

THE WEEK IN REVIEW

Broad equity markets moved slightly lower in what was the busiest week of second quarter earnings season. Despite a continuation in the trend of better-than-expected profits, the S&P 500, Nasdaq, and Dow Jones Industrial Average declined 0.4%, 1.1% and 0.4% respectively. After Netflix (NFLX) reported mixed results last week, the remainder of the "FAANG" cohort reported second quarter earnings this week. Apple (AAPL), Facebook (FB), and Alphabet (GOOGL) all beat top line and bottom line consensus estimates. Online retail and cloud computing giant Amazon (AMZN) missed revenue expectations despite posting a third straight quarter of \$100 billion in revenue. AMZN shares slid 7% after the announcement. Other big movers included toy manufacturer Hasbro (HAS), which saw its shares climb more than 10% after reporting strong growth in the quarter. Meanwhile, shares of shipping behemoth UPS slid after the company reported metrics suggesting that shipping activity may be decelerating from historic growth rates. Online trading platform Robinhood (HOOD) made its highly anticipated public markets debut on Thursday. Its shares fell 8.4% on its first trading day amid confusion surrounding the eligibility of its customers to participate in the initial public offering.

At the conclusion of this week's Federal Open Market Committee meeting, policymakers declared they had made progress toward their goals of full employment and 2.0% average inflation. Federal Reserve Chair Jerome Powell stated that the central bank is not yet ready to taper its monthly bond purchases. According to the Commerce Department, U.S. GDP jumped 6.5% in the second quarter on an annualized basis, which was below expectations of 8.4%. Private domestic investment, private inventory and residential investment fell 3.5%. Personal expenditures, which rose 11.8%, accounted for a majority of the overall increase. Although the U.S. economy has eclipsed its pre-pandemic size, the impact of waning fiscal stimulus, building inflation, and the COVID-19 delta variant tempered growth this quarter.

Sales of new homes fell 6.6% in June to an annualized rate of 676,000. The June reading marks the lowest rate since April 2020 and comes amid increased building costs driven by supply chain delays and labor shortages. The Labor Department reported that the number of workers filing for first-time unemployment benefits totaled 400,000 this week, falling about 24,000 from last week. The decline in claims comes as many states have ended federal unemployment benefits early. U.S. personal spending rose at a better-than-expected 1.0% clip in June, as vaccinations boosted demand for travel-related services and recreation.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
GDP (Q/Q Annualized)	6.5%	6.3%	▲
Core PCE Price Index (Y/Y)	3.5%	2.0%	▲
New Home Sales (Thousands Annualized)	676	873	▼
Conf. Board Consumer Confidence	129.1	117.5	▲
Personal Spending (M/M)	1.0%	5.2%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	34935.47	-0.36%	14.14%	32.77%
NASDAQ	14672.68	-1.11%	13.85%	38.58%
S&P 500	4395.26	-0.37%	17.02%	35.40%
MSCI EAFE	2341.81	1.51%	9.05%	26.86%
Bbg Barclays Aggregate US	2376.35	0.09%	-0.66%	-0.80%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	0.04%	0.04%	0.09%
10-Year Treasury	1.23%	1.47%	0.55%

REPORTS DUE NEXT WEEK	LATEST
Non-Farm Payrolls (Thousands)	850
Unemployment Rate	5.9%
Average Hourly Earnings (Y/Y)	3.6%
ISM Manufacturing	60.6
ISM Non-Manufacturing	60.1

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.