

WEEKLY ECONOMIC UPDATE JUNE 29, 2026

Stocks ended mixed as falling oil prices helped lift the Dow Industrials, while concerns about AI valuation put pressure on the broader market.

The Standard & Poor's 500 Index fell 1.95 percent while the Nasdaq Composite Index skidded 4.60 percent. The Dow Jones Industrial Average rose 0.60 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, lost 1.33 percent.^{1,2}

Dow Industrials Take the Lead

The S&P 500 and Nasdaq indexes were under pressure to start the week as the AI trade and tech more broadly came under scrutiny. But the Dow Industrials made a modest gain for the day.³

The rotation away from tech continued Tuesday, with large consumer stocks faring particularly well, which minimized the Dow's decline. The S&P fell about 1.4 percent for the day, while the Nasdaq fell more than 2 percent.⁴

Midweek, stocks were mixed. Healthcare, financial, and industrial sectors carried the Dow to small gains on Wednesday and Thursday. Conversely, continued pressure on tech shares led the S&P and Nasdaq down, albeit at a slower pace than earlier in the week.^{5,6}

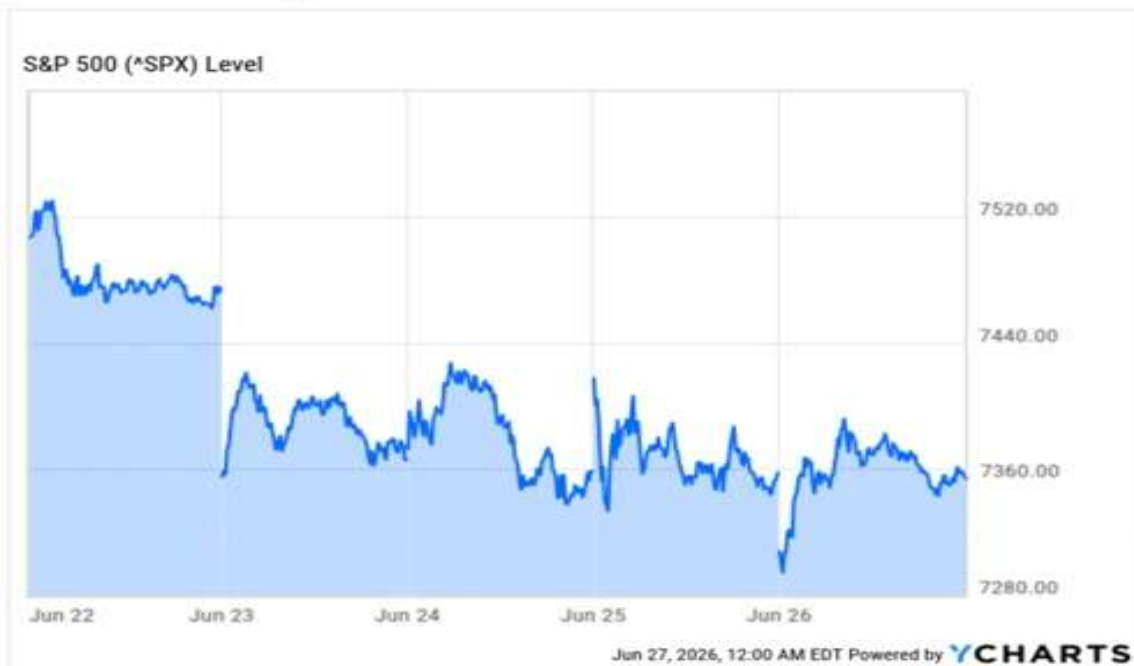
Then markets flattened out as the week wrapped up. The slow-but-steady Dow logged its 3rd consecutive weekly gain, while the Nasdaq and S&P 500 were under steady pressure during the week.⁷

Weekly Market Insights (WMI)

Major Index Return Summary

| Name | 1M TR | YTD TR | 1Y TR | 5Yr TR |
|--|--------|--------|--------|--------|
| <u>Dow Jones Industrial Average</u> | 2.85% | 8.91% | 22.82% | 65.87% |
| <u>MSCI EAFE</u> | -0.42% | 9.59% | 23.05% | 55.37% |
| <u>S&P 500</u> | -1.44% | 8.11% | 22.24% | 84.74% |
| <u>Nasdaq Composite</u> | -3.68% | 9.44% | 27.74% | 83.20% |

S&P 500 Daily Close



10-Year Note Review

| Indicator Name Date | Latest Value | 1M Ago 3M Ago 1Y Ago | 1M Change 3M Change 1Y Change |
|---|--------------|----------------------------|-------------------------------------|
| <u>10 Year Treasury Rate</u> 06/26/26 | 4.38% | 4.50% 4.42% 4.26% | -2.67% ▼ -0.90% ▼ 2.82% ▲ |

Inflation Update

The Fed's preferred measure of inflation, PCE, or the Personal Consumption Expenditures Index, came in as expected for May. While the core number, which excludes energy, was at its highest level since October 2023. However, investors appeared relieved that there were no surprises.⁸

This Week: Key Economic Data

Tuesday: S&P Case-Shiller Home Price Index. Chicago Business Barometer. Consumer Confidence. Job Openings/Labor Turnover.

Wednesday: ADP Employment Report. Purchasing Managers Index (PMI)—Manufacturing. Institute for Supply Management (ISM)—Manufacturing. Construction Spending.

Thursday: Employment Report. Weekly Jobless Claims. Factory Orders.

Quote of the Week



“Indeed, one can be deceived in many ways; one can be deceived in believing what is untrue, but on the other hand, one is also deceived in not believing what is true.”

– Soren Kierkegaard

Of Note



When currencies are printed without limit, the role of gold becomes simple: Protect purchasing power. The challenge is that most investors do not fully grasp what that means. A simple illustration helps.

Imagine a closed system with 100 individuals and 100 apples. Each person also holds one gold coin and one dollar, each of which has the same value: Each coin or dollar can buy a single apple. Now, magically, double the number of dollars. At first, everyone feels richer, but nothing real has changed. There are still only 100 apples.

Over time, due to this printing of dollars, behavior adjusts and prices rise. An apple that once cost one dollar now costs two. Wealth was not created. The value of each dollar was simply reduced. The gold coin, unchanged in supply, can still only buy a single apple — but is now worth two dollars. Gold maintains its purchasing power while the dollar has deteriorated in value. This is what gold is signaling today.

Most investors measure their wealth in dollars, which is a flawed metric. A dollar is not a fixed unit of measurement; it changes over time. The data is clear: The U.S. money supply has grown from roughly \$5.5 trillion in 2002 to \$11 trillion in 2014, and now exceeds \$22 trillion. It has doubled roughly every decade. The more dollars in existence, the less those dollars are worth over time. Yet portfolios, financial plans, and perceptions of wealth are still anchored to that moving target.

If a portfolio grows from \$1 million to \$2 million, it appears to have doubled. But if purchasing power has declined, the reality is very different. The true growth may be far less meaningful than it seems.

Official inflation measures suggest modest annual increases in the 2% to 3% range. But tracking money supply points elsewhere. The value of our dollars degrades by the annual increase in the money supply, roughly 6% each year.

Gold is often misunderstood. It is not a growth asset, and it produces no cash flow. Its role is to maintain purchasing power — not outperform. It reflects the currency's declining value.

Gold's recent strength raises a natural question: Has it gone too far? In the short term, perhaps. At roughly \$4,500 an ounce, it is fair to ask whether gold has temporarily exceeded its role as a store of value.

Gold moves in cycles. Sharp advances can lead to periods of consolidation. That is normal. Specifically, the near-vertical rise in gold in the last year or two does give us pause. But zooming out tells a different story. Since 1980, financial assets have increased more than 25x, federal debt has increased more than 40x, and wealth thresholds have expanded dramatically.

Gold's rise, while significant, has not exceeded the broader expansion of the financial system. Even at roughly \$4,500 an ounce, gold lags many other assets in dollar terms.

The long-term case for gold is about structure, not momentum. Federal debt levels continue to rise, and the path of least resistance is for policymakers to debase our currency, which means paying off obligations over time with cheaper dollars. Gradual, persistent expansion of the money supply lowers the real burden of debt over time. Gold functions as the counterweight to that process. It is, effectively, the inverse of

currency stability.

Gold is often criticized for its modest return expectations. That criticism misses the point: Its role is to preserve wealth, not create it. Gold serves as insurance against dollar debasement, helping offset the erosion of purchasing power.

If purchasing power declines by 2% to 3% annually, in line with reported inflation, gold should roughly match that. If the dollar's purchasing power declines closer to 5% to 6%, in line with the growth in our money supply, gold should reflect that instead. It is not a growth engine; it is a stabilizer. That creates a paradox. If gold performs poorly, it suggests currency stability. If it performs well, it often signals underlying stress.

Despite recent performance, many investors — particularly in Western markets — remain underexposed to gold. If sentiment shifts from one of seeking growth towards one of capital preservation, investors may flock to gold. That shift in sentiment may have begun. Gold is not simply moving higher. It is reflecting something deeper: The expansion of money supply, the erosion of purchasing power, and the long-term consequences of policy decisions. It does not change that reality; it makes it visible.¹⁰

Footnotes And Sources

1. WSJ.com, June 26, 2026

2. Investing.com, June 26, 2026

3. CNBC.com, June 22, 2026

4. CNBC.com, June 23, 2026

5. CNBC.com, June 24, 2026

6. CNBC.com, June 25, 2026

7. WSJ.com, June 26, 2026

8. CNBC.com, June 25, 2026

9. creatoreconomy.so, June 25, 2025

10. advisorperspectives.com/articles/2026/06/22/price-gold-less-about-gold-more-erosion-dollar?topic=alternative-investments

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. The Nasdaq Composite is an index of the common stocks and similar securities listed on the Nasdaq stock market and considered a broad indicator of the performance of stocks of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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