PEAPACK PRIVATE

The Weekly
Economic & Market Recap

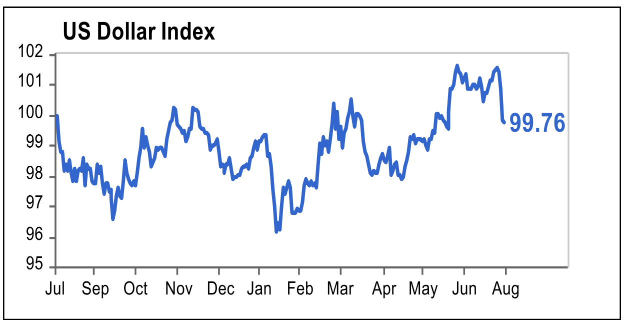
July 31, 2026

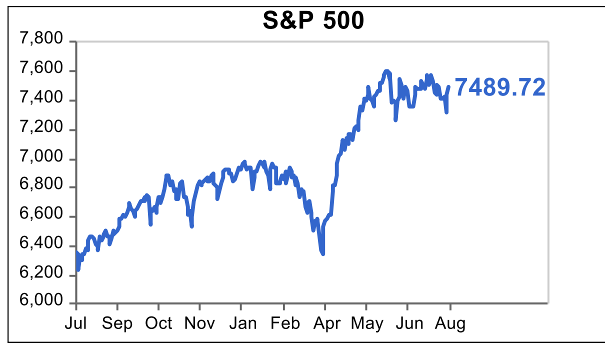
Weekly Recap

U.S. markets experienced a volatile week as investors weighed a divided Federal Reserve, slower economic growth, mixed corporate earnings, and escalating tensions in the Middle East. Equities began the week modestly higher as market breadth expanded beyond mega-cap technology but sold off sharply following Wednesday's Federal Open Market Committee (FOMC) decision. As expected, the Fed maintained its target rate at 3.50%–3.75%, although three officials dissented in favor of a 25-basis-point increase. Chair Kevin Warsh provided limited forward guidance, adding uncertainty around the future path of monetary policy. Treasury markets responded with a pronounced steepening of the yield curve with short-term yields declining as the 30-year Treasury yield reached 5.21%, its highest level since July 2007. The move reflected concerns surrounding inflation, Fed credibility, and longer-term borrowing costs. Equities rebounded Thursday as strong Microsoft results renewed enthusiasm for artificial-intelligence spending and lifted semiconductor shares. Amazon subsequently reported better-than-expected results after the close, reinforcing confidence in cloud and AI-related demand. Economic data remained mixed with second-quarter GDP growth at a 1.5% annualized rate, down from 2.1% in the first quarter and below expectations. June core PCE inflation rose 0.1% month over month and 3.3% year over year, while jobless claims remained low. Meanwhile, the expanding U.S.-Iran conflict drove volatility in crude oil and heightened concerns about energy prices, shipping routes, and inflation.

Key Points for Investors to Consider:

- Fed Fund futures predict a 37% probability of a 25-bps hike in January, compared to prior expectations of a hike in September
- Personal consumption rose 3.2% year-over-year, highlighting a resilient consumer
- As of July 29, 42% of the S&P have reported Q2 earnings with 85% of reporters above earnings expectations



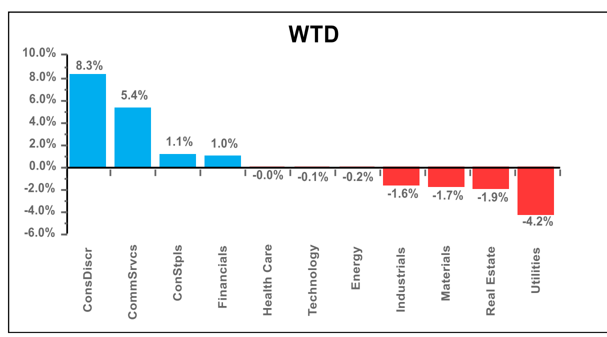


INDICES	Close	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change
DJII-USA	52,485.03	537.78	1.04	1.65	9.20	18.93
S&P 500	7,489.72	77.74	1.05	1.38	9.41	18.15
NASDAQ	25,373.85	398.03	1.59	0.87	9.17	20.13
S&P MidCap 400	3,758.64	-25.22	-0.67	2.14	13.72	19.27
EAFE	105.58	2.17	2.10	3.01	9.94	20.64
Emerging Markets	77.61	0.56	0.73	2.80	15.46	28.64

COMMODITIES	Price	Wk % Change
Copper	6.52	2.58
Gold	4,108.30	0.92
WTI	84.53	-5.35
Brent	87.87	-4.16
Natural Gas	2.77	-3.98

FOREX	Price	Wk % Change
EUR/USD	1.15	1.50
USD/JPY	159.23	-3.73
GBP/USD	1.35	1.26
USD/CAD	1.40	-0.59

TREASURIES	Current Yield	12/31/25 Yield
1 - Year	4.04	3.47
2 - Year	4.27	3.48
5 - Year	4.42	3.73
10 - Year	4.71	4.17
30 - Year	5.25	4.84



RUSSELL STYLE RETURNS

WTD	Value	Blend	Growth
Large	1.44%	1.04%	0.57%
Medium	0.36%	0.30%	0.23%
Small	-0.08%	0.01%	0.12%

YTD	Value	Blend	Growth
Large	20.55%	9.84%	0.17%
Medium	19.18%	14.54%	0.23%
Small	22.87%	18.79%	14.92%

COMING UP NEXT WEEK		Consensus	Prior
08/03 Construction Spending SA M/M	(Jun)	0.30%	0.10%
08/03 ISM Manufacturing SA	(Jul)	54.5	53.3
08/04 Durable Orders SA M/M (Final)	(Jun)	0.30%	0.30%
08/04 Factory Orders SA M/M	(Jun)	-0.40%	-1.3%
08/04 JOLTS Job Openings	(Jun)	7,200K	7,594K
08/05 ISM Services PMI SA	(Jul)	54.4	54.0
08/06 Unit Labor Costs SAAR Q/Q (Preliminary)	(Q2)	0.50%	1.8%
08/06 Productivity SAAR Q/Q (Preliminary)	(Q2)	3.0%	0.30%
08/07 Nonfarm Payrolls SA	(Jul)	87.5K	57.0K
08/07 Unemployment Rate	(Jul)	4.3%	4.2%

SECTORS - Large Cap	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	940.96	10.66	1.1%	1.9%	1.9%	8.8%
Health Care	1,893.67	-0.13	(0.0%)	2.2%	2.2%	4.9%
CommServices	456.61	23.26	5.4%	0.5%	0.5%	0.9%
Eco Sensitive						
Consumer Disc	1,922.36	147.39	8.3%	0.8%	0.8%	(0.3%)
Energy	912.61	-1.71	(0.2%)	12.5%	12.5%	32.8%
Industrials	1,520.75	-24.64	(1.6%)	(3.1%)	(3.1%)	15.8%
Info Tech	6,553.95	-7.87	(0.1%)	(3.5%)	(3.5%)	15.3%
Materials	627.22	-10.97	(1.7%)	(1.7%)	(1.7%)	9.2%
Interest Rate Sensitive						
Financials	946.79	9.82	1.0%	6.0%	6.0%	3.9%
Utilities	450.17	-19.91	(4.2%)	(2.3%)	(2.3%)	3.8%
REIT	291.99	-5.73	(1.9%)	2.9%	2.9%	16.1%

Source: FactSet