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WEEKLY UPDATE | July 3, 2026

U.S. & World News

The Trump administration announced that the United States will not renew the United States Mexico Canada Agreement (USMCA), the trilateral trade pact that replaced NAFTA in 2020. July 1st marked the deadline for the three countries to agree to extend the agreement for another 16 year term. Instead of renewal, the U.S. will shift to annual reviews of the treaty, a move that opens the door to renegotiating major provisions and potentially reshaping North American trade relations over the next decade. The agreement will remain in force for ten more years unless one of the member countries withdraws.

A senior administration official said President Trump declined to "rubber stamp" the pact in its current form, citing persistent U.S. trade deficits with Canada and Mexico as his primary concern. The official also noted that Trump believes he has already altered the trading relationship through broad tariffs imposed during his second term. U.S. Trade Representative Jamieson Greer stated that the administration intends to work with both countries to address what it views as shortcomings in the agreement.

Trump once championed the USMCA as the "fairest" and most beneficial trade deal ever enacted, but his enthusiasm has waned amid rising tensions with Canada and Mexico. He recently questioned whether the U.S. should renew the pact at all, arguing that the U.S. does not rely on its neighbors for essential goods. Bilateral negotiations between the U.S. and Mexico are already underway, while talks with Canada have yet to begin.

Markets

- Equity markets rose this week with the S&P 500 up 1.78% and closing at 7,483. The Dow was up 1.99% and closed at a new all-time high of 52,900. The year to date returns for the S&P 500 and the Dow are 9.96% and 10.99%, respectively.

- Bond markets fell as yields rose, resulting in a -0.40% decline for the US Aggregate Bond Index. The year to date return for the US Aggregate Bond Index is 0.70%.

- The yield on 2-year treasuries rose to 4.14% and the yield on 10-year treasuries rose this week to 4.49%.

- The spot price of WTI Crude Oil decreased -1.10% this week and closed at $68.46/barrel. Oil prices this year have risen 19.21%.

- The spot price of Gold rose 0.78% this week to close at $4,121.70/ounce. So far this year, gold has fallen -4.61%.

Economic Data

- Initial Jobless claims this week were 215,000, below the 218,000 median analyst expectation and below last week's revised figure of 216,000.
- Nonfarm payrolls rose 57,000 in June, well below median forecast of 113,000. May's number was revised down by 43,000 to 129,000 and April's figure was revised down by 31,000 to 148,000 jobs.
- The unemployment rate dropped to 4.2% vs. expectations and last month's reading of 4.3%. The decline in the unemployment rate was the result of a drop in the labor force participation rate to 61.5% from last month's 61.8%.
- Average hourly earnings increased 0.35% in June, in line with expectations. Wages have risen 3.5% over the last 12 months.

Fact of the Week

AMERICA 250 BBQ. According to the American Farm Bureau's 2026 Summer Cookout Cost Survey, a classic Independence Day cookout for 10 people will cost $73.82, an increase of $2.90 or 4% from last year. The basket includes cookout staples such as cheeseburgers, chicken breasts, pork chops, potato chips, pork and beans, strawberries, potato salad ingredients, fresh-squeezed lemonade ingredients, chocolate chip cookies and ice cream. Items seeing the largest price increases over 2025 were pork and beans (+13.8%), strawberries (+12.4%), hamburger buns (+7.7%) and ground beef (+5.5%). Two items saw price decreases this year, potato chips (-0.8%) and most notably potato salad (-17.8%) due to declining egg and potato prices.

(Source: American Farm Bureau)

Questions?

Your Wealth Management team is here to answer.

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