VIEWS | JULY 10, 2026

Weekly market update: Tech rally edges out Mideast war worries.

The market and economy

- U.S. stocks saw mixed performance for the week ending July 10. Another upturn in artificial intelligence (AI)-related companies, particularly chipmakers, was partially offset by concerns about the apparent end of the ceasefire in the Middle East war. The broad-market S&P 500 Index and the tech-heavy Nasdaq Composite Index moved higher during the week, while the Dow Jones Industrial Average finished in negative territory.
- The U.S.-Iran memorandum of understanding (MOU) came under pressure this week as renewed fighting in the Strait of Hormuz raised doubts about whether the ceasefire remains viable. President Trump said he believed the ceasefire deal with Iran was "over" after additional Iranian attacks on commercial vessels and indicated that further U.S. strikes could follow, though negotiations technically remain open. The U.S. military reportedly struck more than 80 targets along Iran's coast tied to threats against shipping. With Iran continuing to assert control over transit routes and talks showing little substantive progress, the MOU increasingly depends on whether both sides can restore safe passage through the strait and avoid a return to broader conflict.
- Energy markets reversed part of their recent relief rally as the renewed confrontation threatened both safe passage through the strait and the oil-sanctions relief that had been central to the interim agreement. The U.S. Treasury Department revoked a waiver that had allowed Iran to sell oil on the open market while allowing a grace period until July 17 for previously authorized transactions. Oil prices rose after the announcement and the latest attacks, with Brent crude moving to nearly $76 per barrel after the waiver was revoked and later climbing more than 7% to nearly $80 per barrel after Trump's comments on the ceasefire.
- Minutes from the Federal Open Market Committee's (FOMC) June 16-17 meeting—Kevin Warsh's first as Fed chair—indicated that members believed that U.S. economic activity remained solid and the labor market stable. However, the meeting participants acknowledged that inflation had risen further and stayed well above the Fed's 2% objective, reflecting the lingering effects of tariffs, higher energy and input costs tied to the Middle East conflict, supply-chain disruptions related to the closure of the strait, and strong demand associated with AI-related investment. The FOMC members saw upside risks to inflation, while concerns about labor-market weakness had moderated, and they generally expected growth to remain resilient, supported by solid consumer spending, continued AI-related capital investment, productivity growth, and supportive financial conditions. The Committee unanimously voted to hold the federal funds rate at 3.50% to 3.75% and to remove its prior forward-guidance language that had implied an easing bias, while emphasizing its commitment to restoring price stability and keeping future policy dependent on incoming data.
- In economic news, the Institute for Supply Management's (ISM) Services Purchasing Managers' Index (PMI) dipped 0.5 percentage point to 54.0% in June but indicated expansion in the U.S. services sector for the 24th straight month. (A PMI reading above 50% denotes expansion in services-sector activity.) The Business Activity Index decreased 2.3 percentage points to 55.4% in June, while the Employment Index expanded for the first time in four months, reaching 51.2%, a 3.3-percentage-point increase from the 47.9% reading registered in May.
- Existing-home sales unexpectedly declined in June, signaling continued unevenness in the U.S. residential housing market. The National Association of Realtors (NAR) reported that sales of existing homes fell 2.4% month-over-month to a seasonally adjusted annual rate of 4.09 million in June but were up 2.8% year-over-year. (Home sales are viewed as an indicator of housing market trends and, by extension, the health of the broader economy.) The median existing-home sale price rose 1.8% over the previous 12-month period to a record high of $440,600. The inventory of unsold existing homes at the end of June stood at 1.56 million—down 0.6% from the end of May—equivalent to a 4.6-month supply at the current monthly sales pace. A roughly six-month supply of homes is generally viewed as a balanced market, in which prices rise more modestly. Inventories above that level typically favor buyers, while supply below that level generally denotes a seller's market.

Stocks

- Global equities posted modest losses during the week. Developed markets outperformed emerging markets.
- U.S. stocks were mixed. Information technology and energy were the top-performing sectors, while materials and healthcare were the primary market laggards.
- Growth stocks outperformed value stocks, while large caps surpassed small caps.

Bonds

- The 10-year U.S. Treasury note yield rose to 4.56% during the week.
- The U.S. bond market recorded a negative return for the week.
- High-yield bonds led the market, followed by government bonds and corporate bonds.

As of July 10, 2026	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	-0.2%	10.6%	21.1%	1122.0
MSCI EAFE ($)	-1.6%	7.8%	17.0%	3118.4
MSCI Emerging Mkts ($)	-2.7%	19.3%	36.1%	1675.8
US & Canadian Equities				
Dow Jones Industrials ($)	-0.5%	9.5%	17.9%	52637.0
S&P 500 ($)	1.2%	10.7%	20.6%	7576.8
NASDAQ ($)	1.7%	13.1%	27.4%	26281.6
S&P/ TSX Composite (C$)	0.1%	11.3%	30.3%	35301.5
UK & European Equities				
FTSE All-Share (£)	-1.6%	5.5%	15.8%	5644.6
MSCI Europe ex UK (€)	-1.8%	8.6%	15.3%	2231.8
Asian Equities				
Topix (¥)	-0.7%	18.4%	43.5%	4036.1
Hong Kong Hang Seng ($)	3.5%	-5.7%	0.6%	24175.1
MSCI Asia Pac. Ex-Japan ($)	-2.4%	19.7%	33.8%	864.4
Latin American Equities				
MSCI EMF Latin America ($)	-0.1%	9.7%	29.7%	2971.6
Mexican Bolsa (peso)	-0.9%	3.3%	17.1%	66446.2
Brazilian Bovespa (real)	2.0%	10.2%	29.9%	177631.6
Commodities ($)				
West Texas Intermediate Spot	4.9%	25.5%	8.3%	72.1
Gold Spot Price	-1.7%	-5.0%	23.8%	4104.7
Bond Indices ($)				
Bloomberg U.S. Aggregate	-0.3%	0.1%	3.7%	2352.0
Bloomberg Global Aggregate	-0.5%	-0.8%	0.7%	497.4
JPMorgan Emerging Mkt Bond	-0.3%	2.3%	9.7%	1041.7
10-Year Yield Change (basis points*)				
US Treasury	7	39	21	4.56%
UK Gilt	9	39	28	4.87%
German Bund	13	21	36	3.06%
Japan Govt Bond	-4	68	124	2.74%
Canada Govt Bond	7	8	11	3.51%
Currency Returns**				
US$ per euro	-0.2%	-2.8%	-2.4%	1.142
Yen per US$	0.2%	3.2%	10.6%	161.71
US$ per £	0.4%	-0.6%	-1.3%	1.340
C$ per US$	-0.3%	3.1%	3.7%	1.416

Source: Bloomberg. Equity-index returns are price only; others are total returns. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

IMPORTANT INFORMATION

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1 Freedom Valley Drive
P.O. Box 1100
Oaks, PA 19456
610-676-1000