SOLLINDA
CAPITAL MANAGEMENT

Market Down & Dirty
August 3, 2026

The Data

- Major equity indices ended the volatile week higher.
  - S&P 500 +1.10% Dow +1.04% Russell 2000 +0.01%, Nasdaq 1.59%[1]
    - The All-Country World Index rose +1.20%.[1]
  - S&P 500 sub-sectors were extremely mixed on the week.
    - Consumer Discretionary led to the upside with a gain of 8%.[1]
    - Utilities & Real Estate led to the downside with losses of over 2.5%.[1]
  - The CBOE Volatility Index (VIX) declined -14% to 15.99.[1]

- US Treasury bond yields were mixed last week.
  - US 2yr -0.06% at 4.27%, 10yr +0.03% to 4.71%, 30yr +0.08% to 5.25%.[1]
  - The 30yr US Treasury yield reached its highest level in over 20 years.

- Commodities as an aggregate asset class were lower last week.
  - WTI Crude declined -3.89%.[1]
  - Gold lost -0.24%.[1]
  - The US Dollar index sank -1.71%.[1]

- In our opinion, U.S. economic data was mixed last week.
  - Consumer confidence ticked lower for July as concerns remain over inflation.[1]
  - The PCE Price Index showed a small decline in inflation over the last year.[1]
  - Quarterly US GDP came in at +1.5%, which was slightly below estimates.[1]

- An index of equities outside the US (FTSE All-World ex-US) gained +1.48%.[1]

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[1] Source: Bloomberg – 7/31/2026

Conclusion

- US stocks ended the week in positive territory.
    - The Nasdaq led to the upside again with a gain of +1.59%.[1]
        - Strong earnings from several major constituents helped boost the index.
    - While the S&P 500 posted a modest gain this week, the change at the index level doesn't come anywhere close to reflecting the massive volatility that took place underneath the surface.
        - This was led by a massive deleveraging in both the U.S. and Asian semiconductor stocks.
        - The Philadelphia Stock Exchange Semiconductor Index sank 5.3% on Wednesday, soared 8.2% on Thursday for its best day since April 2025, & finished Friday slightly positive. [1]
- S&P 500 sub-sectors were very mixed on the week.
    - Consumer Discretionary and Communication Services both bounced back to lead sectors to the upside this week with gains of +8% & +6%.[1]
    - Interest rate sensitive sectors of Real Estate & Utilities led to the downside. [1]
- US Treasury yields were mixed as the Federal Reserve held interest rates steady.
    - The short-end 2yr yield fell on the week while the 10yr & 30yr saw increases
    - The Fed held rates unchanged, but three of the Fed's voting members dissented, preferring to lift rates.
        - Investors appear to be growing increasingly concerned with the lack of clarity from new Fed Chair Warsh as he ended his press conference without giving any guidance.
    - Concerns over the Fed's ability to combat inflation drove the 30yr Treasury yield to its highest level since 2004; it closed Friday at 5.25%.[1]
        - Additionally, the cost of hedging a further rise in longer term interest rates has risen quickly, showing traders are building up protection.
- Non-US equities finished the week higher as the US Dollar declined over a percent.
    - There was continued large differences in returns around the world between tech focused countries like South Korea and natural resource exporters like LatAm.
    - Japan was in focus last week as the US joined their government in engineering a strengthening of their currency.
        - While direct market intervention and verbal support have triggered rebounds before, only to see them fade away in days or weeks, the degree of coordination between the two countries now appears to be the tightest in decades.
- Earnings season was in focus last week as several major S&P constituents reported results.
    - With over 60% of S&P 500 companies reporting, 86% have beaten earnings per share estimates while 77% have exceeded revenue expectations.[1]
    - The earnings growth rate is currently at +47.4%; the highest level in 5 years.[1]

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