Markets Update - 7/29/26

A look at what happened today impacting US equity, Treasury, and selected commodity markets, and what to watch for tomorrow

NEIL SETHI
JUL 29, 2026 ∙ PAID

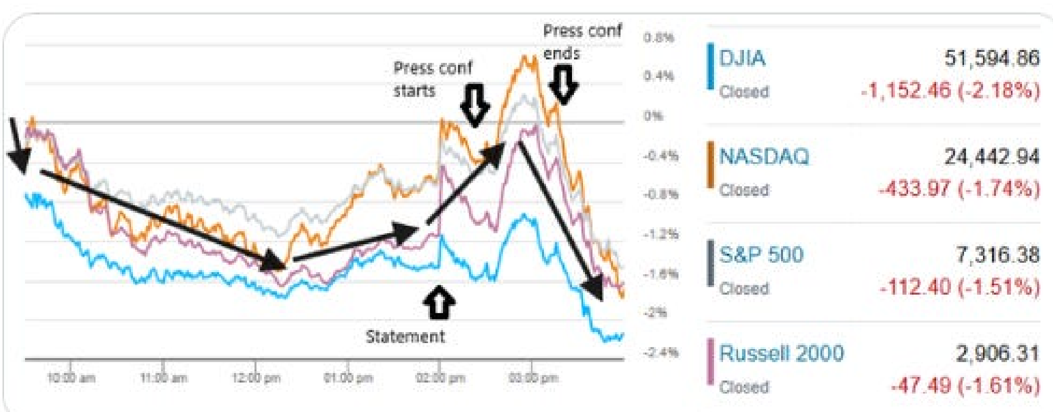
Quick Summary:

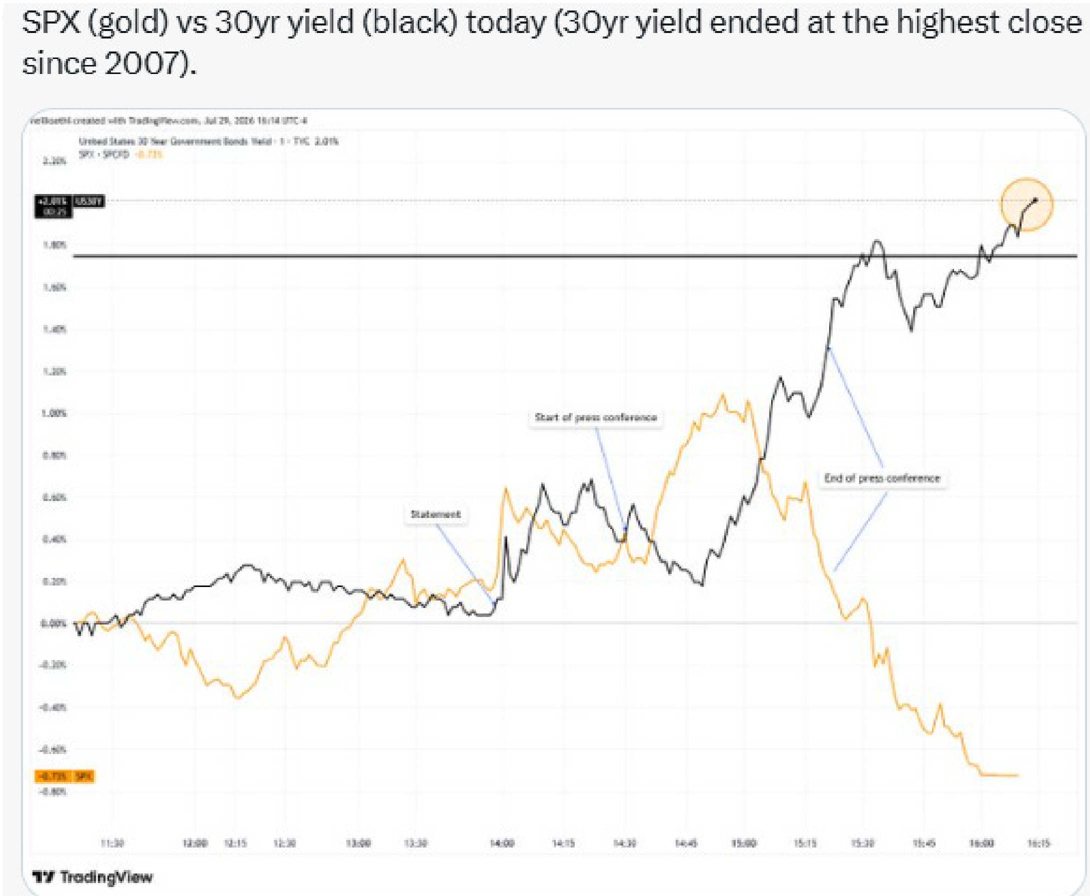
- **US equity indices opened modestly lower Wednesday ahead of the most uncertain Fed meeting in a decade and key earnings from Microsoft and Meta Technologies, with stocks pressured by another selloff in Asian tech shares and oil prices rebounding following a return to kinetic action in the Mid-East all as covered in the morning update.**
- **Those pressures though would pull indices lower throughout the morning session with the S&P 500 down 0.6% heading into the Fed decision. The initial reaction was favorable as the Fed held rates unchanged at 3.50% to 3.75% (with three dissents in favor of a 25-basis-point hike) sparking a rally in stocks. Indices would push into positive territory during Chair Kevin Warsh's press conference, but things would turn around for equities right at 3pm as rising longer-end Treasury yields exerted pressure seeing equity indices drop sharply as the 30-year yield ended at its highest close since 2007.**
- **At day's end, the S&P 500 fell -1.5%, the Nasdaq Composite -1.7%, the Dow Jones Industrial Average -2.2%, and the Russell 2000 -1.6%, all finishing near their lows of the session. The Nasdaq-100 (100 of the largest non-financial companies listed on the Nasdaq) finished in correction territory.**

- The same pressure points that have dominated recently remained in place. Semiconductors continued their selloff, with the PHLX Semiconductor Index down -5.3%, remaining on pace for its worst month since 2001, while Technology, Industrials, Utilities, and Financials all lagged. Energy was the clear outperformer as WTI crude rose more than 6% after President Trump said the US would strike back at Iran after a recent attack that targeted a military base in Jordan, as the war in the Middle East flared up again following a pause in hostilities. “We’ll be hitting them hard,” Trump said in a phone interview, Fox News reported Wednesday, adding that “they’re going to get a beating.”
- After the close Meta sold off following a miss on earnings and a weak revenue forecast while Microsoft shares were up after top and bottom line beats with cloud growth coming in above expectations.
- Attention turns to a busy day of US economic data tomorrow including Q2 GDP and Apple and Amazon earnings after the close.

US equity indices fell from the open, trading solidly negative up until the Fed hold. They would jump w/the rally peaking 2/3 through the press conference but started falling as yields rose, ending at the lows of the day.

SPX -1.5%, Nasdaq -1.7%, DJIA -2.2%, RUT -1.6%





Some market commentary:

> - “Keeping rates on hold instead confirms that Warsh is putting a little space – conceptually and in time – between reasserting credibility on inflation and assessing whether this then requires operationalizing in the form of one or more rate increases,” said Krishna Guha at Evercore.
> - “Not that I thought hiking to establish credibility was the reason to do a hike, but instead of hiking to establish credibility, Warsh held, said we are in a period of watchful thinking and squandered some credibility,” said Neil Dutta at Renaissance Macro Research. Dutta said that Warsh “has bought himself only a temporary reprieve.” Central bankers will either be saved by the economic data, or they’ll hike in September, he said.

- “If you really want to get to 2%, I think you have to raise interest rates,” said DoubleLine’s Jeffrey Gundlach on CNBC’s “Closing Bell,” noting that the jump in yields after the Fed decision was sending a message to Warsh. “The long bond yield went up significantly after the press conference because the bond market vigilantes are saying, ‘If you really want us to believe your rhetoric, you’ve got to start acting,’” said Gundlach.
- Apollo Global Management’s Torsten Slok said the Fed’s abandonment of forward guidance is fueling historic bond market volatility, sending Treasury yields swinging “up and down like a yo-yo.”
  “There is very little to hang your head on in the markets,” Slok said. “It was also a little bit complicated to figure out what was the basis of the decision today.”
- Warsh indicated that one of the key questions debated is how effective interest rate changes are in combating economic shocks, and also how economic shocks translate into intermediate-term inflationary pressures, according to Josh Jamner at ClearBridge Investments. “However, consistent with his stated preference to provide less guidance to financial markets, Warsh offered precious few clues as to his current thinking on these key questions,” he said.
  Today’s press conference offered little incremental news beyond a reaffirmation of chair Warsh’s commitment to restoring price stability and bringing inflation back beneath the 2% target, and suggested the chair is becoming more confident in the FOMC’s ability to deliver that as he settles into the job, Jamner noted.
- “Parsimony, uncertainty, and volatility are the points put forward by Warsh as he attempts to change the Fed’s policy regime,” RSM Chief Economist Joseph Brusuelas wrote in a note. Sparse statements “will not be well received by the public outside a small section of institutional investors,” he said.

> - Jim Caron, portfolio solutions CIO at Morgan Stanley Investment Management said the Fed is invoking patience, rather than hiking, allowing the markets to correct: equities falling, bond yields rising, effectively a tightening of financial conditions. “However, the long-term trend I still think for the equity markets are positive,” he said in an appearance on CNBC’s “Power Lunch.” “What that tells me… is we can buy into some of these dips because the Fed is telling you we’re not getting in the way of this. We’re likely not going to hike interest rates and kill and crush the markets.”
> - While the focus has turned to the Fed outlook, the tech sector is still the most important issue on the docket for investors this summer, according to Matt Maley at Miller Tabak. “The decline in the chip stocks and the dramatic fall in South Korea’s Kospi are clear warning signs for US investors,” Maley said. “If history is any guide, these developments could be important examples of a canary in the coal mine.”
> - Stocks are vulnerable to a reversal that investors aren’t appreciating, with inflation and higher interest rates posing a risk even as the earnings picture remains strong, according to Barclays. “Despite renewed tensions in the US-Iran conflict, investors remain largely sanguine on inflation risks, as reflected in rising oil short positions and muted inflows into TIPS,” the firm’s Emmanuel Cau wrote on Wednesday. “Yet, financial conditions continue to tighten, with Fed rate hike expectations moving higher and US real yields approaching levels that have historically become a headwind for equities,” he added.

In today’s Markets Update:

- **A deeper look at Wednesday’s stock and sector breakdown, including the post-Fed reversal, renewed semiconductor weakness, Industrials pressure, Energy strength, and the broader risk-off tone.**

- **A closer look at key company movers and corporate developments, including Meta and Microsoft after the close, KLAC, Nvidia, SK Hynix, Vertiv, Lennox, Qualcomm, Arm, Starbucks, Chipotle, and Carvana.**
- **Updated technical charts across the SPX, Nasdaq, Russell 2000, and equal-weighted SPX.**
- **A review of market breadth and participation, including large individual winners and losers, the Nasdaq-100 entering correction territory, Nasdaq positive volume, and the split between broad market weakness and continued relative strength in the equal-weighted SPX.**
- **A look at the rates and Fed backdrop, including the Fed hold, Warsh's press conference, the moves in 2-year, 10-year, and 30-year Treasury yields, Nick Timiraos on the FOMC statement, Goldman on rate-hike probabilities.**
- **A look at volatility and market structure, including the sharp moves in VIX, VVIX, and 1-day VIX, Goldman on CTA positioning and the recent de-grossing in Technology, and Bloomberg/Goldman on the heavy catalyst calendar and single-stock volatility.**
- **A review of cross-asset trends, including WTI crude, the dollar, gold, copper, natural gas, and bitcoin.**
- **MarketWatch on Meta's earnings reaction, Bloomberg on Microsoft's cloud results, Bloomberg on Mag-7 valuation and performance dispersion, a look at the SOX selloff, Daily Chartbook/Bluekurtic on QQQ gap-up reversals, Fundstrat's Tom Lee on the choppy SPX pattern, Yardeni on durable goods and Redbook sales, and CNBC/Truist on the semiconductor pullback.**
- **A wrap-up on AI weakness, the Fed reaction, higher long-end yields, volatility pressure, the Iran conflict, and the near-term market setup.**

- **A look ahead to Thursday's calendar, including US economic data, the Fed blackout, SPX earnings, and ex-US highlights.**

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Stock and sector breakdown (in part from Briefing.com):

Unlike Tuesday where SPX weakness masked strength beneath the surface, just 3 of 11 sectors in the green with just one (Energy) up over 0.3% as it bounces around with oil prices. In contrast six sectors down 1% or more. But it again was Tech -2.5% (after -1.2% and -1% Tuesday and Monday) that led the weakness along with Industrials (-3.2%). Financials, Utilities, Consumer Discretionary, Materials also down over 1%.

The communication services sector (+0.2%) managed to avoid a lower finish, supported by strength in Alphabet (GOOG 335.76, +3.16, +0.95%), although Meta Platforms (META 585.61, -7.80, -1.31%) traded lower ahead of its quarterly results.

The top-weighted information technology sector (-2.5%) surrendered its post-Fed gains and finished among the session's laggards as semiconductor stocks resumed their retreat. The PHLX Semiconductor Index finished 5.3% lower, with KLA Corporation (KLAC 170.19, -20.61, -10.80%) remaining under pressure following its quarterly results and NVIDIA (NVDA 190.01, -7.00, -3.55%) ranking among the weakest-performing "Magnificent Seven" components. The

Vanguard Mega Cap Growth ETF likewise erased its afternoon rebound to finish down 1.6%.

SK hynix Inc.'s (SKHY 126.86, -3.31, -2.54%) U.S.-listed shares also declined despite another quarter of record results (covered in the morning update), as investors looked beyond continued strength in AI-driven HBM demand and instead focused on the company's elevated capital spending plans and aggressive capacity expansion.

The industrials sector (-3.2%) finished with an even wider loss as disappointing earnings from Lennox Int'l (LII 430.27, -113.84, -20.92%) and Vertiv (VRT 223.09, -46.47, -17.24%) weighed heavily on the group, while other electrical product names lagged amid the weakness in semiconductor names.

The utilities (-1.4%) and financials (-1.6%) sectors also ranked among the session's laggards.

Energy	+1.98%
Consumer Staples	+0.26%
Communication Services	+0.20%
Real Estate	-0.19%
Health Care	-0.61%
Materials	-1.10%
Consumer Discretionary	-1.18%
Utilities	-1.35%
Financials	-1.57%
Information Technology	-2.50%
Industrials	-3.24%

-4% 0% 4%

Sectors are represented by CME Cash Indices

as of 4:20 PM ET, 07/29/2026

$META **shares are down over 6% after missing on earnings and providing a disappointing current-quarter revenue forecast.**

Meta said it expects revenue this quarter of between $61 billion and $64 billion, or $62.5 billion at the middle of the range. Analysts were expecting guidance of $63.15 billion, according to LSEG.

Net income for the second-quarter slid 13% to $15.85 billion, or $6.18 per share from $18.34 billion, or $7.14 per share, in the same quarter last year.

For capital expenditures, Meta narrowed its guidance for the year to between $130 billion and $145 billion from a prior range of $125 billion to $145 billion.

Meta said second-quarter total costs and expenses came in at $42.03 billion, representing an increase of 55% from a year ago. That figure includes $2.4 billion of charges related to legal proceedings and $1.18 billion of severance expenses in connection with the company's layoffs that began in May.

Bloomberg @business · 55m

Meta gave a disappointing current-quarter revenue forecast, intensifying investor concerns about the company's unprecedented spending on artificial intelligence. bloomberg.com/news/articles/...

$MSFT **Microsoft shares trading up 2% after big beats on the top and bottom lines highlighted by Azure cloud-computing revenue increasing 43% during the quarter.** That exceeded analysts' average growth estimate of about 40%.

Total revenue increased 18% to $90 billion, beating average estimates for $87.7 billion. Profit, excluding some items, was $4.81 per share, compared with a per-share estimate of $4.25.

The positive reaction was despite capital expenditures increasing 70% to $41 billion in the quarter.

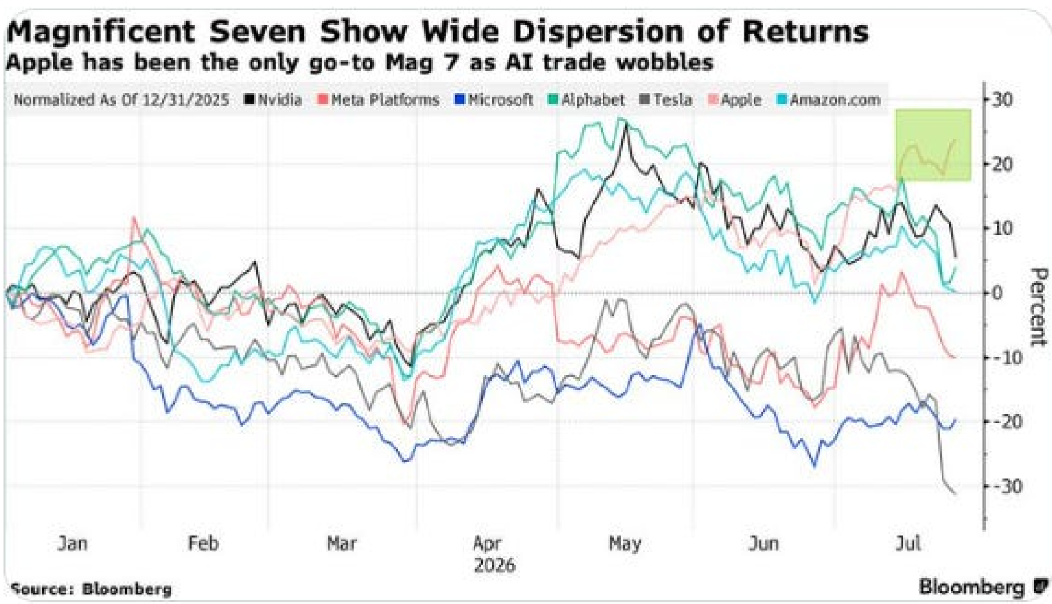
As of Wednesday's close, the software maker's shares had given up 19% so far in 2026.

B **Bloomberg** @business · 1h

Microsoft's cloud unit posted a larger-than-expected increase in sales, suggesting the company's computing infrastructure and AI services continue to make inroads with businesses. bloomberg.com/news/articles/...

BBG: The Mag-7 is near a record low valuation relative to the SPX.

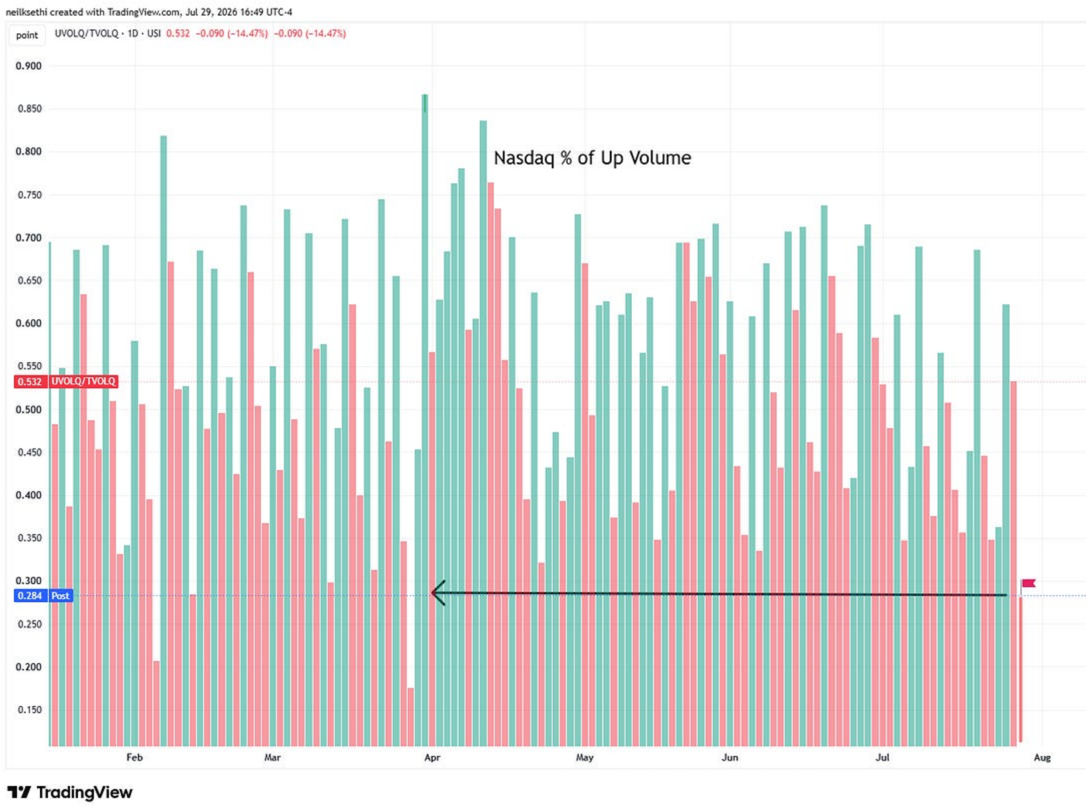
BBG: Apple the only Mag-7 stock up in July.



The number of large SPX winners (>3%) fell sharply as you might expect to ~40 components from ~120 Tuesday, while **large losers doubled to ~100** from ~50 Tuesday.

[chart from finviz.com]

What buying there was was very tepid on the Nasdaq with positive volume (percent of volume in stocks higher on the session) was just 28.4%, the least since March.



Some other corporate news from BBG:

- Qualcomm Inc., the largest maker of smartphone processors, gave a weak profit forecast for the current quarter, signaling that component shortages and rising costs are taking a toll on its main market.
- Arm Holdings Plc delivered a sales forecast that failed to impress investors, who have grown increasingly wary about chip-industry prospects in recent days.
- Starbucks Corp. raised its annual outlook after quarterly results surpassed market estimates, a sign that efforts to attract diners with speedier service and new products are paying off.
- Chipotle Mexican Grill Inc. raised its annual guidance after bringing back its popular honey chicken and overhauling its rewards program.

- Carvana Co. said full-year earnings may fall short of Wall Street's expectations as the used-car retailer's rapid growth slowed and per-car profit slipped in the most recent quarter.

> Note on all charts the colored lines are moving averages (the average price over the lookback period (days on the daily charts, weeks on the weekly charts)):
> 20 = green
> 50 = purple
> 100 = blue
> 200 = brown
>
> Exception is monthly charts where blue is 10-month moving average and brown is 20-month moving average.
>
> MACD = Moving average convergence/divergence line, a measure of momentum that compares longer term and shorter term momentum to gauge if a move is strengthening or weakening. This is probably my favorite individual indicator (it's also the favorite of Katie Stockton, a very fine technician).
>
> RSI = Relative Strength Index (basically what it sounds like) = measures the strength of the move comparing gains to losses over the given lookback window (I use the standard 14 periods).

Turning to the charts, **the SPX fell to the lowest close since June 10th with no solid support anywhere close**. Daily MACD remains negative, and the RSI now under 40.

Nasdaq fell under its 100-DMA to the lowest close since April 21st, now looking like it's headed for its 200-DMA. Its daily MACD and RSI are a little weaker. As I said Monday, "a hold at the 100-DMA would be nice, but I'm not counting on it."

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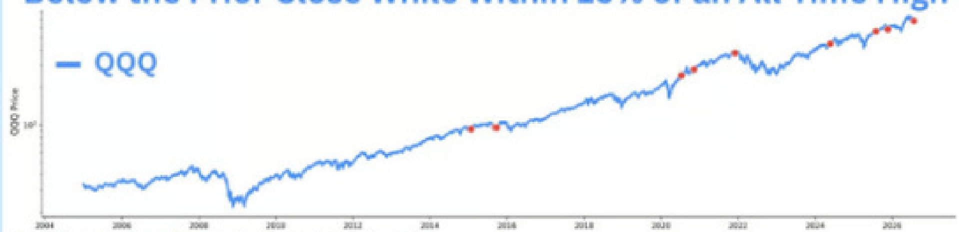
TradingView

1% gap up which is sold to result in a down session while within 10% of an all-time high sounds like it might be the sort of thing you'd see near a top or the start of a bear market/correction.

But as @Bluekurtic finds with the $QQQ (via the @dailychartbook nightly email), out of the 9 previous occurrences, the index has been higher 1-month later every time.

22. QQQ gap-up reversals. "Let's be honest, Nasdaq 100 is clearly in a downtrend. But [yesterday's] move, where $QQQ opened 1%+ higher but reversed negative, might actually be a bear trap. Two weeks after such reversals, QQQ was positive 100% of the time with a median 2.6% gain."

Nasdaq 100 (QQQ): 1%+ Gap Ups That Closed at Least 0.3% Below the Prior Close While Within 10% of an All-Time High



QQQ forward performance since 2015 (n=10)

Date	1D % Chg	2D % Chg	3D % Chg	4D % Chg	5D % Chg	2W % Chg	3W % Chg	1M % Chg	1M Max Loss (Start->Trough)	1M Max Drawdown (Peak->Trough)
01/28/2015	1.0%	0.2%	1.1%	2.0%	1.9%	3.8%	6.2%	8.4%	0.0%	-0.9%
09/09/2015	1.1%	1.6%	1.3%	2.5%	3.1%	0.6%	-1.8%	2.8%	-4.0%	-6.9%
09/25/2015	-2.8%	-3.4%	-1.1%	-0.7%	1.1%	3.5%	5.1%	9.6%	-3.4%	-1.1%
07/13/2020	0.7%	0.9%	0.2%	0.3%	3.2%	0.6%	4.2%	5.4%	-1.2%	-4.2%
11/09/2020	-1.8%	0.4%	-0.1%	0.8%	1.6%	0.6%	3.8%	4.4%	-1.8%	-2.3%
12/01/2021	0.7%	-1.0%	-0.2%	2.8%	3.2%	2.6%	1.9%	3.9%	-1.5%	-4.6%
05/23/2024	0.9%	1.3%	0.6%	-0.5%	-0.7%	2.1%	5.1%	4.6%	-0.7%	-2.2%
07/31/2025	-2.0%	-0.2%	-0.8%	0.4%	0.7%	2.6%	-0.3%	0.1%	-2.0%	-2.9%
11/20/2025	0.8%	3.3%	4.0%	4.9%	5.7%	6.4%	6.8%	5.9%	0.0%	-4.3%
07/27/2026	???	???	???	???	???	???	???	???	???	???
Average	-0.2%	0.4%	0.5%	1.4%	2.2%	2.5%	3.4%	5.0%	-1.6%	-3.3%
Median	0.7%	0.4%	0.2%	0.8%	1.9%	2.6%	4.2%	4.6%	-1.5%	-2.9%
% Positive	66.7%	66.7%	55.6%	77.8%	88.9%	100.0%	77.8%	100.0%	0.0%	0.0%

Bluekurtic Market Insights www.bluekurtic.com Available on the App Store Google Play

@bluekurtic

The Russell 2000 (RUT) finally fell under its 50-DMA. The daily MACD remains in a "sell longs" reading, and its RSI under 50, so another bad chart now.

The equal-weighted SPX remains the star of the bunch although fell back 0.9%. The daily MACD remains more positive and the RSI over 50.

Yields "twisted" with the short end edging lower but the long end pushing higher.

Two-year Treasury yields fell back but just a basis point to 4.27%, now down eight basis points from Thursday's close, the highest since February of last year still over the nearly three year downtrend line despite the Fed hold.

They are ~58 basis points above the Effective Fed Funds rate (red line), continuing to call for rate hikes.

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FOMC holds with three dissents (three Fed regional Presidents as many expected).

No other material changes to the statement.

Nick Timiraos @NickTimiraos · 3h

The FOMC held rates steady, and the vote was 9-3.

Three bank presidents dissented in favor of a quarter-point rate increase.

...

For release at 2:00 p.m. EDT July 29~~June 17~~, 2026

The Federal Open Market Committee approved the following statement for release by a 9 – 3~~12 – 0~~ vote:

The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate. The Committee is continuing~~reaffirmed~~ its policy of maintaining ample reserves in the banking system.

Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little.

Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability.

Some Warsh quotes:

economy showing impressive resilience... trends are positive and reveal solid growth.

inflation remains elevated... we will deliver price stability... there is no soft inflation target [above 2%].

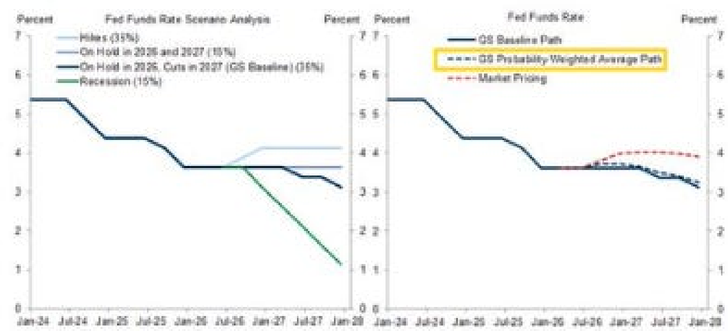
the 5+ years of above target inflation cannot be cured in 9 weeks or by a single inflation print.

nominal and real yields are materially higher across the Treasury curve... ranking among the top decile or so... market attention centered on real data... the reduction in forward guidance may have been a factor.

Markets participants are learning to play the ball not the referee.

Goldman: while our baseline forecast remains that the Fed will remain on hold through year-end, we have raised our probability of rate hikes from 25% to 35%. Even after the change, our probability-weighted Fed forecast remains dovish relative to market pricing.

Exhibit 7: We Have Raised Our Probability of Rate Hikes to 35%, but Both Our Baseline and Probability-Weighted Fed Forecasts Remain More Dovish Than Market Pricing



Source: Goldman Sachs Global Investment Research

10-year yields though jumped seven basis points to 4.69%, just two basis points from Thursday’s close, the highest since January 2025.

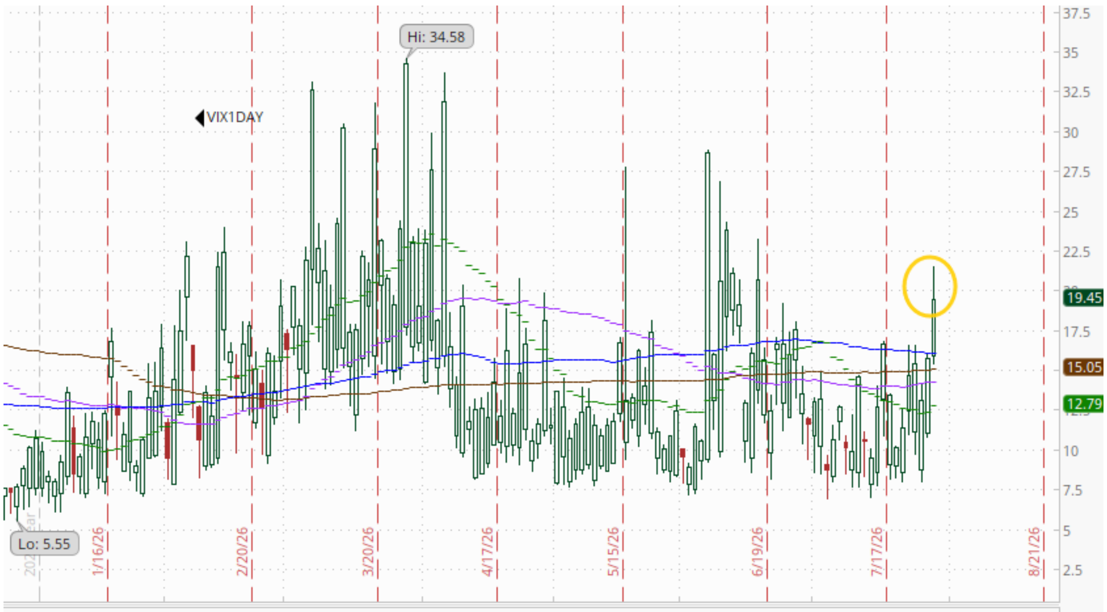
30-year yields up 12 basis points, the largest move (on a percentage basis) since last May, to 5.21% the highest level since 2007.

The VIX closed at 20.7, above 20 for the first time since June 10th, at the top of its "normal" range post-GFC, consistent w/~1.29% average daily moves in the SPX over the next 30 days.

The VVIX (VIX of the VIX) jumped to 109.5, the highest close since April 8th.

The current level is **consistent with "elevated" daily moves in the VIX** over the next 30 days (historically, normal is 80-100, but we've been above 90 most of the time since July '24). Above 100 is the level flagged by Charlie McElligott as indicating higher stress.

1-day VIX jumped up to 19.5 as it brought in the Meta and Microsoft earnings as well as the elevated Fed-related volatility with important economic data coming in the morning. The reading is consistent with a move of 1.23% in the SPX next session.



WTI jumped 7%, back up to $85.

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The DXY dollar index (which is fixed weighted with a heavy (57%) vs the euro) fell the joint most since April breaking back under the trendline from the May lows.

The daily MACD flipped to negative while the RSI fell under 50. Still too early to call an end to the uptrend.

Gold futures (/GC) continue to struggle to cross the downtrend line from the March highs. As I've mentioned for two weeks "the technicals remain much better than the price action."

US copper futures (/HG) fell just under its 20 & 50-DMAs and the “relatively supportive technicals” turned less supportive, but overall in the middle of their range since May.

US natural gas futures (/NG) looked to stabilize after falling out of their two-week range on Monday. The daily MACD and RSI continue to say the trend is lower for now.

Bitcoin futures continue to do a lot of nothing, ending at the same levels they were at in early June. As I mentioned two weeks ago, “the daily technicals continue to look better than the price action, so maybe there’s a chance?” So far that hasn’t translated into more than a modest move higher, and the technicals are now starting to roll over.

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Bitcoin CME Futures · 1D · CME O64,165 H65,000 L63,535 C63,770 −100 (−0.16%) −100 (−0.16%)
Daily Lines 63,990 65,848 70,020 79,651
MACD (close, 12, 26, 9) 192 −140 −332
RSI (14, close) 47.00 50.28
Apr
May
Jun
Jul
Aug
TradingView

Other stuff:

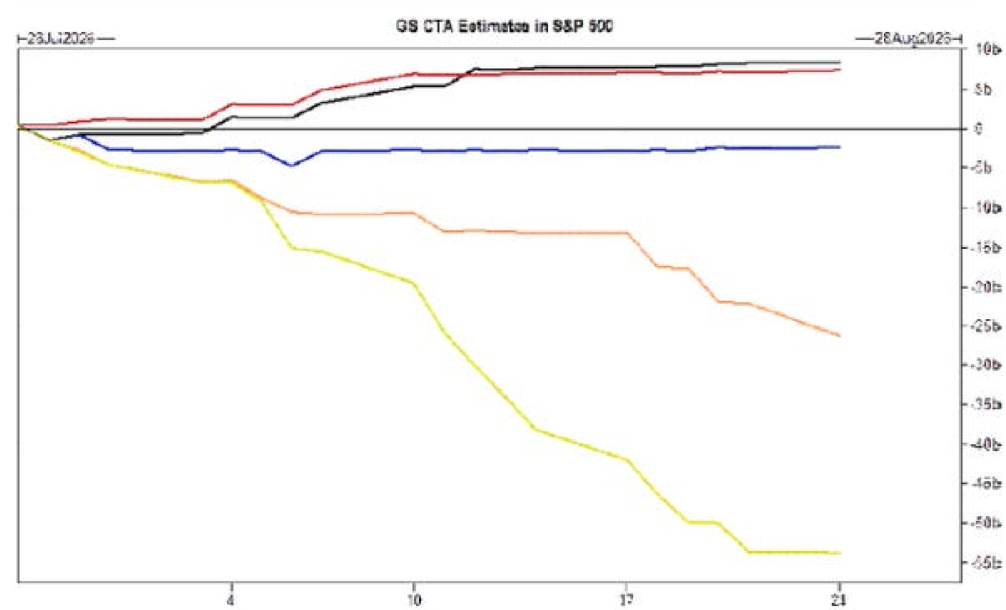
Goldman updates on SPX CTA positioning seeing selling in all scenarios but a 1-month up tape:

"We are now below the ST SPX trigger level (7453)
and continued moves lower will unlock selling from the systematic community (namely CTAs). We estimate systematics are long $196.33B of US equities which is moderate in the 48th percentile on a 3y lookback (CTAs positioning in the 44th percentile on the same).

"**Increases in estimated selling notional can pack a larger punch at this point as liquidity weakens** and our flow estimates are asymmetrically skewed to the downside."

Over the next 1 week...
Flat tape: Sellers $5.21B out of the US
Up tape: Sellers $1.94B out of the US
Down tape: Sellers $15.73B out of the US

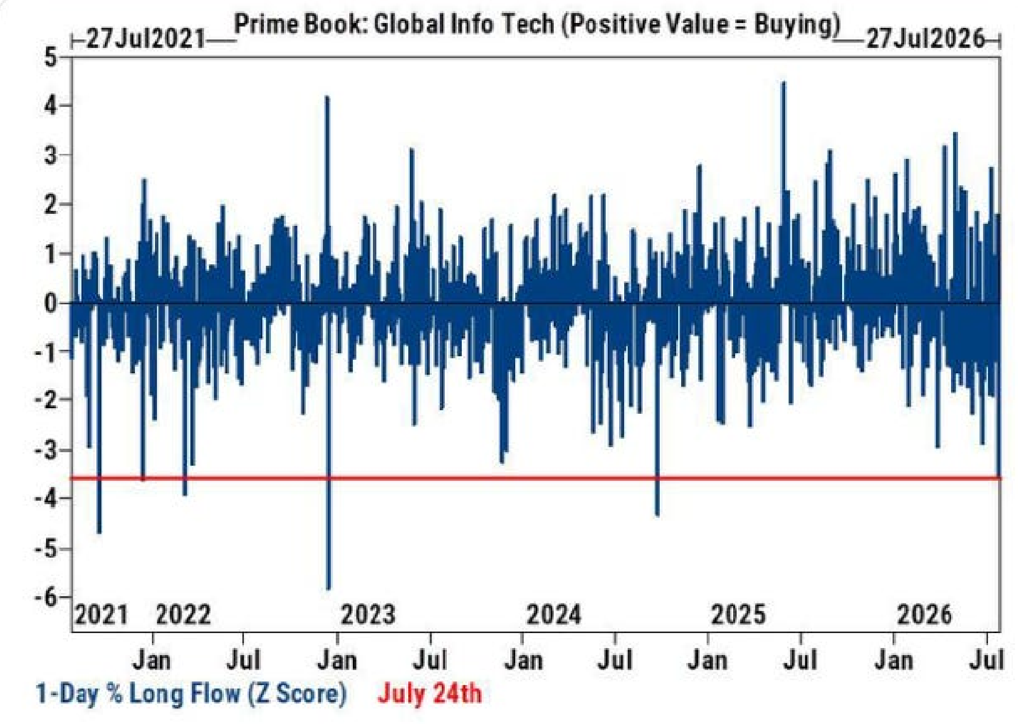
Over the next 1 month...
Flat tape: Sellers $3.19B out of the US
Up tape: Buyers $10.66B into the US
Down tape: Sellers $68.39B out of the US



Goldman: July has felt like a summer beach day – if that beach day brought on both a monsoon and tsunami warning.... **While we are likely in the later innings of this de-gross, the market still has several key events ahead (geopolitics, the fed, EPS...) that will continue to keep volatility elevated.**

Global Info Tech stocks have faced the most selling pressure. In % terms, **Friday's long selling in global InfoTech on the PB book was the largest since Sep '24 and one of the largest in the past 5-years** (-3.6 Z score).

Bottom line: **positioning is no longer serves a headwind to this market and makes way for healthier trading on fundamentals.** This allows for upside post de-gross, **but we still need to get through rubble of the past couple weeks before we can start the conversation for any meaningful re-risking.**



Goldman Sachs FICC, Equities, and Prime Services data as of 24-Jul-26. Past performance is not indicative of future results.

Tom Lee, head of research at Fundstrat, thinks that the choppy pattern the S&P 500 has witnessed over the past week is going "to end in the next day or so" and that the market will end the week with a push higher.

"[O]il has since fallen $10. Yields have actually dropped by almost half of the [recent] rise, and you can see the odds of the U.S. invading Iran have dropped to 25%. So that's good news," Lee says in a video update released late Monday.

Lee also notes that **the Fed decision today "is a binary event... Markets can't find equilibrium on a binary event, so someone may be hedging,"** even as Lee says "the odds of a hike are very [low]."

Lee asserts that the recent poor reactions to earnings beats by technology companies don't reflect that profit prospects are priced in, but instead that **the broader market is merely enduring a period of nervousness.** Another reason for the slip in semiconductor stocks is that **investors may simply be positioning for August and looking to buy software stocks and short semis** — a continuation of the recent rotation trade.

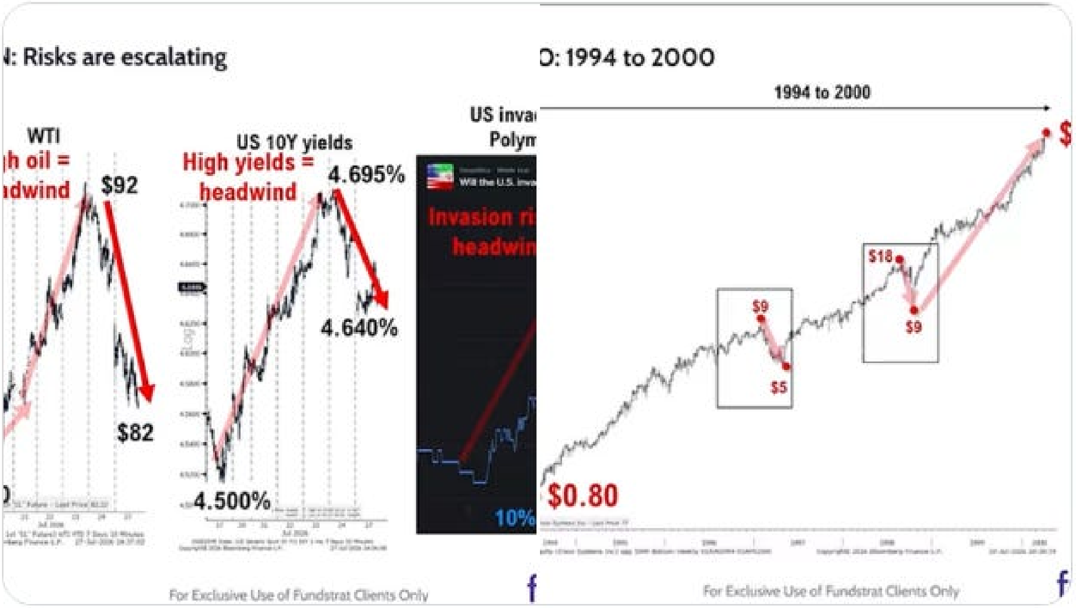
To illustrate why investors should not get rattled by sharp pullbacks in many AI plays, Lee uses the example of Cisco Systems, the darling of the internet boom, from 1994 to 2000.

Cisco went from 80 cents to $9 by 1997, and then it fell 40%, Lee notes. "You might've been nervous back then thinking that was the top, but a year later it went to $18," he says. Cisco then fell 41% to $9 in 1998, but two years later it was at $80.

"So you had a 100X move. I think that's what's going to happen here with the AI trade, and I think we're kind of here today," Lee says. He adds that investors should remember the saying of the late Charlie Munger, longtime vice chairman of Warren Buffett's Berkshire Hathaway: **"The big money is not in the buying and selling but in the waiting."**

"We continue to buy the dip, and keep in mind [that] this is the most

hated V-shaped rally," Lee concludes.



MarketWatch @MarketWatch · Jul 28

As semis sell off, rattled investors should heed last millennium's lesson from Cisco Systems trib.al/1XT28Dt

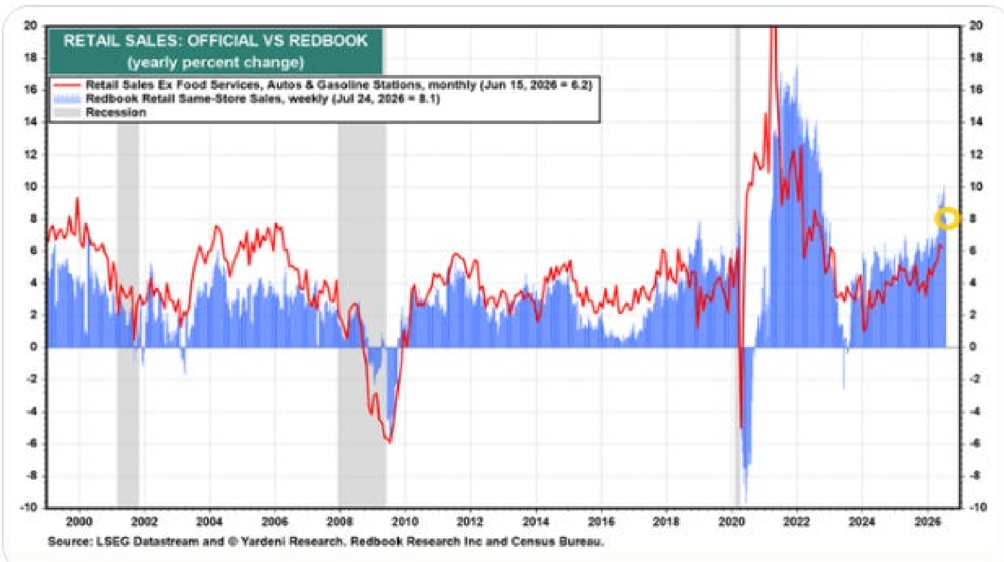
BBG: With a heavy dose of catalysts in the next 48 hours, **investors should be buckling their seatbelts according to Goldman Sachs partner Richard Privorotsky.**

"All of it comes against the backdrop of an oil market that briefly traded above $100 Brent, elevated global bond yields, and a market still trying to digest two consecutive weeks of equity weakness," said Privorotsky.

He views VIX calls as good tail-risk hedges. "**Think we remain in more of a chop, implied correlation still near lowest level in last couple decades and dispersion is suppressing market moves.**"

Yardeni: **The latest batch of economic data gives policymakers little reason to worry about economic weakness. Instead, it reinforces the view that an economy this resilient could transmit recent inflationary shocks more broadly**. These shocks include supply-chain disruptions in the Middle East, another round of Trump's tariffs, and soaring semiconductor prices.

Redbook same-store retail sales rose 8.1% y/y in the week ending July 24, rebounding after a temporary pullback from the exceptionally strong gains during the World Cup this summer (chart). Sales growth remains well above the 2025 average of 5.8% y/y.



> CNBC: Truist says to buy the semi dip.
>
> “Feedback remains effervescent, so we continue our positive view on semis. Favor core AI suppliers for long-term growth; favor ‘fragile’ suppliers for near- term fundamental performance & undemanding valuation,” according to Truist’s analyst William Stein. “We acknowledge this situation can change quickly, but for now, supply chain signals remain effervescent,” said Stein.
>
> **Semiconductor stocks reflect a ‘freak-out moment,’ but AI demand remains strong, Truist says**
>
> The semiconductor sell-off is a buying opportunity as AI demand remains strong, according to a note from Truist Securities. The firm’s feedback from industry contacts was positive despite the Philadelphia Semiconductor Index falling 25% from its June 22 peak.
>
> “Feedback remains effervescent, so we continue our positive view on semis. Favor core AI suppliers for long-term growth; favor ‘fragile’ suppliers for near-term fundamental performance & undemanding valuation,” according to Truist’s analyst William Stein.
>
> The analyst notes that AI infrastructure buyers are increasingly willing to commit purchase orders that are larger in size and longer in duration than they have in the last few years.
>
> “We acknowledge this situation can change quickly, but for now, supply chain signals remain effervescent,” said Stein.
>
> For long-term investors with high risk tolerance, Stein recommends buying the core AI suppliers such as Nvidia, AMD, Broadcom and Monolithic Power Systems and for lower-risk picks stocks such as Arrow Electronics, Avnet, Belden and Sensata Technologies.
>
> *— Deena Zaidi*

Link to X posts - Neil Sethi (@neilsethinew) / X for full posts/access to charts.

Wrap-up

As I wrote Monday:

> As noted in this week's Week Ahead, **we continue to see the "on again, off again" nature of the AI-trade, which recently has been mostly "off again"....** That said we also continue to see strength elsewhere offsetting that as also mentioned.
>
> **That balance is important to keep us above the key support trigger levels** covered in the Week Ahead, and a flat day is a definite positive in terms of volatility lookbacks.

Today while we continued to see the "off again" AI-trade (in a big way) we didn't get the "strength elsewhere" leading to our worst session in six weeks. That takes us closer (and the Nasdaq further over) systematic sell thresholds. In addition the higher volatility will see some selling from volatility targeters.

And until longer duration yields stabilize, it will keep pressure on the "elsewhere" stocks while we wait for the selling in AI names to run its course which has now taken the Nasdaq-100 into correction territory.

So, as I said Sunday:

> **overall, I remain broadly constructive on markets, but cautious in the near term.** Corrections happen, and there are a lot of reasons one could happen now: investor caution over heavy capex spend and competitive concerns leading to AI/Tech weakness which has outsized market impact given the heavy leverage, thinner gamma support, less helpful systematic, corporate, and retail flows, a more hawkish Fed and rising oil prices pushing rates to new highs, and still-unsettled Middle East risk. At the same time, earnings continue to beat a very high bar, and the story outside of Tech has been very favorable. As I said last week, "it seems odd if earnings continue to beat that it would happen now, but as I often say, you never know with these things." That remains the case.

The Day Ahead

US economic data picks up Thursday with the dual releases of second quarter GDP which will incorporate the June personal income and spending data which will be separately released. Both include readings on PCE prices, the Fed's traditional preferred inflation metric (but looks to be de-emphasized under the Warsh Fed). We'll also get weekly jobless claims.

The Fed is behind us though, and the speaking blackout extends until Friday.

Treasury auctions are done for the week.

Second quarter earnings will be a highlight again with **51 SPX components reporting Thursday, including another two Mag-7 names in AAPL & AMZN in addition to six other >$100bn in market cap** (MA, SYK, BMY, MO, SO, TT in order of earnings weight).

Ex-US highlights are the policy decision from the BoE (UK), preliminary GDP from the EU and CPI from top EU countries, Brazil inflation, Mexico GDP.

	Speakers	(none)	Economic data
	CBs		Meetings

Date	LDN	NY	HK	Country	Event	For	BofAe	Cons.†	Previous	Expectations
30-Jul	10:00	5:00	17:00	Germany	GDP (sa, qoq, P)	2Q	0.1%	--	0.3%	--
	11:00	6:00	18:00	Euro area	Economic Confidence	Jul	95.4	--	95.0	--
	11:00	6:00	18:00	Euro area	GDP (sa, qoq)	2Q	0.2%	--	-0.2%	Risks biased towards a stronger print
	11:00	6:00	18:00	Euro area	Unemployment Rate	Jun	6.3%	--	6.2%	--
	13:00	8:00	20:00	UK	Bank of England Bank Rate	30-Jul	3.75%	--	3.75%	We expect a 7-2 vote with Pill and Greene voting for a hike, with a high risk of a 6-3
	13:30	8:30	20:30	US	Personal Income	--	0.40	0.30%	0.70%	--
	13:30	8:30	20:30	US	Personal Spending	--	0.40	0.30%	0.70%	--
	13:30	8:30	20:30	US	Real Personal Spending	--	0.40	0.20%	0.30%	--
	13:30	8:30	20:30	US	PCE Price Index MoM	--	0.00%	-0.10%	0.40%	--
	13:30	8:30	20:30	US	PCE Price Index YoY	--	3.70%	3.70%	4.10%	--
	13:30	8:30	20:30	US	Core PCE Price Index MoM	--	0.16%	0.10%	0.30%	--
	13:30	8:30	20:30	US	Core PCE Price Index YoY	--	3.30%	3.30%	3.40%	--
	13:30	8:30	20:30	US	GDP Annualized QoQ	--	1.7%	2.30%	2.10%	--
	13:30	8:30	20:30	US	GDP Price Index	--	4.7%	3.70%	3.60%	--
	13:30	8:30	20:30	US	Core PCE Price Index QoQ	--	3.4%	--	4.40%	--
	14:00	9:00	21:00	Germany	CPI (mom, P)	Jul	0.7%	--	-0.3%	--
	14:00	9:00	21:00	Germany	CPI EU Harmonized (mom, P)	Jul	0.9%	--	-0.2%	--

	Speakers	(none)	Economic data
	CBs		Meetings

Date	London	NY	Hong Kong	Country	Event	Expectations
30-Jul	7:00	3:00	15:00	Türkiye	Unemployment rate	--
	9:30	5:30	17:30	South Africa	PPI (yoy)	--
	11:00	7:00	19:00	Ukraine	NBU rates decision	--
	11:00	7:00	19:00	Brazil	FGV Inflation IGPM MoM	We expect July IGP-M to decrease 1.07% mom, from -0.50% in June. The deflation will be based on lower prices for oil and oil products, as well as agricultural wholesale items (corn and cattle). In yoy terms, we see the IGP-M at 2.85% yoy
	11:00	7:00	19:00	Brazil	FGV Inflation IGPM YoY	--
	12:00	8:00	20:00	Brazil	National Unemployment Rate	We expect the unemployment rate to decrease to 5.5% in May, from 5.6% in April. We expect the labor market to cool down in 2026.
	12:00	8:00	20:00	Mexico	GDP NSA YoY	In annual terms, we expect GDP to increase 1.51% yoy nsa.
	12:00	8:00	20:00	Mexico	GDP SA QoQ	We expect GDP to increase 1.20% qoq sa in 2Q26 due some improvement in industrial activity during the quarter, as well as some tailwinds from the FIFA World Cup.
	23:00	19:00	7:00	South Korea	Industrial Production YoY	--
	1:30	21:30	9:30	China	Manufacturing PMI	We expect China PMI at 50.1 in July on the back of moderated production activities.
	-	--	-	Brazil	Formal Job Creation Total	In June, net formal job creation should be below the level observed on Jun-25 (162K). We expect the labor market to cool down in 2026.
	-	--	-	Brazil	Central Govt Budget Balance	We expect the Central Government to deliver a R$49.0bn deficit in June, compared to -R$46.3bn in Jun-25. Net revenues grew (9.4% yoy), while expenses grew 8.6% yoy. Discretionary expenses and mandatory expenses subject to financial programming are pressuring the balance, while revenues not collected by the Brazil Federal Revenue service (oil) help to narrow the deficit. All values were expressed in June 26' BRL

Thursday, July 30

08:30 AM GDP, Q2 advance (GS +2.6%, consensus +2.1%, last +2.1%)

Personal consumption, Q2 advance (GS +2.3%, consensus +2.3%, last +0.5%)

Core PCE inflation, Q2 advance (GS +3.46%, consensus +3.5%, last +4.4%)

We estimate that GDP rose 2.6% annualized in the advance reading for Q2, following a +2.1% annualized increase in Q1. Our forecast reflects a rebound in consumption growth (+2.3%, quarter-over-quarter annualized, vs. +0.5% in Q1) and another quarter of strong business fixed investment growth (+8.8% vs. +10.6% in Q1) driven by strong equipment investment growth (+17.1%). We expect net exports to contribute -1.3pp to Q2 GDP growth. We estimate that domestic final sales rose +2.6% in Q2. We estimate that the core PCE price index increased 3.46% annualized (or 3.35% year-over-year) in Q2.

08:30 AM Personal income, June (GS +0.4%, consensus +0.3%, last +0.7%)

Personal spending, June (GS +0.6%, consensus +0.4%, last +0.7%)

Core PCE price index, June (GS +0.18%, consensus +0.2%, last +0.3%)

Core PCE price index (YoY), June (GS +3.32%, consensus +3.3%, last +3.4%)

PCE price index, June (GS -0.07%, consensus -0.1%, last +0.4%)

PCE price index (YoY), June (GS +3.70%, consensus +3.7%, last +4.1%)

We estimate that personal income and spending increased by 0.4% and 0.6%, respectively, in June. We estimate that the core PCE price index rose 0.18% in June, corresponding to a year-over-year rate of +3.32%. Additionally, we expect that the headline PCE price index declined 0.07% in June and increased 3.70% from a year earlier.

08:30 AM Initial jobless claims, week ended July 25 (GS 205k, consensus 200k, last 187k)

Continuing jobless claims, week ended July 18 (consensus 1,803k, last 1,796k)

Thursday July 30

Data: US June PCE, personal income, spending, Q2 GDP, initial jobless claims, Japan July consumer confidence index, Germany Q2 GDP, July CPI, France Q2 GDP, private sector payrolls, June consumer spending, Italy Q2 GDP, June unemployment rate, PPI, Eurozone July economic, industrial, services confidence, Q2 GDP, June unemployment rate

Central banks: BoE's decision

Earnings: Apple, Amazon, Samsung Electronics, Mastercard, Shell, Tokyo Electron, Schneider Electric, AB InBev, Rolls-Royce, BBVA, British American Tobacco, Bristol-Myers Squibb, Altria, Stryker, Enel, Sanofi, ING Groep, Lloyds Banking, KKR, BAE, Cigna, Monolithic Power Systems, Regeneron, CRH, Societe Generale, Ferrari, Vale, LSEG, Anglo American, adidas, Leonardo, Reddit, DSM-Firmenich, MTU Aero Engines, Capgemini, Stellantis

Ticker	Name	Next Earnings Date	↓ Market Cap
AAPL	Apple Inc.	Jul 30, 2026	4,948.32B
AMZN	Amazon.com, Inc.	Jul 30, 2026	2,489.09B
MA	Mastercard Incorporated	Jul 30, 2026	487.48B
SYK	Stryker Corporation	Jul 30, 2026	129.09B
BMY	Bristol-Myers Squibb Company	Jul 30, 2026	127.75B
MO	Altria Group, Inc.	Jul 30, 2026	121.72B
SO	The Southern Company	Jul 30, 2026	108.76B
TT	Trane Technologies plc	Jul 30, 2026	106.84B
KKR	KKR & Co. Inc.	Jul 30, 2026	94.76B
PWR	Quanta Services, Inc.	Jul 30, 2026	93.08B
VLO	Valero Energy Corporation	Jul 30, 2026	90.54B
ICE	Intercontinental Exchange, Inc.	Jul 30, 2026	84.11B
CI	The Cigna Group	Jul 30, 2026	76.98B
AEP	American Electric Power Company...	Jul 30, 2026	72.69B
REGN	Regeneron Pharmaceuticals, Inc.	Jul 30, 2026	69.95B
CRH	CRH plc	Jul 30, 2026	68.73B
MPWR	Monolithic Power Systems, Inc.	Jul 30, 2026	65.79B
APD	Air Products and Chemicals, Inc.	Jul 30, 2026	65.15B
AJG	Arthur J. Gallagher & Co.	Jul 30, 2026	65.10B
CTVA	Corteva, Inc.	Jul 30, 2026	58.58B
XEL	Xcel Energy Inc.	Jul 30, 2026	50.38B
EXC	Exelon Corporation	Jul 30, 2026	48.24B
COIN	Coinbase Global, Inc.	Jul 30, 2026	44.13B
LYV	Live Nation Entertainment, Inc.	Jul 30, 2026	41.75B
YUM	Yum! Brands, Inc.	Jul 30, 2026	40.74B
HSY	The Hershey Company	Jul 30, 2026	36.55B
MLM	Martin Marietta Materials, Inc.	Jul 30, 2026	34.35B
IR	Ingersoll Rand Inc.	Jul 30, 2026	33.13B
EME	EMCOR Group, Inc.	Jul 30, 2026	33.08B
AEE	Ameren Corporation	Jul 30, 2026	31.03B
EIX	Edison International	Jul 30, 2026	30.26B
WTW	Willis Towers Watson Public Limite...	Jul 30, 2026	28.58B
DXCM	DexCom, Inc.	Jul 30, 2026	28.31B
ES	Eversource Energy	Jul 30, 2026	28.09B
MTD	Mettler-Toledo International Inc.	Jul 30, 2026	27.00B
ECHO	EchoStar Corporation	Jul 30, 2026	25.12B
LH	Labcorp Holdings Inc.	Jul 30, 2026	24.70B
IP	International Paper Company	Jul 30, 2026	22.46B
FSLR	First Solar, Inc.	Jul 30, 2026	22.12B
LNT	Alliant Energy Corporation	Jul 30, 2026	19.09B
WY	Weyerhaeuser Company	Jul 30, 2026	17.24B
GDDY	GoDaddy Inc.	Jul 30, 2026	12.77B
AVY	Avery Dennison Corporation	Jul 30, 2026	12.47B
BAX	Baxter International Inc.	Jul 30, 2026	12.05B
ERIE	Erie Indemnity Company	Jul 30, 2026	11.94B

HII	Huntington Ingalls Industries, Inc.	Jul 30, 2026	11.36B
CPT	Camden Property Trust	Jul 30, 2026	11.18B
AES	The AES Corporation	Jul 30, 2026	10.58B
NCLH	Norwegian Cruise Line Holdings L...	Jul 30, 2026	9.20B
AOS	A. O. Smith Corporation	Jul 30, 2026	8.61B
BLDR	Builders FirstSource, Inc.	Jul 30, 2026	7.82B

Link to X posts - [Neil Sethi (@neilsethinew) / X] for full posts/access to charts.

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