude	\$68.7	19.6%	2.5%
Gold	\$4,122	-4.6%	23.6%
Bitcoin	\$61,517	-29.8%	-43.4%

### Economic Summary

	Actual	Expected	Prior (r)
JOLTS Job Openings	7,594k	7,296k	7,585k
ISM Manufacturing PMI	53.3	53.9	54.0
Nonfarm Payrolls	57k	113k	129k
Unemployment Rate	4.2%	4.3%	4.3%

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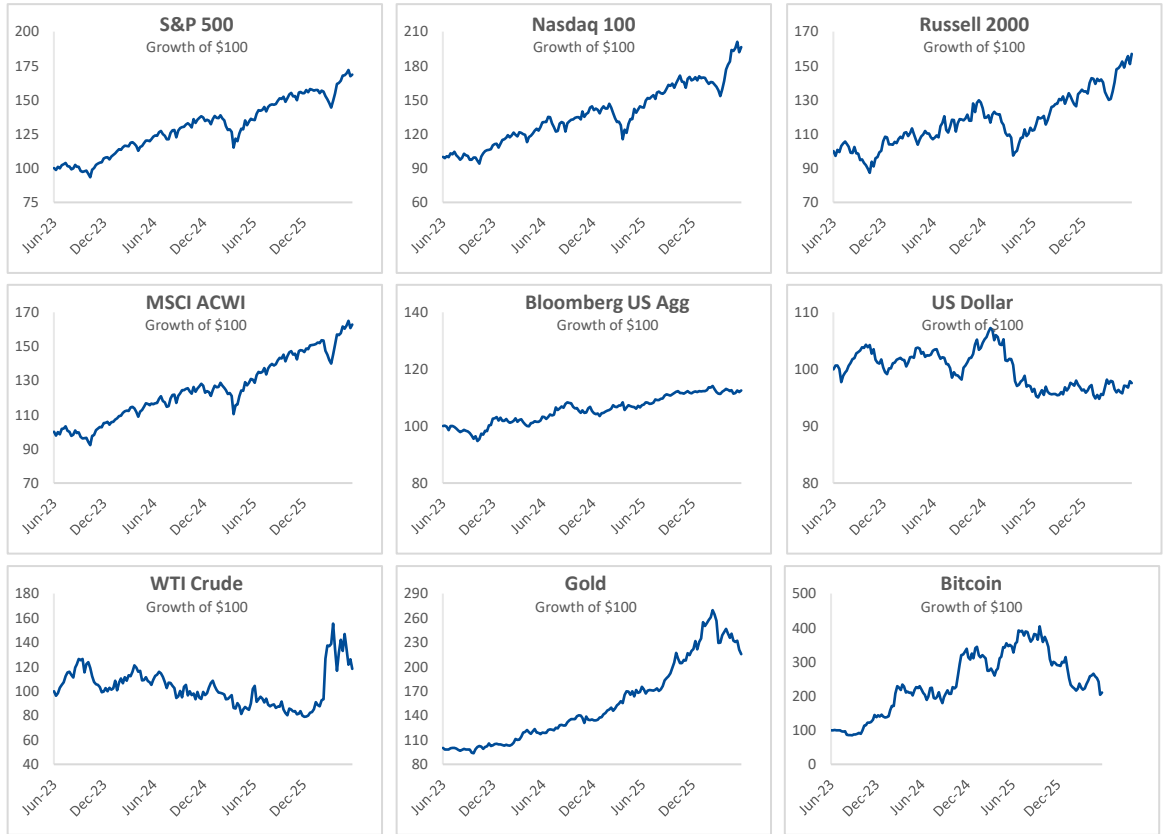
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# Markets Monitor



## S&P 500 Sector Heatmap Total Return YTD

S&P 500 8.0%	Comm. Services -9.3%	Cons. Discretionary -3.8%	Cons. Staples 10.4%
Energy 22.1%	Financials -1.3%	Healthcare 4.5%	Industrials 17.4%
Materials 14.7%	Real Estate 13.8%	Technology 26.1%	Utilities 9.7%



WEALTH MANAGEMENT

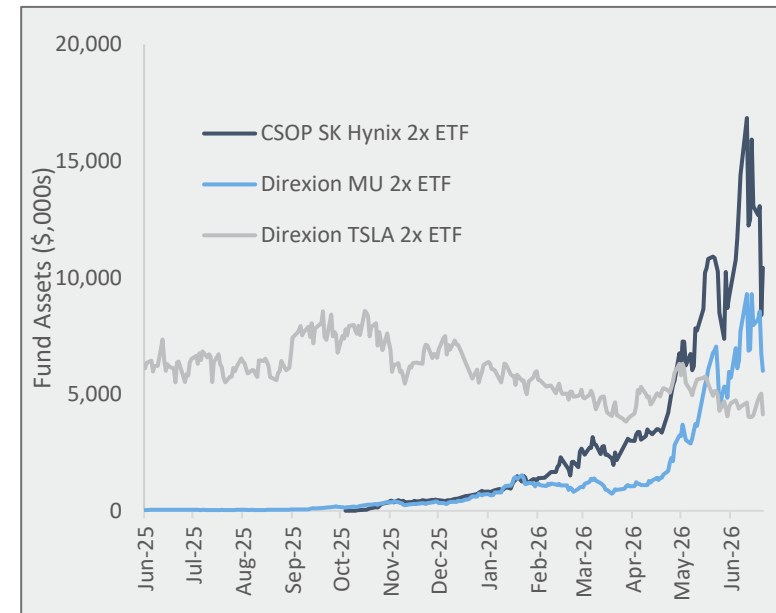
## Last Week in Earnings

Date	Ticker	EPS	Revenue	Price chg
None of note.				

## World Watch

	Last Week	YTD	1yr
MSCI ACWI	2.0%	11.6%	23.0%
MSCI EAFE	2.8%	11.3%	22.3%
MSCI EM	1.0%	23.9%	42.3%
DXY Index	101.0	2.7%	3.9%
EUR / USD	\$1.15	-3.1%	-4.9%
GBP / USD	\$1.33	-1.0%	-1.9%
USD / JPY	161.8	3.2%	10.8%
USD / CNY	6.79	-2.9%	-5.4%

## Assets in AI-Related Single Stock ETFs Have Increased Rapidly



As of 7/2/26.  
Sources: Bloomberg, Sunflower Wealth Advisors, Sunflower Bank.

## Disclosures

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