

# Weekly Market Recap

## The week in review

- Nonfarm payrolls rose just 57k in June
- The unemployment rate was 4.2%
- ISM Manufacturing PMI fell to 53.3

## The week ahead

- ISM Services PMI
- Existing home sales

## Thought of the week

An old dog may have learned a new trick. For 40 years, memory was a boring tech commodity. Now, AI demand is driving a pricing surge that could last far longer than the typical cycle. Last quarter, operating margins hit 54% vs. a previous peak of 34%, and they're expected to increase to 70% by the end of the year. The three largest memory makers have grown trailing 12-month net income by 450%, and the stocks are up an average of 638% over that same period.

But just like last time, supply will come eventually. There has been a flurry of new capacity announcements over the past few months, and capex is expected to increase by 88% between 2025 and 2027. Unlike last time, however, the complexity of producing memory chips fit for AI will limit how quickly supply can come online. Memory makers are also signing longer-term contracts with customers, though these agreements could limit short-term upside and are difficult to enforce should prices decline. So, while the good times can't last forever, the question is whether they can last longer than expected. Despite the run up in prices, valuations have remained below 10x, suggesting markets may still be underappreciating the durability of this cycle.

Even if the memory industry is changing, the rules of long-term investing haven't. Some exposure is warranted, but it must be prudently selected and appropriately sized. Forget the dog and his tricks; remember the tortoise and the hare. Slow and steady wins the race.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	7483	1.78	-0.21	9.98	20.60	74.89
Dow Jones 30	52900	1.99	1.12	10.99	19.96	62.33
Russell 2000	7446	-0.42	-0.93	21.43	34.87	64.58
Russell 1000 Growth	3229	1.85	-2.39	2.81	13.88	79.79
Russell 1000 Value	1500	1.72	1.83	18.38	27.35	65.83
MSCI EAFE	3169	2.77	1.70	11.71	22.68	62.45
MSCI EM	1721	1.04	0.03	24.06	42.37	85.99
NASDAQ	25833	2.12	-1.45	11.49	26.15	90.89

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.75	-0.50	-0.14	0.48	4.11	13.08
U.S. Corporates	5.22	-0.49	-0.16	0.69	4.38	16.71
Municipals (10yr)	3.41	0.06	-0.07	1.03	5.77	10.40
High Yield	7.44	0.29	0.09	2.05	5.78	29.04

Key Rates	Levels (%)					
	7/3/26	6/26/26	6/30/26	12/31/25	7/3/25	7/3/23
2-yr U.S. Treasuries	4.14	4.07	4.14	3.47	3.88	4.94
10-yr U.S. Treasuries	4.49	4.38	4.44	4.18	4.35	3.86
30-yr U.S. Treasuries	4.98	4.87	4.91	4.84	4.86	3.87
10-yr German Bund	2.93	2.85	2.86	2.86	2.58	2.40
SOFR	3.66	3.62	3.68	3.87	4.35	5.06
3-mo. EURIBOR	2.32	2.29	2.32	2.03	1.94	3.60
6-mo. CD rate	1.82	1.82	1.83	1.88	1.90	2.15
30-yr fixed mortgage	6.57	6.57	6.55	6.25	6.78	7.17
Prime Rate	6.75	6.75	6.75	6.75	7.50	8.25

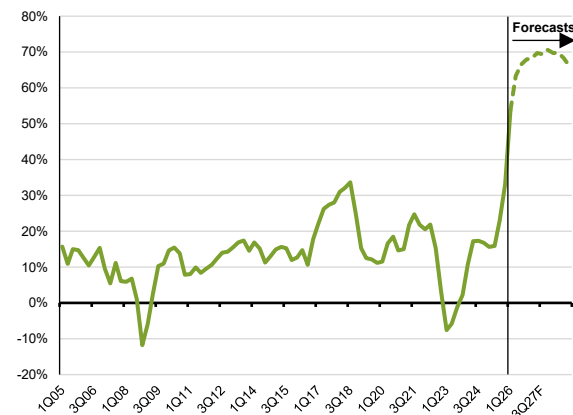
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
20.37	5.20	1.03	64316
20.64	5.59	1.52	24047
26.12	2.10	1.14	3104
24.62	12.08	0.39	32820
17.68	3.19	1.62	36183
15.75	2.29	2.47	21935
11.52	2.36	1.61	12347
25.47	7.00	0.49	45096

Currencies	Levels		
	7/3/26	12/31/25	7/3/25
\$ per €	1.14	1.17	1.18
\$ per £	1.34	1.35	1.36
¥ per \$	161.29	156.75	145.12

Commod.	Levels		
	7/3/26	12/31/25	7/3/25
Oil (WTI)	68.68	57.26	68.13
Gasoline	3.83	2.81	3.16
Natural Gas	3.20	4.00	3.24
Gold	4164	4368	3332
Silver	62.26	71.99	36.88
Copper	13299	12504	10120
Corn	4.27	4.37	4.32
BBG Idx	315.71	276.25	255.28

## Chart of the Week

**Memory margins are skyrocketing**  
Operating margins, quarterly



## Style Returns

	V	B	G
L	1.7	1.8	1.8
M	0.6	0.7	0.9
S	-0.4	-0.4	-0.5
	V	B	G
L	18.4	10.0	2.8
M	18.6	15.3	4.7
S	23.0	21.4	20.0

## S&P 500 Sector Returns

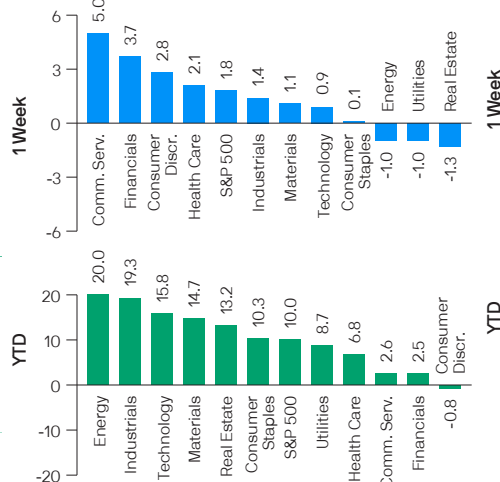




Chart of the Week: Source: FactSet, J.P. Morgan Asset Management. Data reflect the sum of quarterly EBIT divided by sales for Micron, Samsung and SK Hynix in USD. Estimates reflect consensus analyst expectations as provided by FactSet. For illustrative purposes only. Data are as of July 1, 2026.

Thought of the week: Source: FactSet, J.P. Morgan Asset Management. Data are as of July 1, 2026.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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