Old Second WEALTH MANAGEMENT | RIVERSTREET ADVISORS, LLC

WEEKLY UPDATE | July 31, 2026

U.S. & World News

The Federal Reserve kept interest rates steady at 3.5% to 3.75% during its July 29, 2026 meeting, reflecting a split 9–3 vote with growing dissent and an ongoing focus on elevated inflation. Federal Reserve Chairman Kevin Warsh noted that even though the central bank hasn't raised its target fed funds rate, longer-term market interest rates have climbed since the Fed's last meeting. "Rates are higher today than they were 42 days ago, even though the Fed hasn't hiked", he observed. Warsh has committed to ending forward guidance, a practice of pre-committing the Fed to a particular course on interest rates. That means he won't say in advance how he plans to vote when the FOMC meets. With changes in oil prices and the potential for tech companies to raise prices on semiconductors, electricity and more, the Fed will have to decide whether this particular shift in supply and demand constitutes the kind of inflation that needs to be addressed with higher interest rates. Markets are currently pricing the chance of a hike for the 9/16/26 meeting at 67%.

Markets

- Equity markets rose this week with the S&P 500 up 1.06% and closing at 7,489. The Dow was up 1.04% and closed at 52,485. The year to date returns for the S&P 500 and the Dow are 10.12% and 10.18%, respectively.

- Bond markets fell as yields rose, resulting in a -0.09% loss for the US Aggregate Bond Index. The year to date return for the US Aggregate Bond Index is -0.56%.

- The yield on 2-year treasuries rose to 4.27% and the yield on 10-year treasuries increased this week to 4.71%.

- The spot price of WTI Crude Oil fell -5.07% this week and closed at $84.67/barrel. Oil prices this year have risen 47.6%

- The spot price of Gold fell -0.07% this week to close at $4,056.80/ounce. So far this year, gold has dropped -6.21%.

Economic Data

- Personal Spending for June rose 0.3% meeting analyst estimates. May's reading of 0.7% was revised upwards to 0.9%.
- Q2 2026 GDP's advance estimate came in at 1.5% which is below the 2.2% median analyst estimate. Last quarter's reading was 2.1% growth.
- Personal Income for June rose 0.2% falling short of the 0.4% expectation. In May Personal Income rose 0.7%.

Fact of the Week

BEATING AND RAISING. Through 7/23, nearly every S&P 500 company that reported Q2 earnings results in July had beaten consensus analyst earnings per share estimates (93 of 105, or 88.5%), while 83% beat consensus analyst sales estimates. Fifteen companies raised guidance, and only one lowered it.

(Source: Briefing)

Questions?

Your Wealth Management team is here to answer.

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