Global Market Commentary

Perigon Wealth Management Investment Committee

July 2026

- Global stocks managed to squeek out a 0.08% gain in a turbulent July. The MSCI All Country World Index's (ACWI) now stands up 11.33% YTD. The dominant theme in global markets was the intersection of earnings season, monetary policy, AI eurphoria meeting reality, and the ongoing repricing of the semiconductor sector. The change at the index level doesn't come anywhere close to reflecting the turbulance that took place underneath the surface. Consider that the Nasdaq 100 was trading 11.24% off its all-time high to enter correction territory before a late-month rally following some big tech earnings reports. Still, the megacap index finished off 6.61% MTD. The Philadelphia Semiconductor Index (SOX) experienced a drawdown of 28.61% off its all-time high touched on June 22nd before finishing July down 20.61% in its worst month since 2008. Despite its recent bear market, the SOX remains up 59.69% YTD. Regarding investment style indexes (as measured by the Russell 3000), Value stocks gained 3.54%, while Growth stocks fell 4.83% in July to bring their YTD returns to 19.57% and 0.49%, respectively.
- Stubbornly elevated inflation and interest rates have not just risen across the yield curve but have steepened this month. The yield on 2-, 10-, and 30-year Treasuries finished July at 4.29%, 4.73%, and 5.27%, respectively, all up after starting the month at 4.17%, 4.47%, and 4.95%, respectively. The 30-year Treasury yield touched its highest level since 2007.
- Following the July Federal Reserve meeting, Chair Kevin Warsh emphasized that the central bank is committed to the inflation fight, but admitted, "We've got no magic wand."[1] Going forward Fed decisions will primarily be guided by market cues, devoid of the influence of past Fed forecasts and dot plots. While officials voted 9-3 to leave its key rate unchanged, Warsh observed that the increased rates across the yield curve had the effect of tightening financial conditions. Meanwhile, the three Fed officials who dissented against the vote to hold rates steady warned that waiting too long to act against inflation may risk the need for even more aggressive moves later.

Index	MTD	QTD	YTD
US Equities			
S&P 500 (Large Cap)	-0.13%	-0.13%	9.41%
Russell 2000 (Small Cap)	-3.08%	-3.08%	18.11%
NASDAQ-100 Composite	-6.61%	-6.61%	11.98%
Global Equities (All)			
MSCI All-Country World Index	0.08%	0.08%	11.33%
Global Equities (Developed International)			
MSCI EAFE Developed	1.96%	1.96%	11.59%
MSCI Europe	1.61%	1.61%	9.54%
MSCI Pacific xJapan	6.60%	6.60%	13.87%
MSCI Japan	1.02%	1.02%	15.88%
Global Equities (Emerging Markets)			
MSCI Emerging Markets	-3.07%	-3.07%	20.04%
EM Europe	1.24%	1.24%	1.27%
EM Latin America	4.78%	4.78%	14.06%
EM Asia	-4.46%	-4.46%	21.62%
MSCI China	8.60%	8.60%	-8.67%
Fixed Income			
US Aggregate Bond Index	-1.30%	-1.30%	-0.69%
US Munis ~ 7 year	-1.74%	-1.74%	0.33%
US Corporates	-2.31%	-2.31%	-1.55%
US High Yield	-0.30%	-0.30%	1.54%
International Bond	-1.16%	-1.16%	0.22%

Source: Bloomberg Pricing Data, as of July 31, 2026

- July sector performance marked a sharp reversal from Q2, as Information Technology was the worst MTD Sector, facing headwinds from AI-related concerns and falling 8.00% MTD (following a Q2 best 31.79% gain). Meanwhile, rising oil prices propelled Energy stocks upwards, posting a July-best 11.96% return for the sector (following a Q2 worst 13.45% decline). Crude Oil surged to post its biggest monthly gain since March, screaming 21.83% in July, as traders grappled with simmering global conflicts and threats to supply. Oil prices continue to whipsaw markets in response to daily developments in the Iran conflict. President Donald Trump said he's losing confidence in Iranian negotiators, the latest sign that the renewal of armed hostilities in the Middle East could drag on. In addition, the move in long-term interest rates weighed on the rate-sensitive S&P Utilities Sectors, falling 2.23% MTD, while the steepening curve supported Financials, up 6.16% in July.

[1] Federal Reserve Board – FOMC Statement (July 29, 2026)

Important Disclosures

- The July vs Q2 reversal trend was also apparent overseas. MSCI Korea, where heavyweight semiconductor manufacturers Samsung and SK Hynix make up over half of the index, led Q2 country returns with its 87.42% jump. However, the tech-heavy index fell 17.11% in July to be the worst MTD country performer. China was the biggest negative contributor to ACWI returns both for Q2 (-7.59%) and for the first six months of 2026 (-15.90%), however it rebounded 8.60% in July to be the index's largest contributor. Interestingly, China Internet stocks (as measured by the Kraneshares CSI industry index) rallied 16.43% in July.
- In the crypto realm, Bitcoin and Ethereum regained some footing to rally 7.26% and 18.22% this month, respectively, but still remained down 28.24% and 37.52% on the year, respectively. Momentum continues to fade for the industry's long hoped-for catalyst the CLARITY Act – which is still struggling to advance in the Senate before lawmakers leave Washington DC for summer recess.