SpirePoint
PRIVATE CLIENT

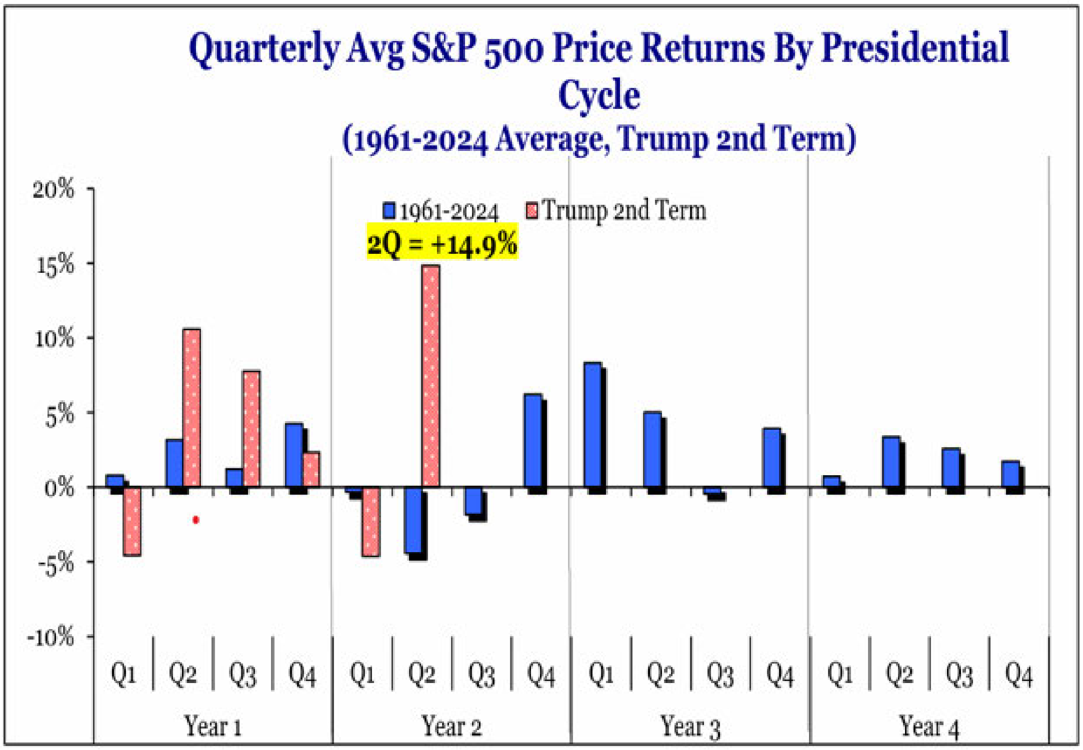
July 6, 2026

Who Woulda Thunk It? Best 2Q Return During Midterms in 80 Years

The S&P 500 return of 15% for the second quarter is the best 2Q return in a midterm election year since the index had a 36% return in 1936!

It was the 12th best overall quarter since 1950. Who would have believed that there would be such a positive return during a war with Iran, the closing of the Strait of Hormuz, and oil prices reaching above $100? But here we are. Why? Because earnings are powering this stock market higher with the strong capital spend on AI that is fueling a major industrial build-out as we shift to an economy using AI.

Trump Administration Beating Historical Average S&P 500 Returns



Source: Strategas, July 1, 2026

July 6, 2026

S&P 500 Earnings Growth Holding Strong As We Enter 3Q

S&P 500 1Q year-over-year earnings growth rate was 28%, surpassing all estimates. As we enter 2Q earnings season, FactSet is reporting that analysts and companies have been more optimistic than normal in their earnings outlooks for the quarter. As a result, estimated earnings for the S&P 500 for 2Q are higher today compared to expectations at the start of the quarter. Importantly, earnings growth is expected to be above 20% for the second-straight quarter.

Labor Market Signals Are Softer Than Many Realize. Implications for the Fed

Two government surveys point to a cooling in the job market. The Household Survey (which measures civilian employment, including self-employed and small-business roles, by asking people directly about their work) has shown year-over-year declines, falling from roughly 170.5 million in January 2026 to about 169.4 million by June. This lines up with the key Nonfarm Payrolls (NFP) employment report for June, released last week, announcing the addition of 57,000 jobs, well below expectations. Leisure and hospitality, a major consumer-facing sector, lost 61,000 jobs due to weaker seasonal hiring. There were also negative revisions to May's data supporting the weaker data for June. But the unemployment rate did fall to 4.2% from 4.3%, because there are workers leaving the workforce.

For investors, this softer labor picture relieves pressure on Federal Reserve (Fed) Chair Kevin Warsh and the broader Federal Open Market Committee (FOMC) to raise rates, a view counter to much of the recent market consensus.

Defense Stocks: A Theme Rocketing

Defense (military) stocks represent a multi-year opportunity backed by real-world needs. Higher U.S. and allied defense spending is being driven by the need to (1) replenish munitions supplied to Ukraine, (2) respond to recent actions involving Iran, and (3) prepare for potential contingencies around Taiwan. Budgets are already topping $1.0 trillion annually, with proposals for even larger increases ahead.

Innovation adds another layer: the shift toward cheaper, AI-enabled, and autonomous systems (exemplified by high-profile private companies like Anduril) allows for scalable production that traditional expensive platforms cannot match. The Defense Stocks theme has legs as competition among global powers persists, offering potential earnings growth and a measure of resilience in uncertain times – though headline-driven volatility means the theme works best as a diversified allocation.

WSJ

America Needs More Weapons. JPMorgan Wants to Add Its Firepower.

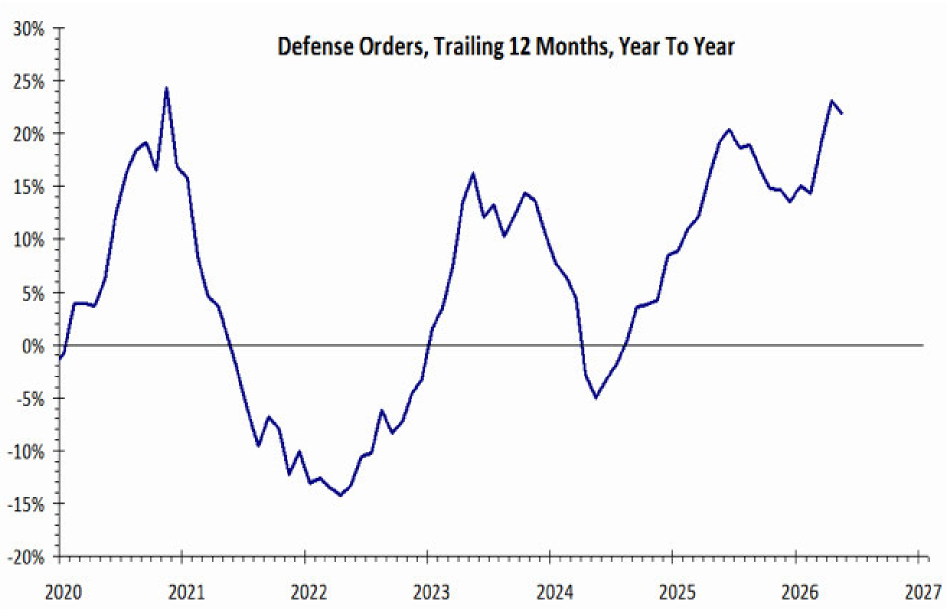
Jamie Dimon is putting the bank's own funds into defense and other vital industries and plans to broadly expand in the national-security sector

By Alexander Saeedy
June 29, 2026 9:00 pm ET

- JPMorgan Chase launched an initiative to invest $10 billion of its capital directly into national security firms.

July 6, 2026

Defense Orders Are Rising At A Sharp Pace



Source: Bureau of Economic Analysis (BEA), Sanctuary Wealth, July 2, 2026

iShares U.S. Aerospace & Defense ETF (ITA)

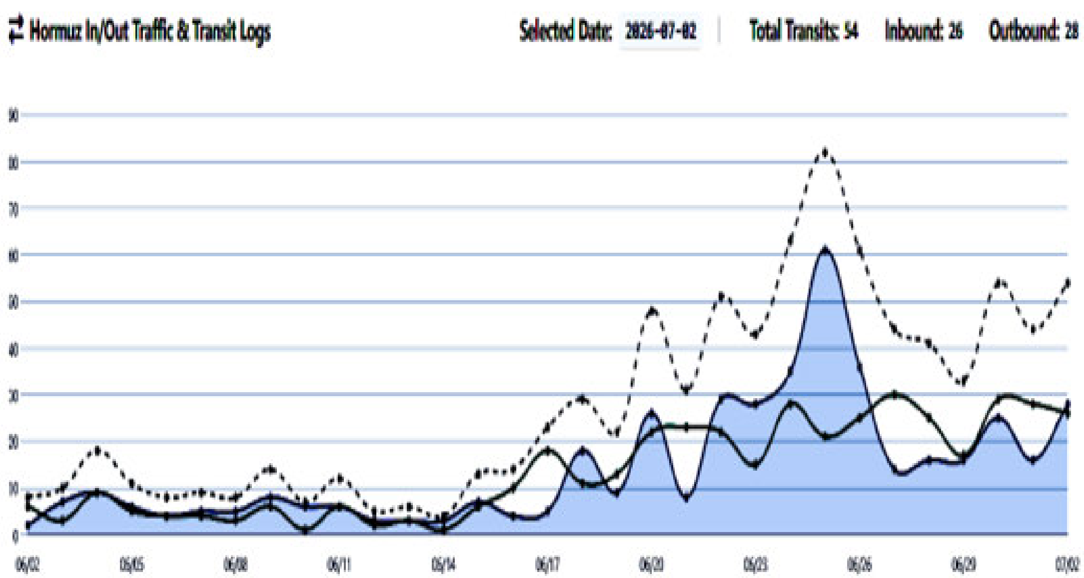
Source: Bloomberg, July 3, 2026

July 6, 2026

Oil and Energy Relief as Tensions Ease

Oil prices fell sharply this week as news of a de-escalation between the U.S. and Iran reduced immediate supply fears. Renewed commercial traffic through the Strait of Hormuz (a critical chokepoint for global oil shipments; see accompanying chart) helped ease the geopolitical risk premium. Lower crude pricing benefits consumers through cheaper gasoline, supports broader equities by reducing inflation worries, and provides a notable tailwind to transportation stocks. Airlines, for example, rose on expectations of lower jet fuel costs, a key operating expense that can meaningfully boost margins in a competitive industry. This dynamic also aids trucking, shipping, and other industrials, reinforcing the sector rotation currently underway. Conversely, Energy stocks themselves faced pressure from the price drop, highlighting the sector's sensitivity in a rotational market. *But Energy company earnings forecasts are very strong, so we view corrections as a buying opportunity.*

Traffic Through The Strait Of Hormuz Is Rising



Source: ShipFinder.com, July 3, 2026

July 6, 2026

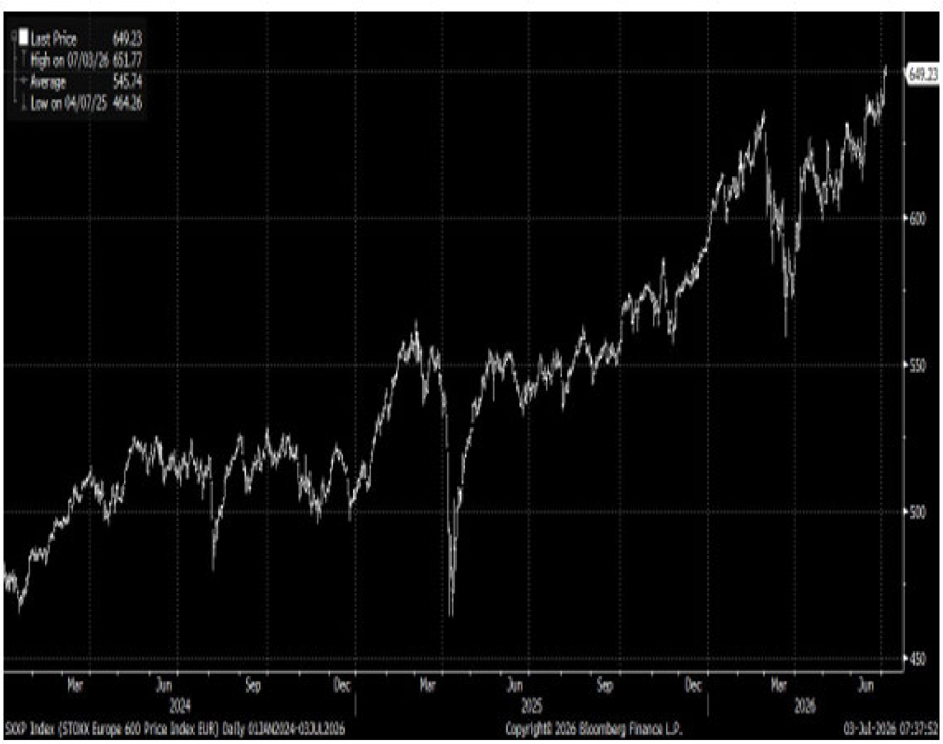
WTI Crude Oil Prices Down Sharply

Source: Bloomberg, July 3, 2026

STOXX Europe 600 Breaks To New Record Highs

We continue to believe that international markets entered a new secular bull market last year. The STOXX Europe 600 moved to an all-time high last week and was up 8.0% for the first half of the year. *We continue to recommend diversifying portfolios into non-U.S. equity markets.*

STOXX Europe 600 Breaks To New Record Highs



Source: Bloomberg, July 3, 2026

SpirePoint
PRIVATE CLIENT

July 6, 2026

Sector Readings: Information Technology In First Place, Followed By Industrials, Then Healthcare; Consumer Discretionary In Last Place, Followed By Utilities

Information Technology remains the strongest, followed by Industrials, then Healthcare. Consumer Discretionary is in last place, followed by Utilities.

Our sector model analyzes S&P 500 GICS sector classifications, using a weighted measure of price momentum across three time periods. We rank each sector from best to worst based upon the average of its 40-, 26-, and 13-week relative price performances. We rank each sector from 1 to 11, with 1 being the strongest and 11 the weakest.

Sector Rankings By 40-, 26-, And 13-Week Average Relative Price Performance

	Jul 3	Jun 26	Jun 19	Jun 12	Jun 5	May 29	May 22	May 15
Consumer Discretionary	11	11	8	10	9	6	5	7
Consumer Staples	7	8	7	7	8	8	8	6
Energy	5	3	5	2	2	2	1	1
Financials	8	9	9	11	11	11	10	11
Healthcare	3	5	10	8	7	9	11	9
Industrials	2	2	2	3	3	4	4	4
Information Technology	1	1	1	1	1	1	2	2
Materials	4	6	4	4	5	5	7	5
Communication Services	9	10	3	6	4	3	3	3
Utilities	10	7	11	9	10	10	9	10
Real Estate	6	4	6	5	6	7	6	8

Source: Bloomberg, Sanctuary Wealth, July 3, 2026

July 6, 2026

OBOS List: Information Technology Remains Overbought; Energy, Consumer Staples, Utilities, And Materials Are Oversold; Consumer Discretionary And Real Estate Are Near Oversold.

Information Technology was still overbought last week. Energy is still significantly oversold; Consumer Staples, Utilities, and Materials are all also oversold; Consumer Discretionary and Real Estate were near oversold. The extreme overbought/oversold situation we saw three weeks ago is only partially alleviated. Conditions for continued sector rotation persist, and such rotations often involve higher volatility.

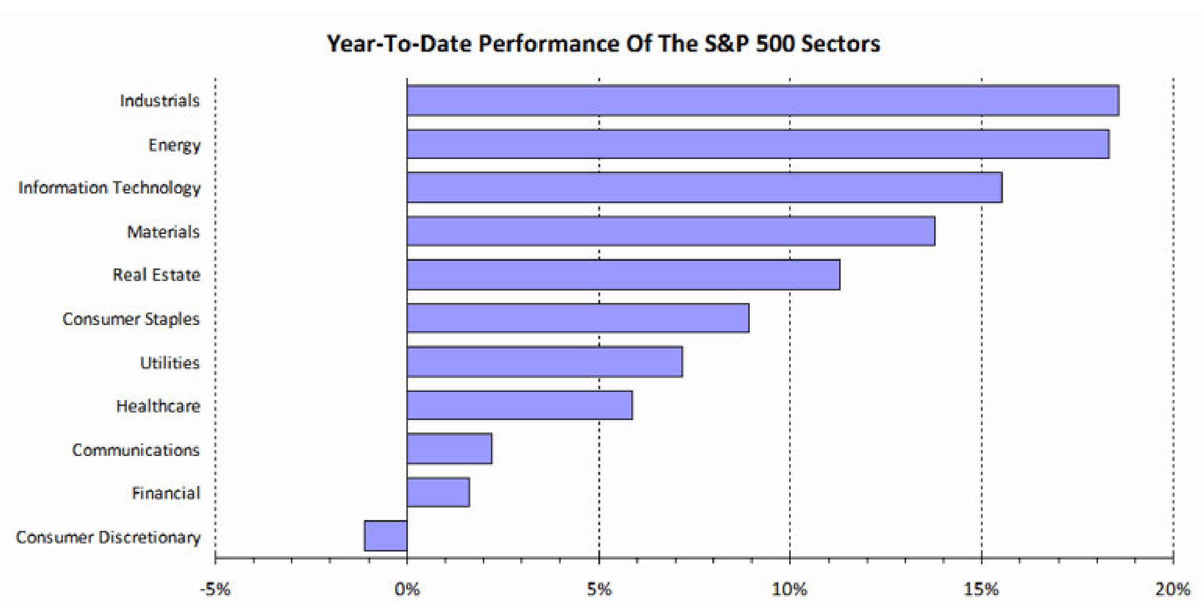
Our tactical sector rotation model uses the S&P 500 GICS sector classifications. We apply a 13-week rate of change methodology that normalizes the rankings from overbought (OB) to oversold (OS). An industry group is overbought when it has risen too far too fast, relative to the rest of the market, based upon its normal movement. Conversely, it's oversold when it has lost too much too fast, relative to the rest of the market, based upon its normal movement. Over time, a sector tends to move back toward its normal rate of change, relative to the rest of the market. Overbought sectors tend to slow their pace of gains in relative price, while oversold sectors tend to improve in relative price until they reach their average performance again.

Here's our methodology: the overbought-oversold table of sectors measures the 13-week rate of change in the relative price of each sector. We then average (i.e., smooth) this over 3 weeks and normalize the results. Normalized oscillator values over 1.0 are considered overbought, while those between 0.6 and 1.0 are considered near overbought. Normalized oscillator values below -1.0 are considered oversold, while those between -0.6 and -1.0 are considered near oversold.

Sector Overbought / Oversold List as of 3 July 2026

rank	*S&P Sector*	*normalized Oscillator*	
1	Information Technology	1.3022	*Overbought*
2	Financials	-0.1657	*Neutral*
3	Industrials	-0.3000	
4	Healthcare	-0.3487	
5	Communication Services	-0.5972	*Neutral*
6	Real Estate	-0.7363	*Near Oversold*
7	Consumer Discretionary	-0.7394	
8	Materials	-1.4596	*Oversold*
9	Utilities	-1.7273	
10	Consumer Staples	-1.7327	
11	Energy	-2.3172	

Source: Bloomberg, Sanctuary Wealth, July 3, 2026



Source: Bloomberg, Sanctuary Wealth,, July 3, 2026

SPIREPOINT
PRIVATE CLIENT

July 6, 2026

Market Performance: Russell 2000 Was The Best Performing Asset Year-To-Date, Followed By Energy And Industrials; Bitcoin Is Still Weakest

	Last 6/26/2026	Month End 5/29/2026	Month to Date	Quarter End 3/31/2026	Quarter to Date	Year End 12/31/2025	Year to Date	Year Ago 6/26/2025	Year To Year
S&P 500	7354.02	7580.06	-3.0%	6528.52	12.6%	6845.50	7.4%	6141.02	19.8%
NASDAQ Composite	25297.62	26972.62	-6.2%	21590.63	17.2%	23241.99	8.8%	20167.91	25.4%
NASDAQ 100	706.52	738.31	-4.3%	577.18	22.4%	614.31	15.0%	546.22	29.3%
Russell 2000	3010.08	2919.34	3.1%	2496.37	20.6%	2481.91	21.3%	2172.11	38.6%
S&P Consumer Discretionary Sector	1855.95	2002.94	-7.3%	1748.22	6.2%	1928.43	-3.8%	1737.72	6.8%
S&P Consumer Staples Sector	941.09	921.47	2.1%	925.56	1.7%	864.89	8.8%	887.57	6.0%
S&P Energy Sector	821.19	854.93	-3.9%	943.30	-12.9%	687.34	19.5%	656.29	25.1%
S&P Financial Sector	893.10	856.67	4.3%	822.22	8.6%	911.60	-2.0%	861.71	3.6%
S&P Healthcare Sector	1873.49	1739.78	7.7%	1710.39	9.5%	1805.89	3.7%	1565.38	19.7%
S&P Industrials Sector	1535.36	1463.53	4.9%	1369.67	12.1%	1313.14	16.9%	1230.44	24.8%
S&P Information Technology Sector	6509.39	7021.77	-7.3%	5158.06	26.2%	5684.00	14.5%	4911.51	32.5%
S&P Materials Sector	646.63	638.95	1.2%	627.82	3.0%	574.41	12.6%	555.41	16.4%
S&P Real Estate Sector	288.07	279.06	3.2%	259.98	10.8%	255.03	13.0%	257.51	11.9%
S&P Communications Sector	440.67	493.15	-10.6%	420.28	4.9%	452.39	-2.6%	370.92	18.8%
S&P Utilities Sector	469.87	449.71	4.5%	466.42	0.7%	433.81	8.3%	412.10	14.0%
S&P 500 Total Return	16447.29	16935.35	-2.9%	14560.75	13.0%	15220.46	8.1%	13569.29	21.2%
3 month Treasury Bill Price	99.06	99.08	0.0%	99.08	0.0%	99.09	0.0%	98.92	0.1%
3 month Treasury Bill Total Return	272.81	272.05	0.3%	270.38	0.9%	268.01	1.8%	262.32	4.0%
10 Year Treasury Bond Future	110.27	109.83	0.4%	111.05	-0.7%	112.44	-1.9%	112.02	-1.6%
10 Year Treasury Note Total Return	316.97	314.82	0.7%	315.71	0.4%	316.61	0.1%	308.94	2.6%
iShares 20+ Year Treasury Bond ETF	87.36	85.76	1.9%	86.69	0.8%	87.16	0.2%	87.95	-0.7%
S&P Municipal Bond Total Return	295.53	293.82	0.6%	289.48	2.1%	290.00	1.9%	277.14	6.6%
iShares S&P National Municipal Bond NAV	107.33	106.99	0.3%	106.04	1.2%	106.85	0.4%	104.11	3.1%
S&P 500 Investment Grade Corporate Bond Total Return	505.74	503.58	0.4%	496.96	1.8%	499.46	1.3%	482.04	4.9%
S&P Investment Grade Corporate Bond	91.89	91.77	0.1%	91.32	0.6%	92.75	-0.9%	91.57	0.3%
S&P Investment Grade Corporate Bond Total Return	540.01	537.57	0.5%	530.81	1.7%	532.99	1.3%	514.19	5.0%
SPDR Bloomberg High Yield Bond ETF	96.22	96.77	-0.6%	95.72	0.5%	97.21	-1.0%	97.02	-0.8%
iShares iBoxx High Yield Corporate Bond ETF	79.83	80.31	-0.6%	79.56	0.3%	80.63	-1.0%	80.38	-0.7%
Gold	4088.74	4540.26	-9.9%	4668.06	-12.4%	4319.37	-5.3%	3327.92	22.9%
Bitcoin	59626.32	73581.98	-19.0%	68193.95	-12.6%	87647.54	-32.0%	107811.61	-44.7%
Silver	59.15	75.30	-21.4%	75.17	-21.3%	71.66	-17.5%	36.66	61.4%

Source: Bloomberg, Sanctuary Wealth, July 3, 2026

This Week Markets Return to a Full Schedule

This week, the markets ease back into action with optimism for continued momentum.

Following the holiday break, markets return to a full schedule, though this relatively light week could still influence sentiment ahead of heavier July releases. Today brings the Institute for Supply Management (ISM) Services Purchasing Managers Index (PMI) and S&P Global Services PMI, offering a read on the economy's largest sector. On Wednesday, investors will parse the June FOMC Minutes for insight into how Fed Chair Kevin Warsh is approaching his new role, particularly after recent weak labor data. PepsiCo (PEP) and Delta Air Lines (DAL) are among the notable companies reporting this week, before earnings season begins in earnest next week with major banks starting on Tuesday, July 14.

Calendar

Mon.

9:45 AM US Services PMI
10:00 AM ISM Report On Business Services PMI
11:00 AM Global Services PMI

Tue.

No events scheduled

Wed.

10:00 AM Monthly Wholesale Trade
2:00 PM Federal Open Market Committee meeting minutes and economic forecast
3:00 PM Consumer Credit
8:00 PM Bank of England Deputy Governor Sarah Breeden, FRB New York President John Williams and FRB Dallas President Lorie Logan speak at The Future of Market Liquidity and Functioning Workshop

Thu.

8:30 AM Weekly Jobless Claims
10:00 AM Existing Home Sales
Earnings PepsiCo*

Fri.

No events scheduled
Earnings Delta Air Lines

* Earnings reflect highlights
Sources: MarketWatch/Kiplinger's