

Youtube Channel 





American Missionaries Dispatched To Europe To Spread The Good News About Air Conditioning



SCOTUS Rules Invading Xenomorphs Who Hatch On Earth Are Officially Citizens Of Earth

Disclaimer: I am not a financial advisor, and do not make any recommendations on what to buy or sell.

The information offered here is for educational purposes only and does not constitute financial, legal or professional advice. NO ONE, including me, has any idea what the market will do.

Each person must determine their own risk profile, trading/investing style and take responsibility for any trades they make. Always do your own research and due diligence before making any investment decisions.
















Past performance does not guarantee future results!

Most of the charts shown in this newsletter are courtesy of StockCharts.com and can be found on the website shown at the top of the page. Here is a link to the StockCharts.com pricing and if you sign up, I would appreciate if you used my email as a referral (danbyrd@comcast.net)


[Service Levels, Data Plans and Pricing | StockCharts.com](#)



Economic Calendar for Last Week:

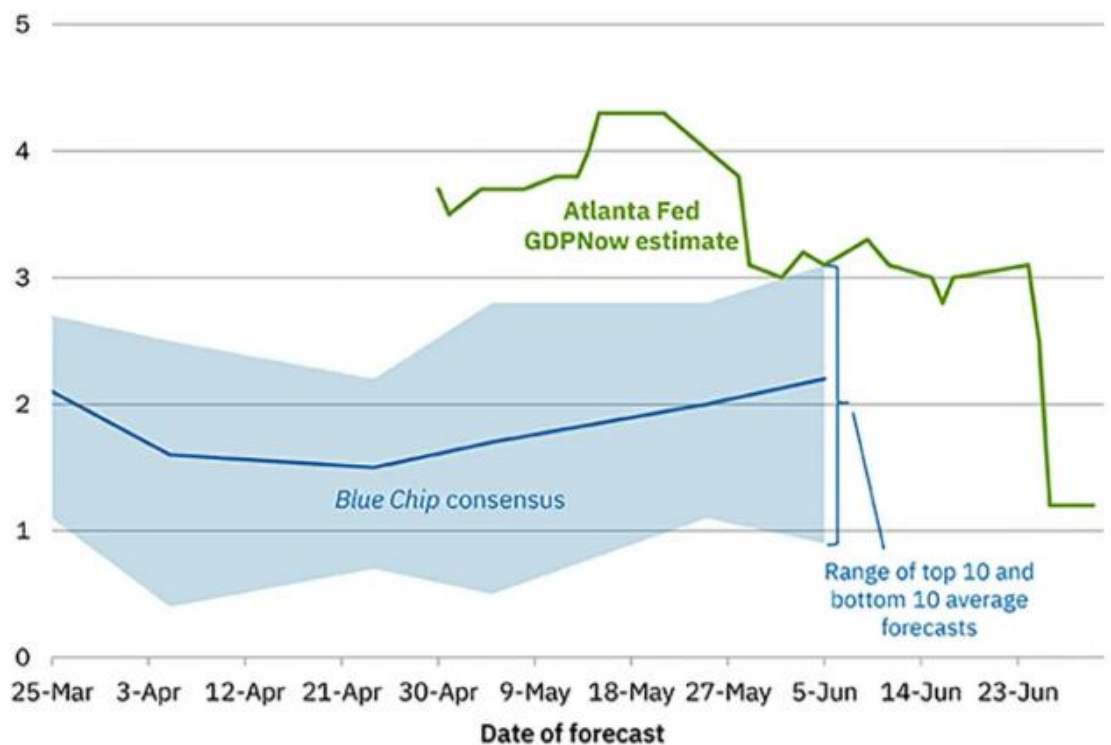
Time	Cur.	Event	Imp.	Actual	Forecast	Previous
Tuesday, June 30, 2026						
09:45	 US	Chicago PMI (Jun)	★★★	56.7	55.7	62.7
10:00	 US	JOLTS Job Openings (May)	★★★	7.594M	7.280M	7.585M
10:00	 US	CB Consumer Confidence (Jun)	★★★	91.2	94.4	90.6
Wednesday, July 1, 2026						
08:15	 US	ADP Nonfarm Employment Change (Jun)	★★★	98K	118K	122K
09:45	 US	S&P Global Manufacturing PMI (Jun)	★★★	53.9	55.7	55.1
10:00	 US	ISM Manufacturing PMI (Jun)	★★★	53.3	53.8	54.0
10:00	 US	ISM Manufacturing Prices (Jun)	★★★	73.0	77.7	82.1
10:30	 US	Crude Oil Inventories	★★★	-3.775M	-2.900M	-6.088M
15:15	 US	U.S. President Trump Speaks 	★★★			
Thursday, July 2, 2026						
08:30	 US	Nonfarm Payrolls (Jun)	★★★	57K	114K	129K
08:30	 US	Unemployment Rate (Jun)	★★★	4.2%	4.3%	4.3%
08:30	 US	Average Hourly Earnings (MoM) (Jun)	★★★	0.3%	0.3%	0.3%
08:30	 US	Initial Jobless Claims	★★★	215K	219K	216K
Friday, July 3, 2026						
All Day	 US	United States - Independence Day	Holiday			

Economic Calendar for Next Week:

Time	Cur.	Event	Imp.	Actual	Forecast	Previous
Monday, July 6, 2026						
09:45	🇺🇸 US	S&P Global Services PMI (Jun)	★★★		51.3	50.7
10:00	🇺🇸 US	ISM Non-Manufacturing Prices (Jun)	★★★			71.3
10:00	🇺🇸 US	ISM Non-Manufacturing PMI (Jun)	★★★			54.5
Wednesday, July 8, 2026						
10:30	🇺🇸 US	Crude Oil Inventories	★★★			-3.775M
13:00	🇺🇸 US	10-Year Note Auction	★★★			4.538%
14:00	🇺🇸 US	FOMC Meeting Minutes 	★★★			
Thursday, July 9, 2026						
08:30	🇺🇸 US	Initial Jobless Claims	★★★			215K
10:00	🇺🇸 US	Existing Home Sales (Jun)	★★★		4.20M	4.17M
13:01	🇺🇸 US	30-Year Bond Auction	★★★			5.050%

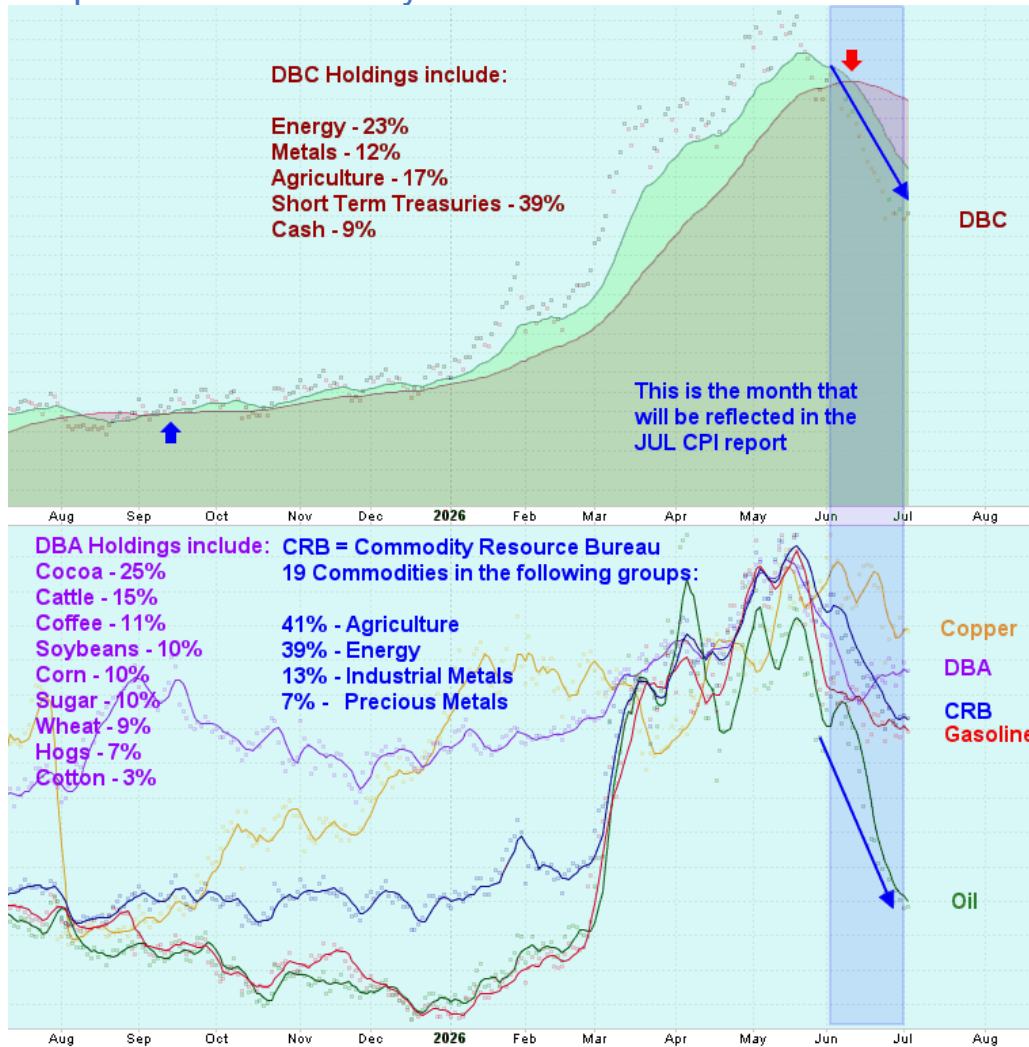
Evolution of Atlanta Fed GDPNow real GDP estimate for 2026:Q2

Quarterly percent change (SAAR)

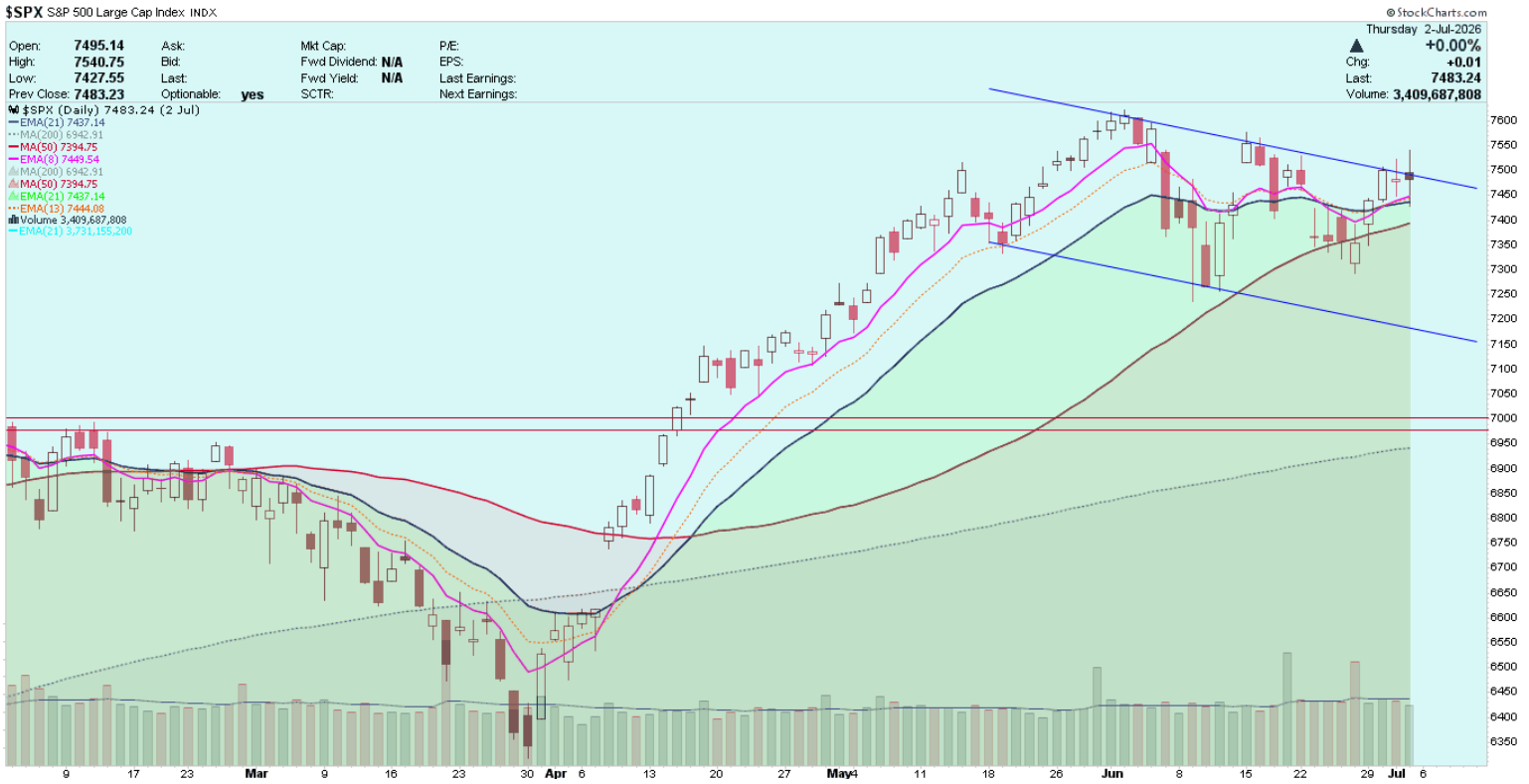


CME FEDWATCH TOOL - AGGREGATED MEETING PROBABILITIES			
MEETING DATE	350-375	375-400	400-425
7/29/2026	78.09 %	21.91 %	0.00 %
9/16/2026	36.19 %	63.81 %	0.00 %
10/28/2026	4.09 %	95.91 %	0.00 %
12/9/2026	0.00 %	80.16 %	19.84 %
1/27/2027	0.00 %	64.09 %	35.91 %
3/17/2027	0.00 %	45.30 %	54.70 %
4/28/2027	0.00 %	42.09 %	57.91 %
6/9/2027	0.00 %	55.05 %	44.95 %
7/28/2027	0.00 %	45.09 %	54.91 %
9/15/2027	0.00 %	75.90 %	24.10 %
10/27/2027	0.00 %	85.09 %	14.91 %
12/8/2027	1.26 %	98.74 %	0.00 %

While the probabilities show a potential rate hike in October, commodities have been dropping off a cliff, especially oil. There is a good chance the July CPI number will come in much lower than expected. The Primary Trend turned Red the first week of June.



The S&P is trying desperately to break out of the downward channel. It looked like it would happen on Wednesday, but by the end of the day it reversed and created a possible reversal “Spinning Top” candle. Same thing happened on Thursday.



NDX looked even weaker:



Oil: After a double top in May, it is now down almost 60% in just 2 months:

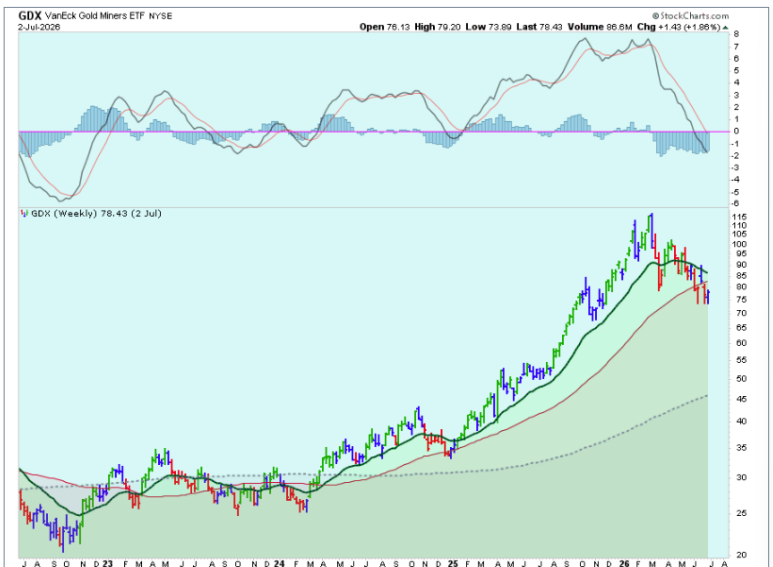


Gold and Gold Miners continue to slide as well. These are Weekly charts:

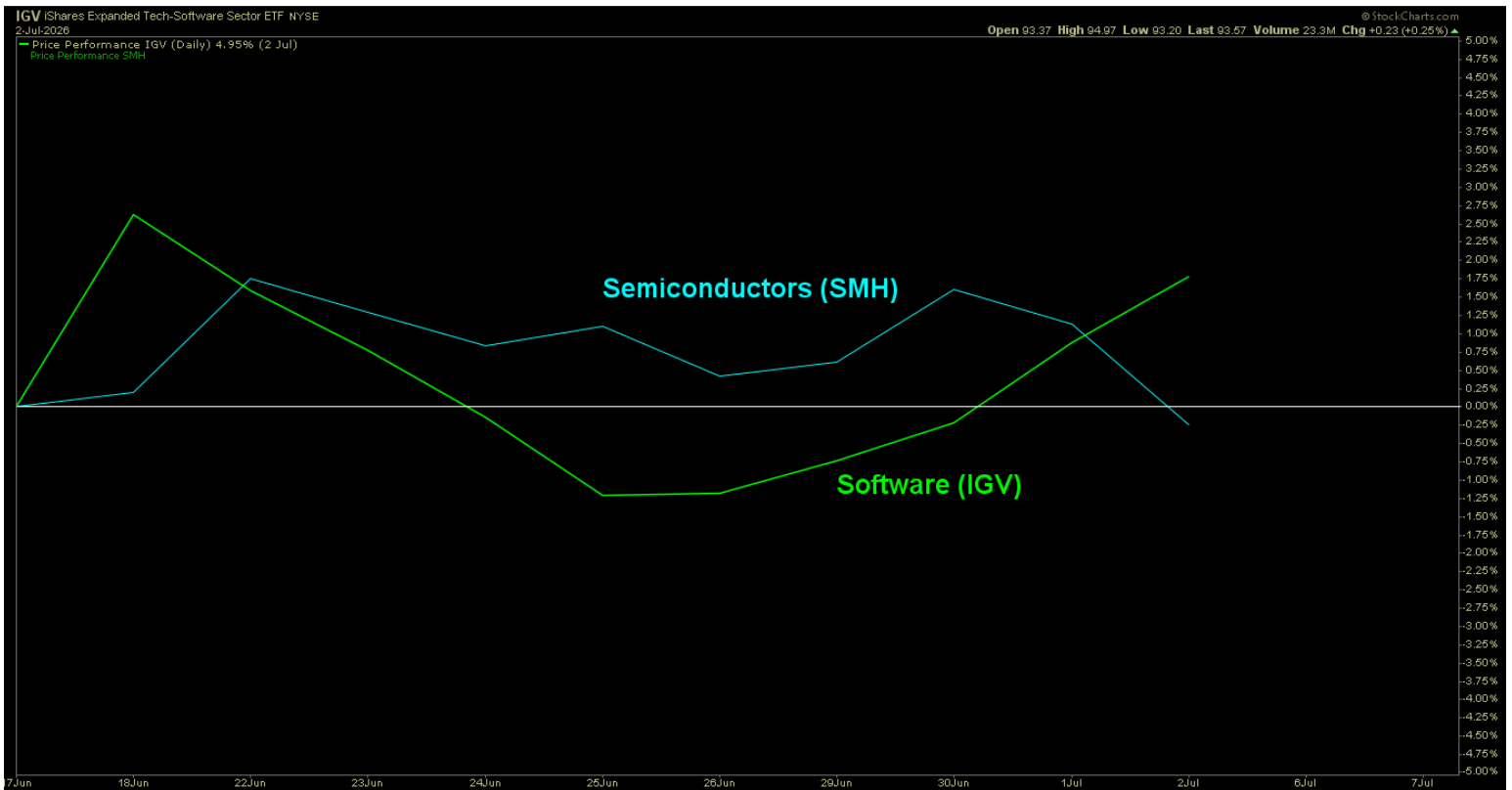
WEEKLY VIEW



WEEKLY VIEW



Looks like there is serious rotation out of the semiconductor trade and possibly into software.

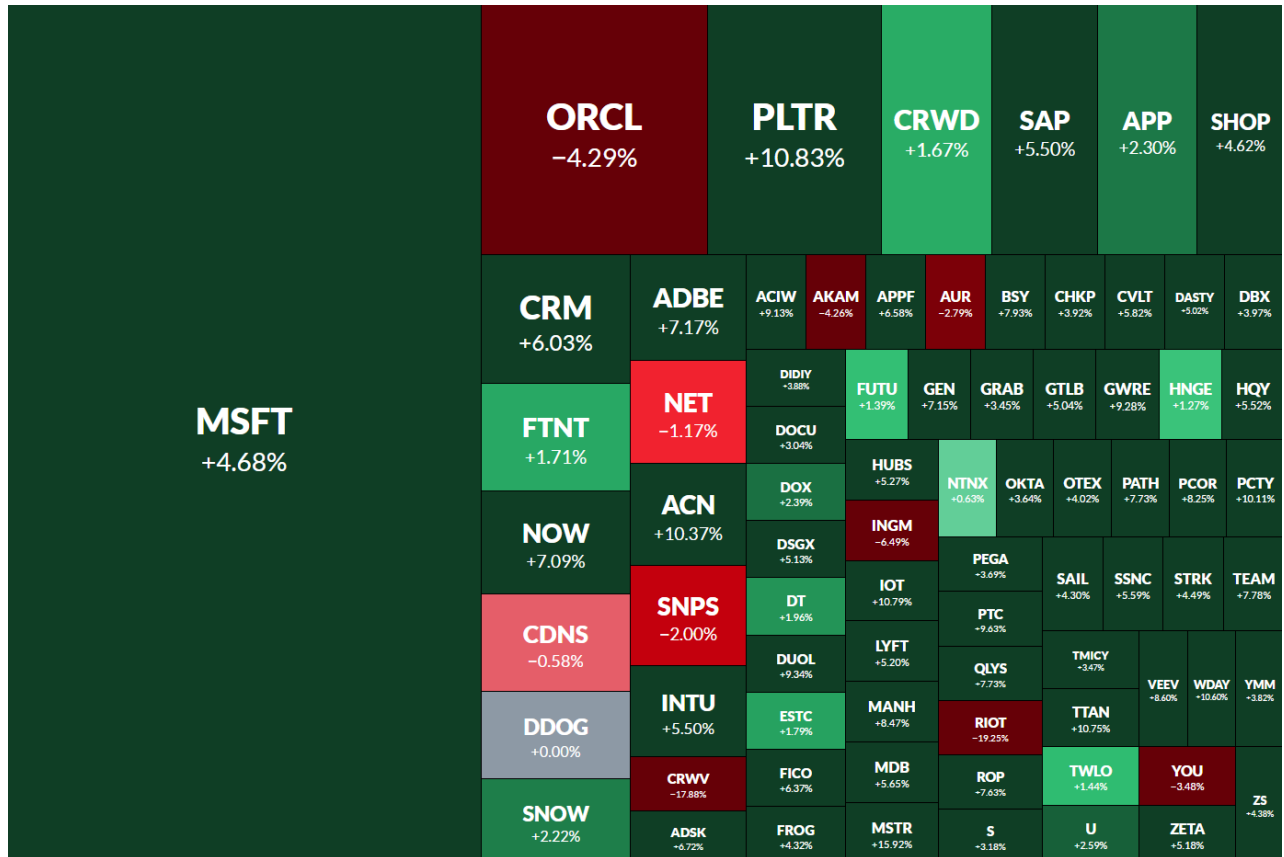
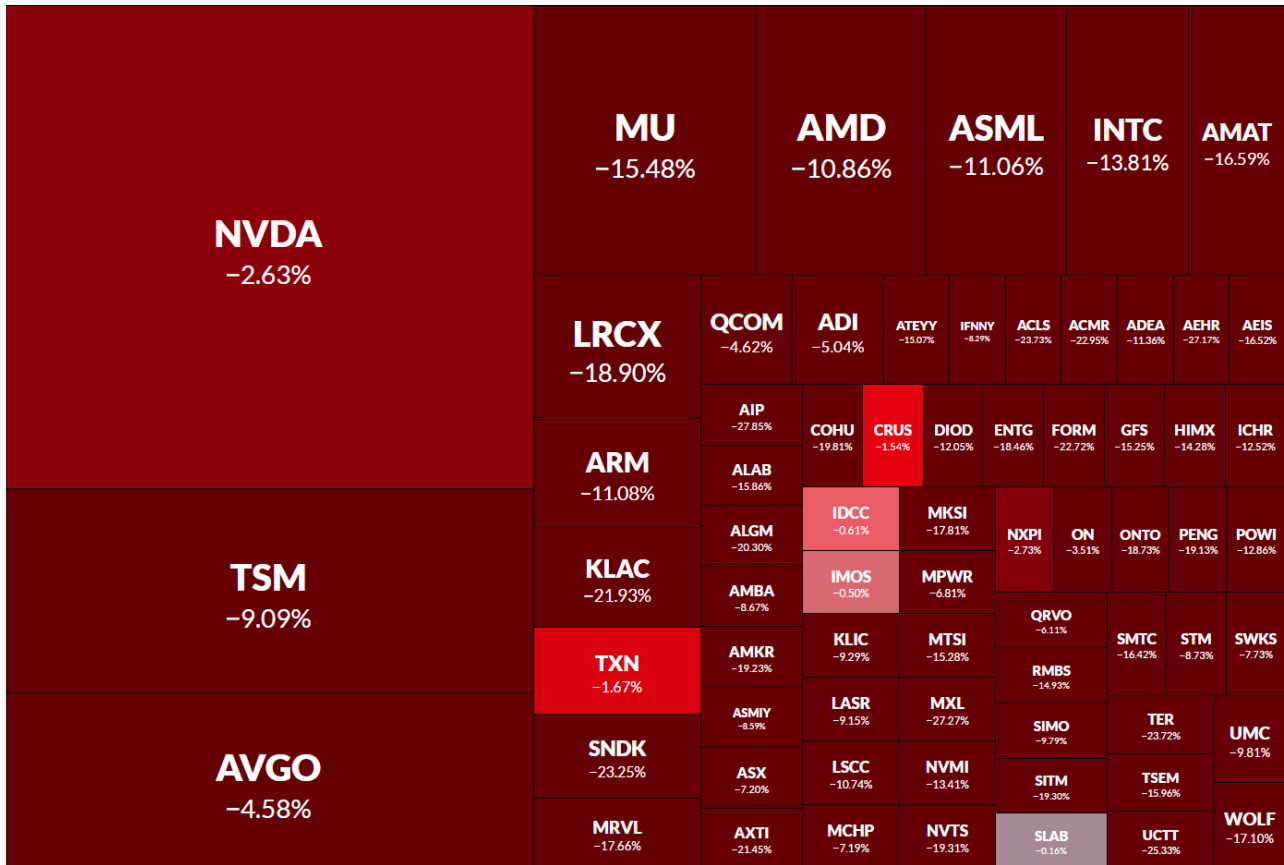


Friday's biggest Semi losers vs biggest Software winners:

NAME	INDUSTRY	LAST	CHG	% CHG	+/-
SNDK - Sandisk Corp.	Semiconductors	1,745.00	-287.22	-14.13%	■
TER - Teradyne, Inc.	Semiconductors	369.09	-58.25	-13.63%	■
KLAC - KLA Corp.	Semiconductors	235.55	-30.64	-11.51%	■
LRCX - Lam Research Corp.	Semiconductors	351.41	-39.85	-10.19%	■
MRVL - Marvell Technology Inc	Semiconductors	245.29	-26.76	-9.84%	■
AMAT - Applied Materials, Inc.	Semiconductors	603.04	-47.87	-7.35%	■
ARM - Arm Holdings Plc	Semiconductors	315.28	-22.19	-6.58%	■
ALAB - Astera Labs Inc.	Semiconductors	406.42	-24.44	-5.67%	■
MU - Micron Technology, Inc.	Semiconductors	975.56	-56.72	-5.49%	■
INTC - Intel Corp.	Semiconductors	120.35	-6.67	-5.25%	■
UMC - United Microelectronics, Inc.	Semiconductors	24.54	-1.17	-4.55%	■
ATEYY - Advantest Corp.	Semiconductors	176.70	-8.30	-4.49%	■
AMD - Advanced Micro Devices, Inc.	Semiconductors	517.82	-23.06	-4.26%	■
ASML - ASML Holding NV	Semiconductors	1,769.32	-73.72	-4.00%	■
STM - STMicroelectronics NV	Semiconductors	68.35	-2.37	-3.35%	■
IFNNY - Infineon Technologies AG	Semiconductors	86.17	-2.96	-3.32%	■
MPWR - Monolithic Power Systems, Inc.	Semiconductors	1,288.16	-43.57	-3.27%	■
QCOM - QUALCOMM Inc.	Semiconductors	176.25	-5.67	-3.12%	■
ADI - Analog Devices, Inc.	Semiconductors	377.16	-11.82	-3.04%	■
ASX - Advanced Semiconductor	Semiconductors	41.87	-1.12	-2.61%	■

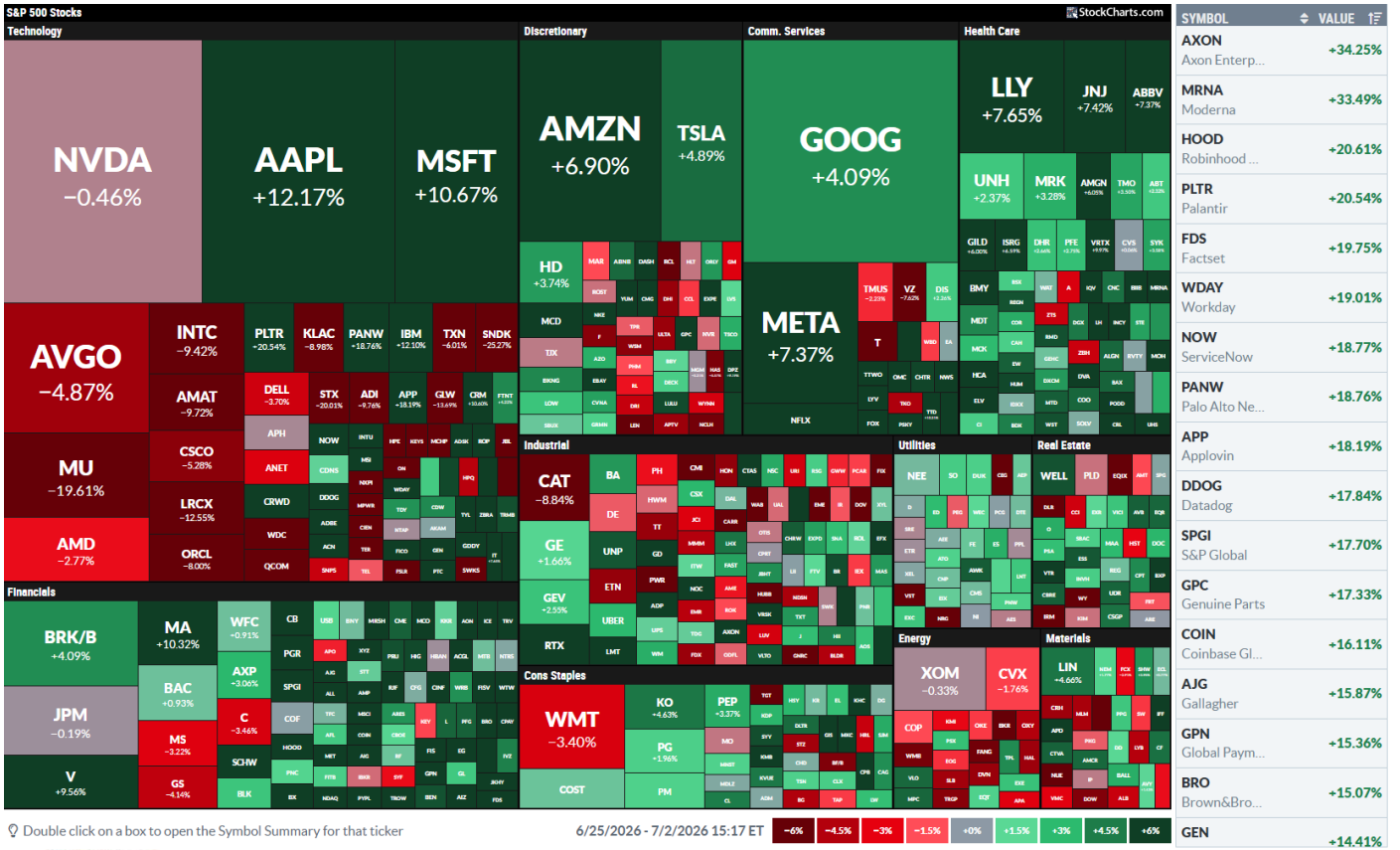
NAME	INDUSTRY	LAST	CHG	% CHG	+/-
MSTR - Strategy Inc	Software	100.77	+7.38	+7.90%	■
ACN - Accenture Ltd.	Software	137.35	+6.22	+4.74%	■
ADBE - Adobe Systems, Inc.	Software	219.72	+8.74	+4.14%	■
WDAY - Workday, Inc.	Software	135.40	+5.13	+3.94%	■
ADSK - Autodesk, Inc.	Software	207.48	+7.72	+3.86%	■
INTU - Intuit, Inc.	Software	275.35	+8.27	+3.10%	■
PLTR - Palantir Technologies, Inc.	Software	129.30	+3.57	+2.84%	■
ROP - Roper Technologies, Inc.	Software	364.20	+9.52	+2.68%	■
SAP - SAP SE	Software	162.59	+3.44	+2.16%	■
CRM - Salesforce.com, Inc.	Software	166.11	+2.88	+1.76%	■
MSFT - Microsoft Corp.	Software	390.49	+6.21	+1.62%	■
STRK - Microstrategy Inc.	Software	61.46	+0.78	+1.29%	■
NOW - ServiceNow, Inc.	Software	106.32	+0.52	+0.49%	■
CRWD - CrowdStrike Holdings, Inc.	Software	193.98	+0.80	+0.41%	■
SNOW - Snowflake Inc.	Software	260.15	-1.04	-0.40%	■
CDNS - Cadence Design Systems, Inc.	Software	373.14	-4.59	-1.22%	■
DDOG - Datadog Inc.	Software	260.36	-4.12	-1.56%	■
ORCL - Oracle Corp.	Software	140.27	-2.23	-1.56%	■
NET - Cloudflare Inc.	Software	242.41	-3.90	-1.58%	■
FTNT - Fortinet Inc.	Software	156.25	-2.73	-1.72%	■

A different view of Semis vs Software:



Weekly Performance:

NAME	% CHG	+/-
IGV - iShares Expanded Tech-Software Sector ETF	+10.39%	
XLF - Financial Select Sector SPDR Fund	+4.06%	
GLD - SPDR Gold Shares	+2.35%	
\$TNX - CBOE 10-Year US Treasury Yield	+2.12%	
DIA - SPDR Dow Jones Industrial Average ETF	+1.66%	
SPY - SPDR S&P 500 ETF	+1.43%	
XRT - SPDR S&P Retail ETF	+0.57%	
IWM - iShares Russell 2000 ETF	-0.44%	
\$USD - US Dollar - Cash Settle	-0.50%	
QQQ - Invesco QQQ Trust	-0.53%	
DBA - Invesco DB Agriculture Fund	-0.67%	
ITB - iShares U.S. Home Construction ETF	-1.29%	
XLE - Energy Select Sector SPDR Fund	-1.61%	
TLT - iShares 20+ Year Treasury Bond ETF	-1.74%	
XLK - Technology Select Sector SPDR Fund	-2.16%	
\$BRENT - Brent Crude Oil - Spot	-4.60%	
SMH - VanEck Semiconductor ETF	-7.00%	
DTCR - Global X Data Center & Digital Infrastructure ETF	-8.06%	
CHAT - Roundhill Generative AI & Technology ETF	-9.19%	
\$VIX - Volatility Index - New Methodology	-14.51%	



Double click on a box to open the Symbol Summary for that ticker

6/25/2026 - 7/2/2026 15:17 ET

-6% -4.5% -3% -1.5% +0% +1.5% +3% +4.5% +6%

SYMBOL	VALUE
AXON	+34.25%
MRNA	+33.49%
HOOD	+20.61%
PLTR	+20.54%
FDS	+19.75%
WDAY	+19.01%
NOW	+18.77%
PANW	+18.76%
APP	+18.19%
DDOG	+17.84%
SPGI	+17.70%
GPC	+17.33%
COIN	+16.11%
AJG	+15.87%
GNP	+15.36%
BRO	+15.07%
GEN	+14.41%

TIMEFRAME

One Week

Columns

Send Daily Report

Send Weekly Report

Search Table

NAME	LAST	CHG	% CHG	+/-	DATE
Defensive - 09 - XLV - Health Care Select Sector SPDR Fund	163.74	+8.11	+5.21%	█	07-02, 16:00
Aggressive - 04 - XLF - Financial Select Sector SPDR Fund	55.62	+2.17	+4.06%	█	07-02, 16:00
Aggressive - 02 - XLC - Communication Services Select Sector SPDR Fund	109.60	+4.02	+3.81%	█	07-02, 16:00
Aggressive - 03 - XLY - Consumer Discretionary Select Sector SPDR Fund	117.12	+3.77	+3.33%	█	07-02, 16:00
z5 \$BTCUSD - Bitcoin to US Dollar	61,990.97	+1,970.05	+3.28%	█	07-03, 13:40
z4 GLD - SPDR Gold Shares	378.13	+8.67	+2.35%	█	07-02, 16:00
z1 \$SPX - S&P 500 Large Cap Index	7,483.24	+125.75	+1.71%	█	07-02, 16:00
Defensive - 06 - XLP - Consumer Staples Select Sector SPDR Fund	84.99	+1.05	+1.25%	█	07-02, 16:00
Defensive - 10 - XLB - Materials Select Sector SPDR Fund	52.01	+0.17	+0.33%	█	07-02, 16:00
Defensive - 08 - XLRE - Real Estate Select Sector SPDR Fund	44.68	+0.09	+0.20%	█	07-02, 16:00
Aggressive - 05 - XLI - Industrial Select Sector SPDR Fund	183.91	-0.21	-0.11%	█	07-02, 16:00
Defensive - 07 - XLU - Utilities Select Sector SPDR Fund	45.76	-0.09	-0.20%	█	07-02, 16:00
z2 \$NDX - Nasdaq 100 Index	29,329.21	-111.11	-0.38%	█	07-02, 16:00
z3 IWM - iShares Russell 2000 ETF	297.58	-1.33	-0.44%	█	07-02, 16:00
Defensive - 11 - XLE - Energy Select Sector SPDR Fund	53.22	-0.87	-1.61%	█	07-02, 16:00
Aggressive - 01 - XLK - Technology Select Sector SPDR Fund	180.59	-3.98	-2.16%	█	07-02, 16:00

Healthcare and Financials were the advancing sectors this week:

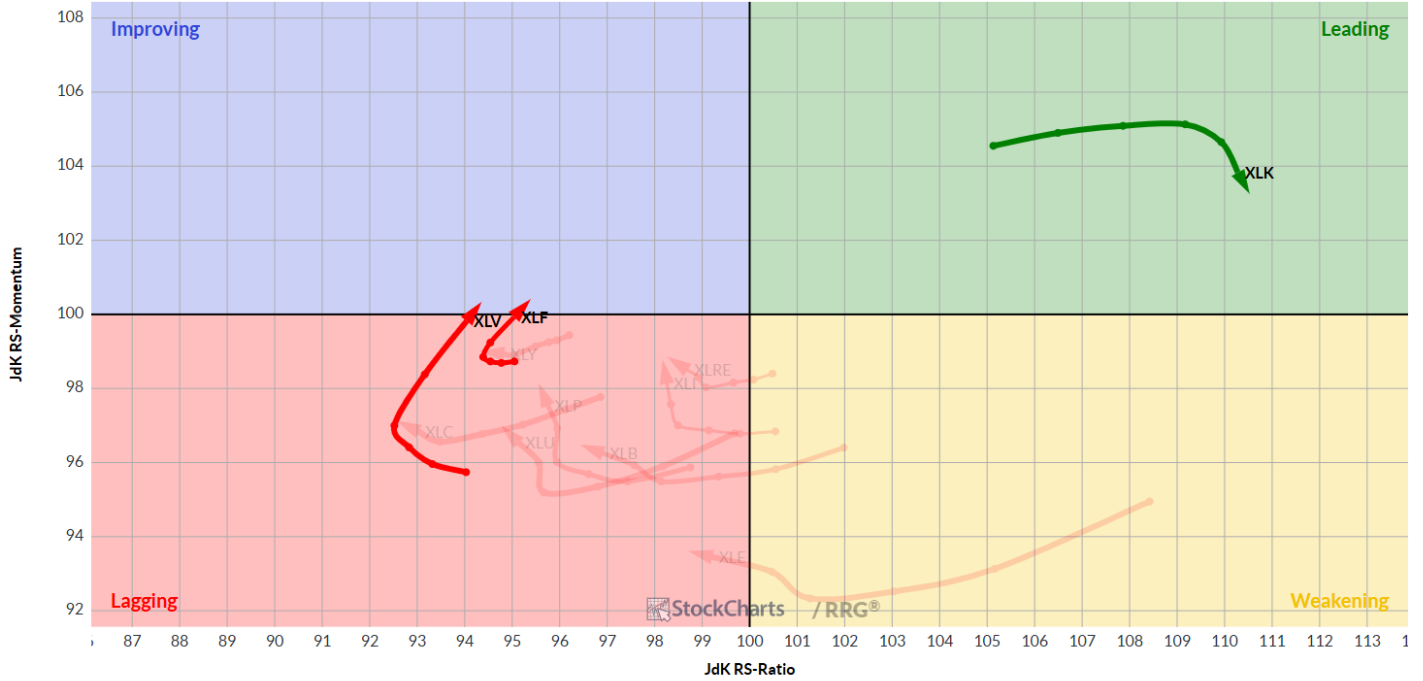
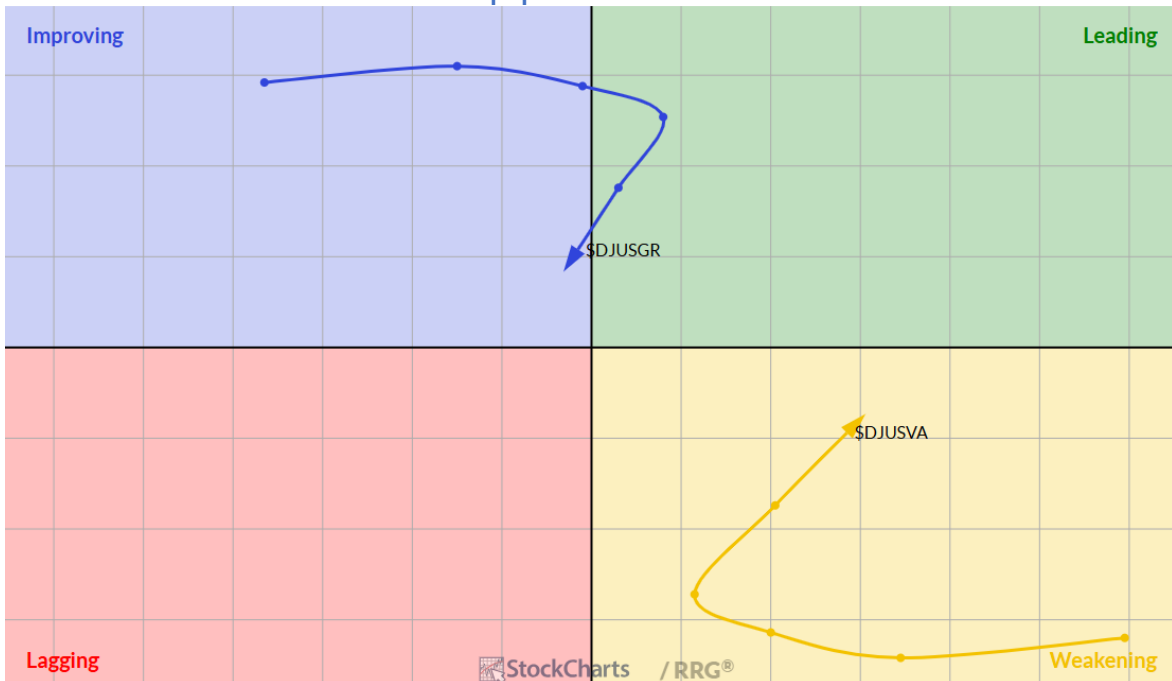


CHART	VISIBLE	TAIL	SYMBOL	NAME	SECTOR	INDUSTRY	PRICE	% CHG
#	<input checked="" type="checkbox"/>	█	XLK	Technology Select Sector SPDR Fund			\$180.59	-5.35%
#	<input checked="" type="checkbox"/>	█	XLC	Communication Services Select Sector SPDR Fund			\$109.60	-5.02%
#	<input checked="" type="checkbox"/>	█	XLE	Energy Select Sector SPDR Fund			\$53.22	-4.77%
#	<input checked="" type="checkbox"/>	█	XLU	Utilities Select Sector SPDR Fund			\$45.76	+3.68%
#	<input checked="" type="checkbox"/>	█	XLV	Health Care Select Sector SPDR Fund			\$163.74	+10.03%
#	<input checked="" type="checkbox"/>	█	XLY	Consumer Discretionary Select Sector SPDR Fund			\$117.12	-2.91%
#	<input checked="" type="checkbox"/>	█	XLF	Financial Select Sector SPDR Fund			\$55.62	+8.21%
#	<input checked="" type="checkbox"/>	█	XLP	Consumer Staples Select Sector SPDR Fund			\$84.99	+3.22%
#	<input checked="" type="checkbox"/>	█	XLB	Materials Select Sector SPDR Fund			\$52.01	+2.06%
#	<input checked="" type="checkbox"/>	█	XLI	Industrial Select Sector SPDR Fund			\$183.91	+6.49%
#	<input checked="" type="checkbox"/>	█	XLRE	Real Estate Select Sector SPDR Fund			\$44.68	+2.46%
#			SPY	SPDR S&P 500 ETF			\$744.78	-1.29%

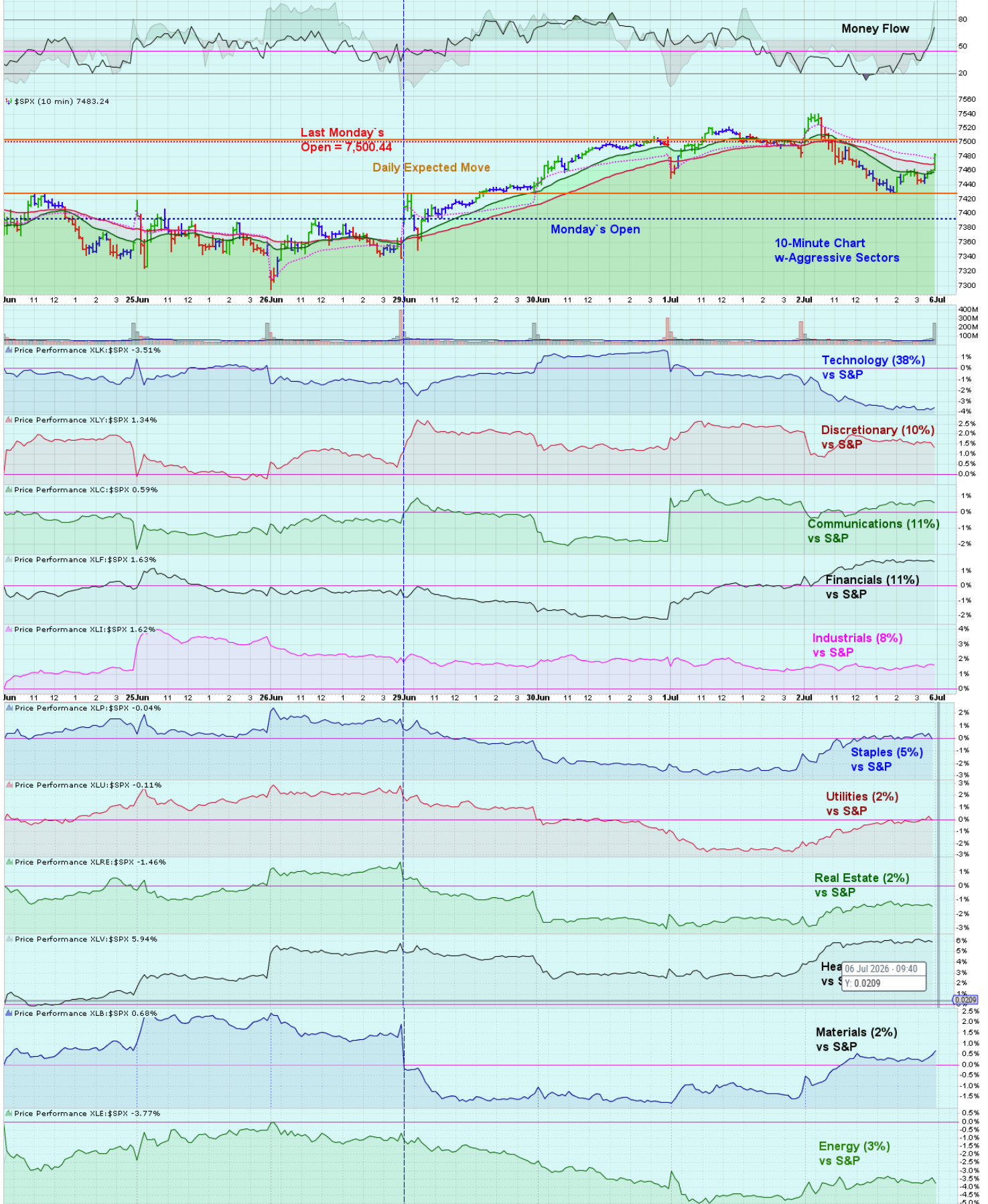
While Growth and Value continue to swap places:



10-Minute Charts:

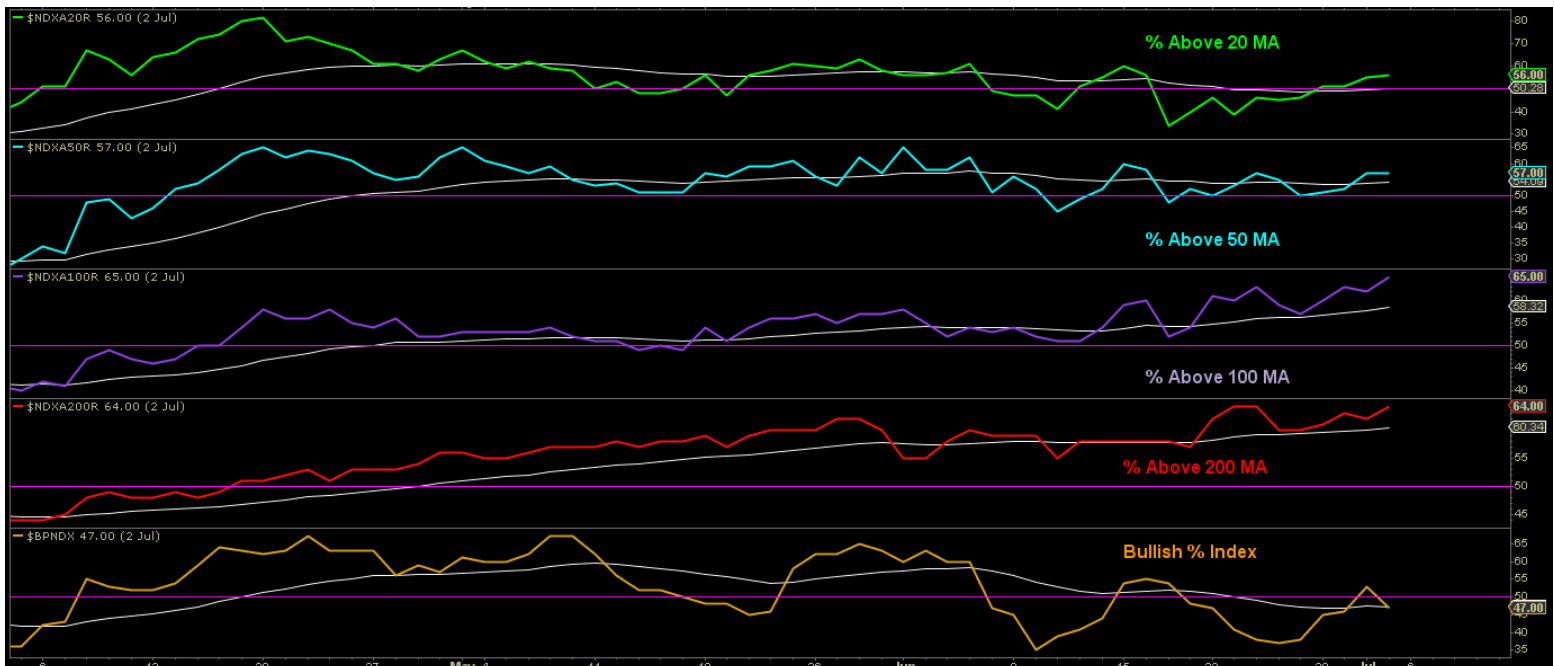
\$SPX S&P 500 Large Cap Index INDX
2-Jul-2026

Open 7495.14 High 7540.75 Low 7427.55 Last 7483.24 Volume 3.4B Chg +0.01 (+0.00%)



\$NDX Nasdaq 100 Index: INDX
2-Jul-2020

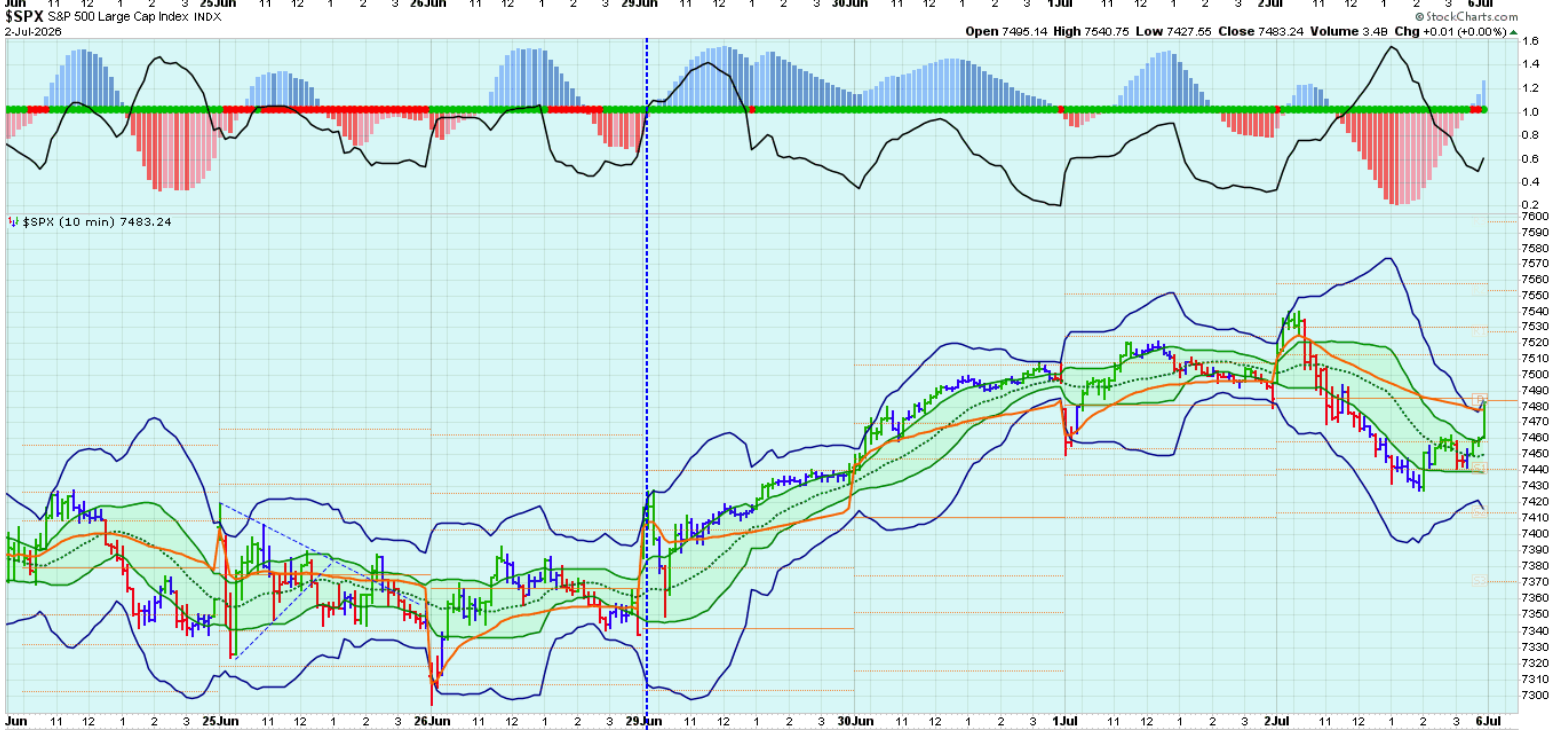
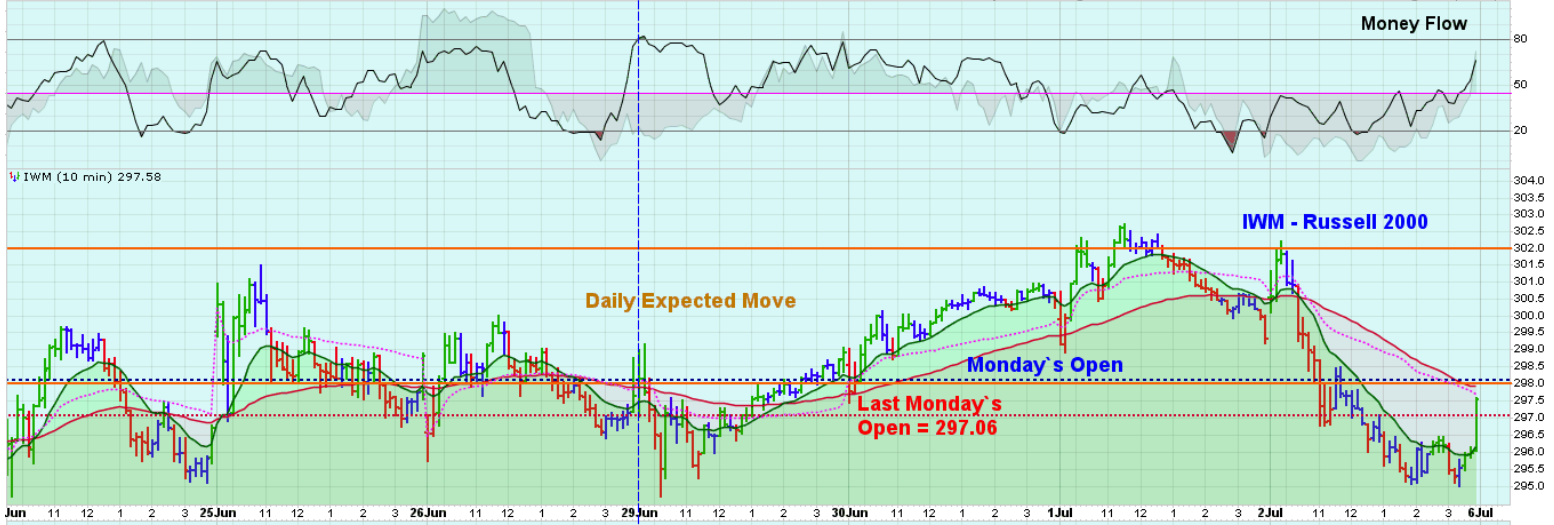
Open 29778.70 High 30044.50 Low 29087.33 Close 29329.21 Volume 1.5B Chg -479.92 (-1.61%)
© StockCharts.com



IWM iShares Russell 2000 ETF NYSE
2-Jul-2020

Open 300.54 High 302.23 Low 294.98 Close 297.58 Volume 21.1M Chg -1.74 (-0.58%)

© StockCharts.com



Top 10 Best & Worst Large Caps for the Week: (Notice Software vs Semiconductors)

NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-
AXON - Axon Enterprise, Inc.	Industrial	Defense	597.04	+152.31	+34.25%	▲
PLTR - Palantir Technologies, Inc.	Technology	Software	129.30	+22.03	+20.54%	▲
WDAY - Workday, Inc.	Technology	Software	135.40	+21.63	+19.01%	▲
ZS - Zscaler, Inc.	Technology	Software	147.33	+23.53	+19.01%	▲
NOW - ServiceNow, Inc.	Technology	Software	106.32	+16.80	+18.77%	▲
PANW - Palo Alto Networks Inc.	Technology	Telecom Equipment	348.06	+54.97	+18.76%	▲
APP - Applovin Corp.	Technology	Software	527.06	+81.13	+18.19%	▲
MSTR - Strategy Inc	Technology	Software	100.77	+15.44	+18.09%	▲
DDOG - Datadog Inc.	Technology	Software	260.36	+39.42	+17.84%	▲
CRWD - CrowdStrike Holdings, Inc.	Technology	Software	193.98	+24.32	+14.33%	▲
NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-
ON - ON Semiconductor Corp.	Technology	Semiconductors	91.22	-27.52	-23.18%	▼
MU - Micron Technology, Inc.	Technology	Semiconductors	975.56	-238.00	-19.61%	▼
GFS - GlobalFoundries Inc.	Technology	Semiconductors	69.84	-16.28	-18.90%	▼
QCOM - QUALCOMM Inc.	Technology	Semiconductors	176.25	-28.65	-13.98%	▼
MRVL - Marvell Technology Inc	Technology	Semiconductors	245.29	-35.97	-12.79%	▼
LRCX - Lam Research Corp.	Technology	Semiconductors	351.41	-50.41	-12.55%	▼
CEG - Constellation Energy Corp.	Utilities	Conventional Electricity	239.25	-29.44	-10.96%	▼
MCHP - Microchip Technology Inc.	Technology	Semiconductors	84.64	-9.48	-10.07%	▼
ADI - Analog Devices, Inc.	Technology	Semiconductors	377.16	-40.77	-9.76%	▼
AMAT - Applied Materials, Inc.	Technology	Semiconductors	603.04	-64.96	-9.72%	▼

WEEKLY VIEW

WEEKLY VIEW



Top 10 Best & Worst Small/Mid-Caps for the Week:

NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-
AVAV - AeroVironment Inc.	Industrial	Defense	190.89	+54.21	+39.66%	▲
VSAT - ViaSat, Inc.	Technology	Telecom Equipment	83.06	+23.06	+38.43%	▲
QDEL - QuidelOrtho Corporation	Health Care	Medical Supplies	18.25	+4.73	+34.99%	▲
PRGS - Progress Software Corp.	Technology	Software	38.42	+8.61	+28.88%	▲
NABL - N-able Inc.	Technology	Software	4.11	+0.92	+28.84%	▲
IRDM - Iridium Communications Inc.	Comm. Services	Mobile Telecommunications	53.75	+11.91	+28.47%	▲
QLYS - Qualys, Inc.	Technology	Software	148.12	+31.93	+27.48%	▲
CERT - Certara Inc.	Health Care	Biotechnology	6.97	+1.48	+26.96%	▲
WAY - Waystar Holding Corp.	Health Care	Biotechnology	23.46	+4.50	+23.73%	▲
COTY - Coty Inc.	Staples	Personal Products	2.30	+0.42	+22.34%	▲

NAME	SECTOR	INDUSTRY	LAST	CHG	% CHG	+/-
SSTK - Shutterstock, Inc.	Comm. Services	Publishing	9.81	-4.09	-29.42%	▼
TTMI - TTM Technologies, Inc.	Technology	Electrical Components	155.98	-54.59	-25.92%	▼
VECO - Veeco Instruments, Inc.	Technology	Electronic Equipment	57.49	-17.96	-23.80%	▼
VSH - Vishay Intertech, Inc.	Technology	Electrical Components	45.92	-13.99	-23.35%	▼
LUMN - Lumen Technologies Inc	Comm. Services	Fixed Telecommunications	6.43	-1.89	-22.72%	▼
HTZ - Hertz Global Holdings Inc.	Discretionary	Automobiles	2.12	-0.56	-20.90%	▼
STRL - Sterling Infrastructure, Inc.	Industrial	Heavy Construction	700.75	-181.17	-20.54%	▼
CLSK - CleanSpark, Inc.	Technology	Software	12.62	-3.25	-20.48%	▼
POWL - Powell Industries, Inc.	Industrial	Industrial Suppliers	246.33	-62.87	-20.33%	▼
ACLS - Axcelis Technologies, Inc.	Technology	Semiconductors	144.50	-36.20	-20.03%	▼

WEEKLY VIEW



WEEKLY VIEW



Here's a quick look at what's happening with the Japanese Yen. I have mentioned before that this is worth watching as it could cause liquidity to flow out of the US and Global markets and back to Japan.

First the 30-Year JGB (Japanese Government Bond). While not quite back to the previous highs, it is disturbing that it could stay down, and right back at that critical 4% level.

● Japan 30 Year LSEG Government Bonds Yield · 1D · TVC ● ≈ O4.033% H4.039% L4.018% C4.037% +0.002 (+0.05%)

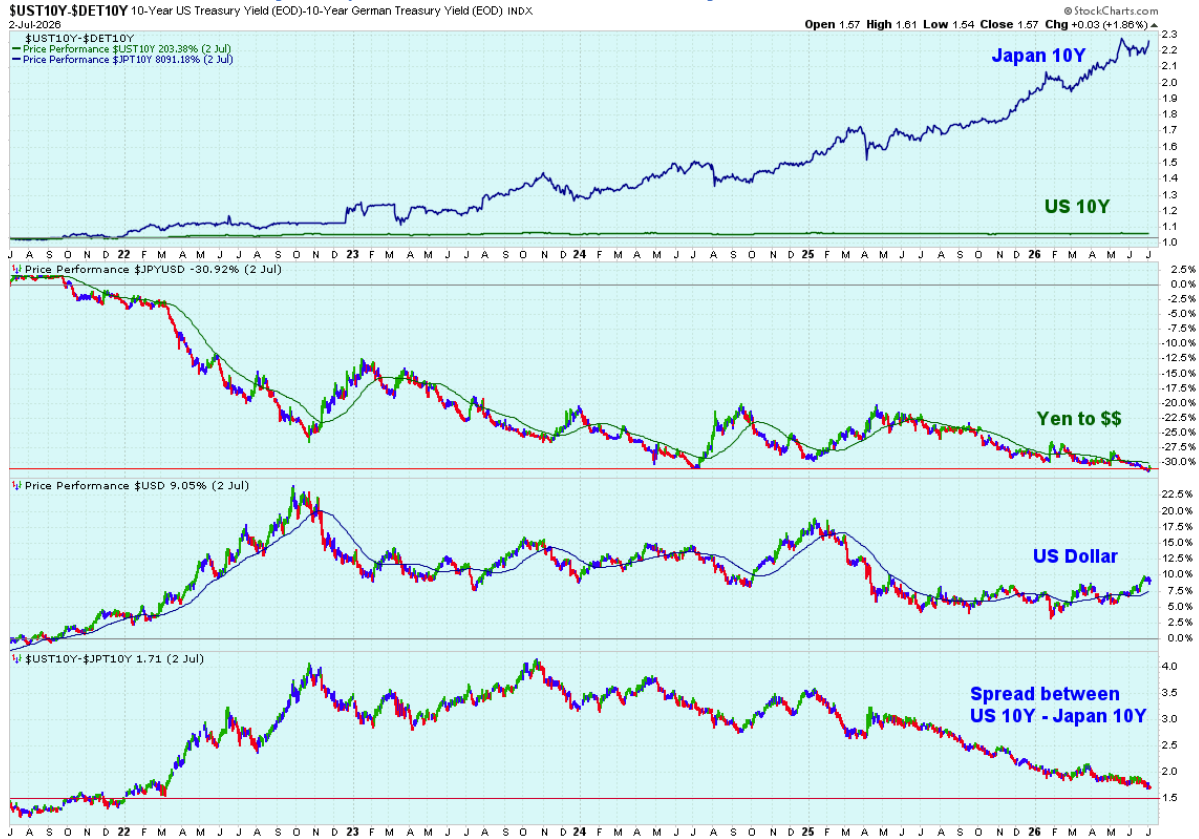
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SELL

0.007

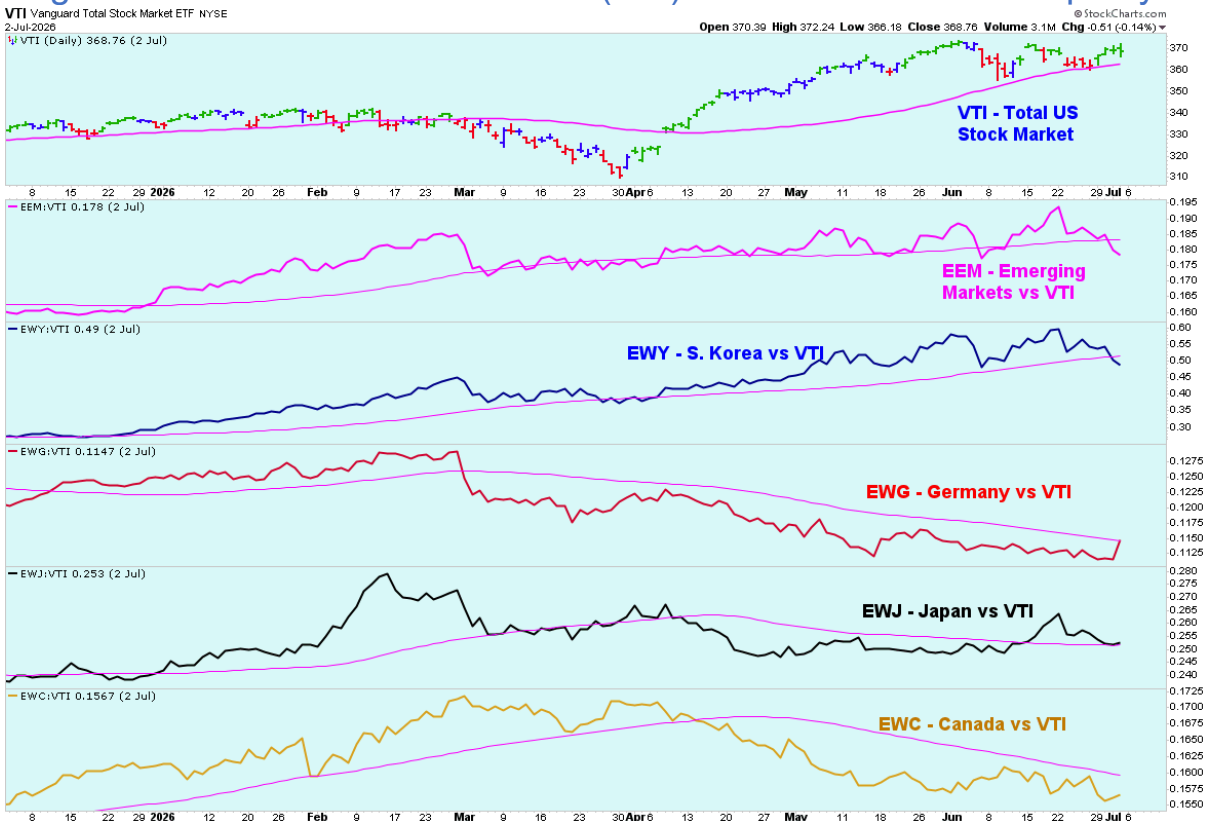
3.992
BUY



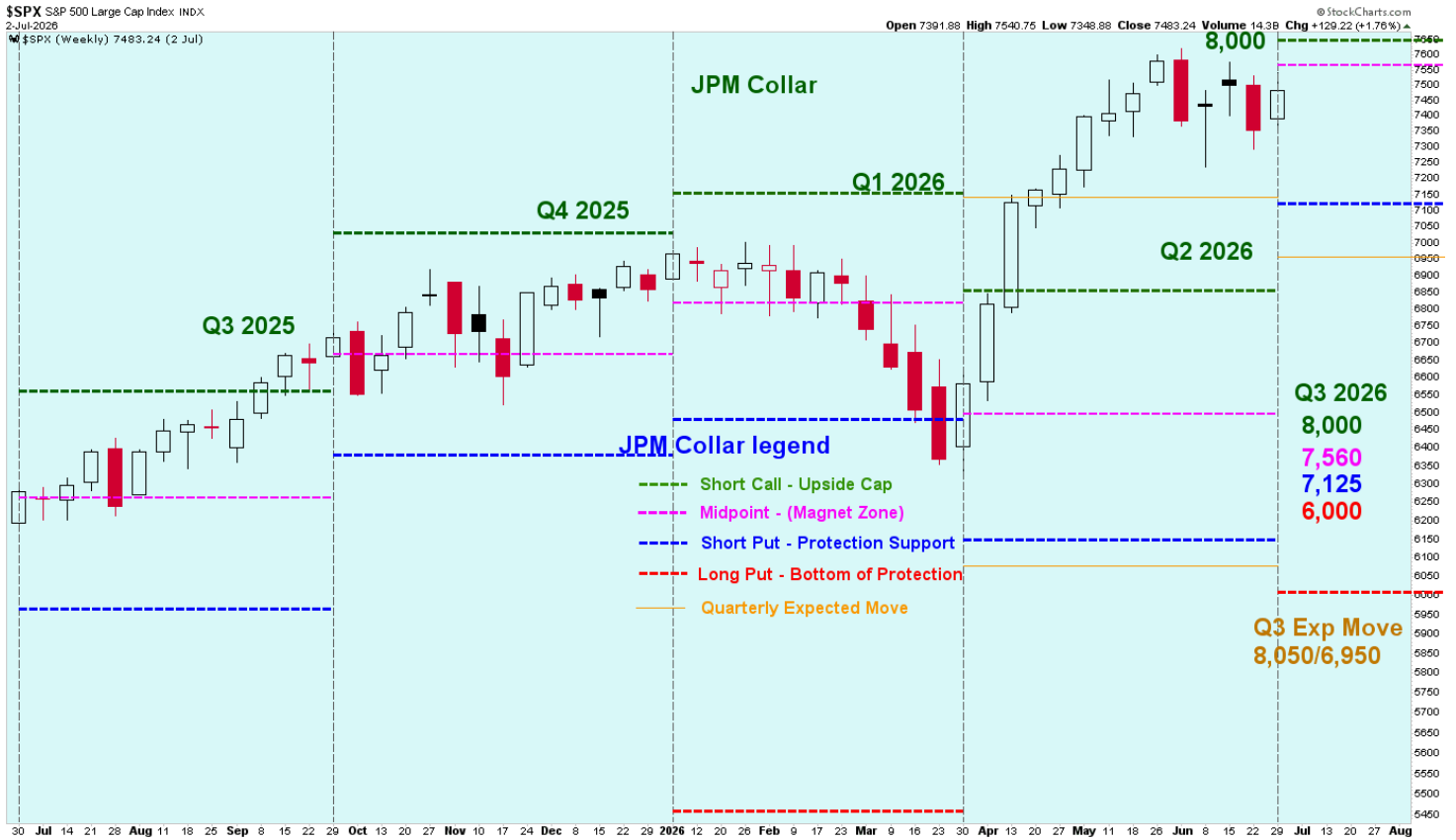
The Japanese 10-Year vs US. Pay special attention to the spread. "If" the Fed raises rates this year, it will make this worse. This is just one reason (among others, like a weaker economy at the end of the year) I think it is more likely we'll see a rate cut instead of a hike.



Here are the global markets relative to the US (VTI). Watch S. Korea as a proxy for AI



JP Morgan Collar for Q3. As you can see, it totally blew away the upper end of the Collar in Q2, so that was a failure. I am wondering if it will blow through the bottom in Q3.



And here is the current status of SPCX. It got a little bounce when it was added to the MSCI and FTSE last week. Monday, 7/6, it is added to the NDX. If it doesn't rally as a result, then this thesis is wrong.



From Real Investment Advice:

[Mag 7 Stocks: Risk Or Opportunity In The Making? - RIA](#)

Excerpt:

 **Mag 7 Stocks: What Is Causing The Drag**

For the past few months, the “Magnificent 7”, or more colloquially known as “Mag 7,” stocks have looked more like the “Lag 7.” The market’s largest growth names, Apple (AAPL), Microsoft (MSFT), Google (GOOG), Amazon (AMZN), Tesla (TSLA), Meta (META), and Nvidia (NVDA), have trailed badly. Those Mag 7 stocks now carry a bearish story built around one word: capex. As we noted in *last weekend’s report*, the selling has been sharp. The question is simple. Does it reflect a real problem, or just a narrative investors tell themselves to justify chasing something else?

The Selling Is Concentrated In The Spenders

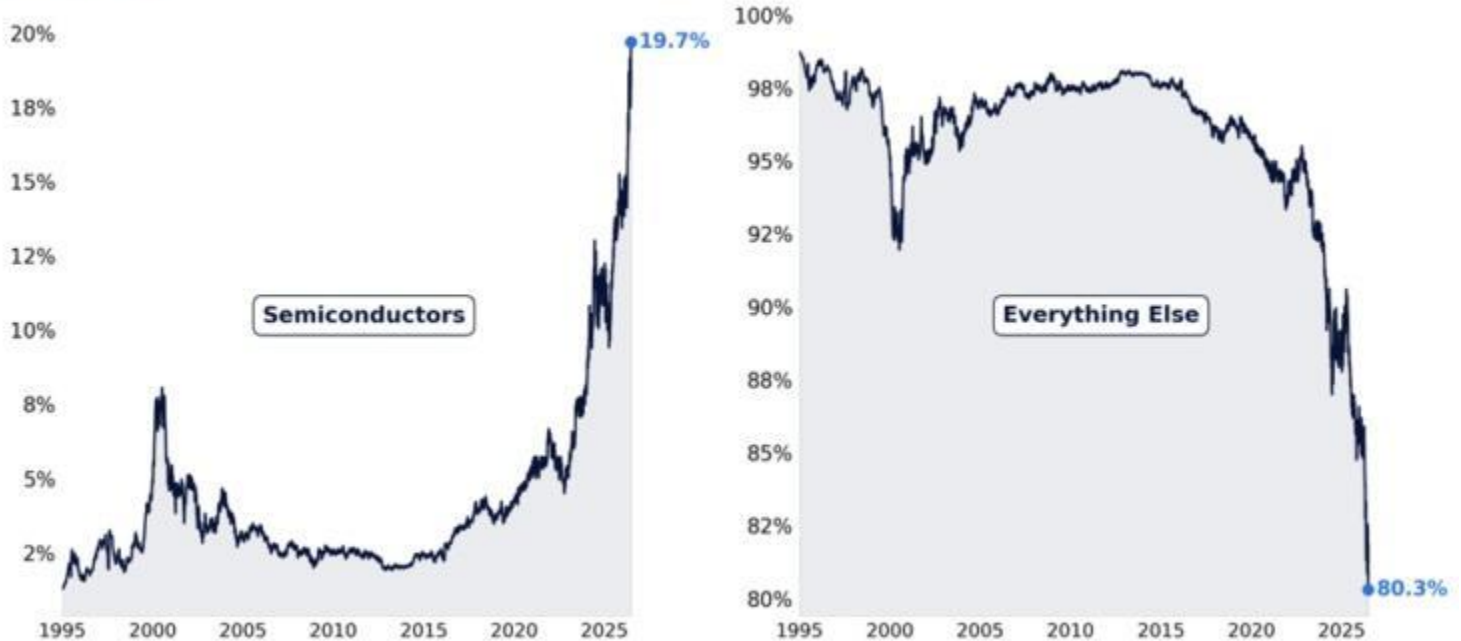
Start with what the headline hides. This was not the whole group falling together. Microsoft is down roughly 22% this year and just closed its worst month since 2000. Meta is off about 14% over six months. Yet *Alphabet* is up around 12%, with Apple and Nvidia also higher. The pain landed on the two heaviest capex builders.

So the market is not indiscriminately dumping the Mag 7 stocks. It is discriminating by spending intensity. The hardest builders took the most pain.

That capital did not leave the market. It rotated. Citadel Securities strategist Scott Rubner notes semiconductors now make up nearly a fifth of the S&P 500. That is the highest share on record, and roughly quadruple their 2020 weight.

Semiconductor Weight in the S&P 500

Since 1995

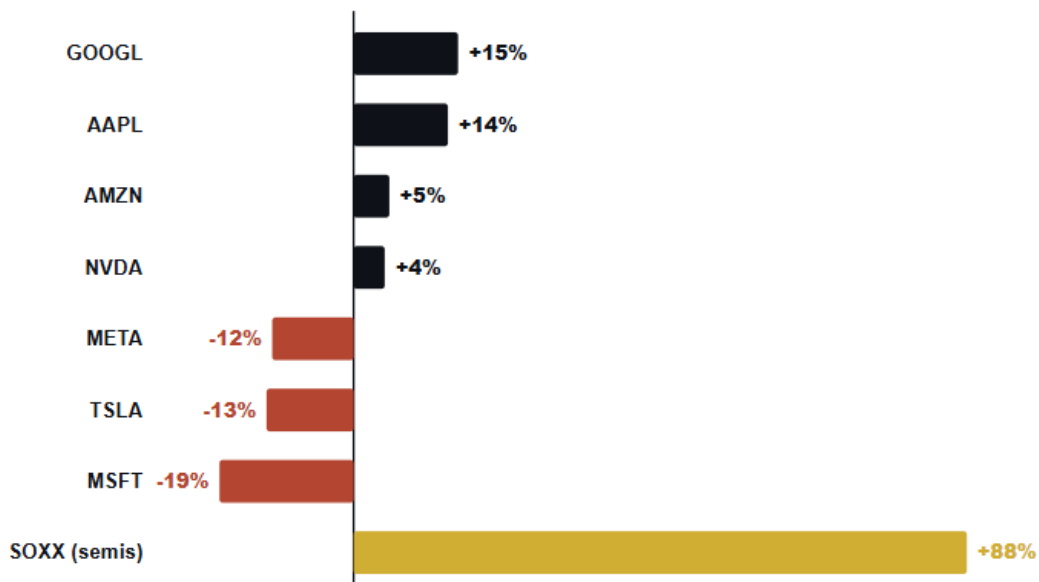


Source: Bloomberg, S&P Global, as compiled by Citadel Securities, GMI, as of June 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

Retail chased it hard. In June, it traded about \$1.9 billion per day in semiconductor options premium, near six times the historical average, mostly in calls. Receivers like Micron ran up more than 200% while the spenders bled. Wedbush's Dan Ives called it a bifurcated tape; the builders dropped into what he termed the "penalty box."

THE LAG 7: IT IS A SPENDER PROBLEM

2026 year-to-date return. Semis shown for contrast.



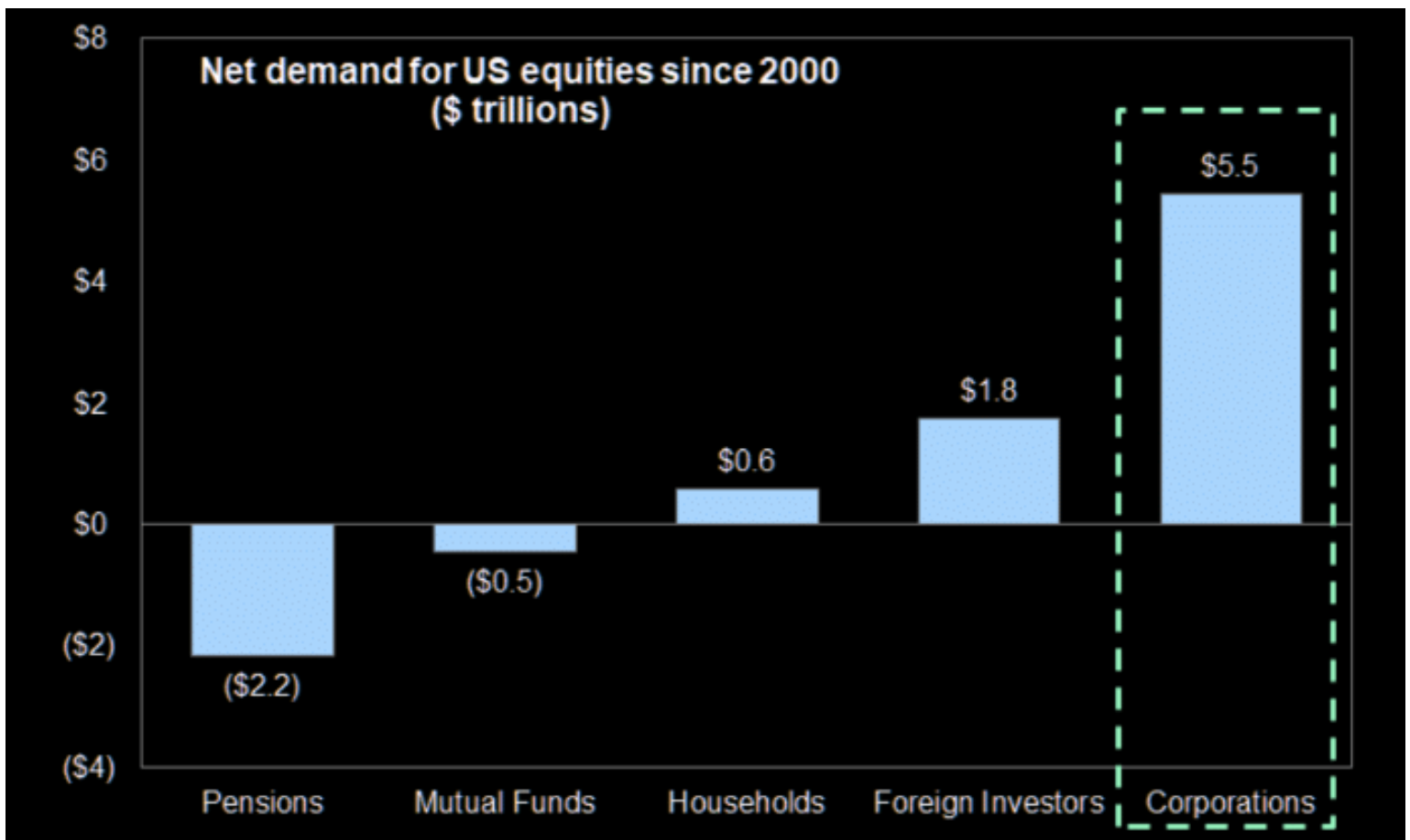
Source: RIA Advisors. Data via Massive Market Data. Year-to-date through July 2, 2026.

The Inconsistency Problem

Here is the inconsistency worth sitting with. For years, no one complained when these companies returned cash through buybacks. A buyback does nothing for the underlying business. At best, it offsets dilution and hands cash back to sellers, who are mostly corporate insiders. The market applauded it anyway, because it inflated asset prices and the market overall.

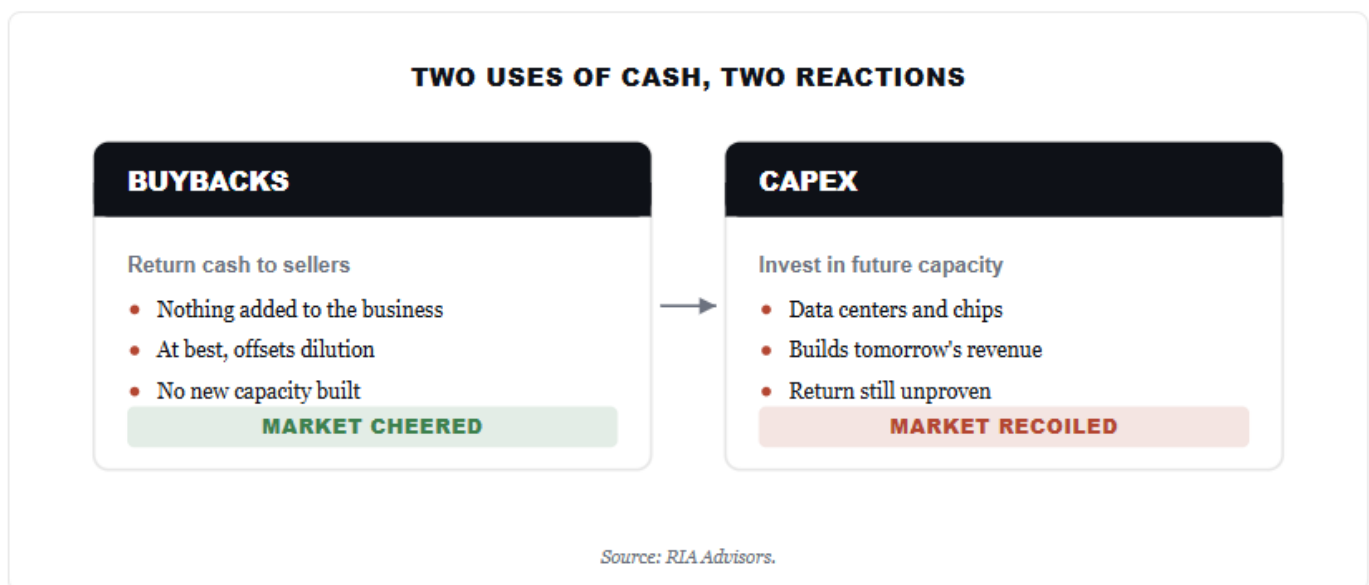
“It is a pretty easy task to see whether or not corporate stock buybacks influence stock prices. As we penned last year, the impact of buybacks extends beyond individual companies. Since 2000, net corporate buybacks have accounted for 100% of the equity market’s net asset purchases—a reflection of the diminished participation from pensions, mutual funds, and individual investors.”

- **Net Flow:** +\$5.2 trillion
- **Pensions & Mutual Funds:** −\$2.7 trillion
- **Households & Foreign Investors:** +\$2.4 trillion
- **Corporations (Buybacks):** +\$5.5 trillion



Now those same companies are directing cash into capacity, the data centers and chips behind AI, more than \$650 billion this year. And the market recoils. That is a psychology problem more than an accounting one. Investors prefer the certainty of a buyback's return to the deferred payoff of an investment. Howard Marks has long argued that the crowd's comfort is usually mispriced. **Aversion to the build phase is where opportunity often hides.**

That said, capex is not automatically good. It creates value only when the return clears the cost of capital. And the AI payoff is genuinely unproven. Ed Yardeni captured the doubt, writing that investors seem to be feeling "AI Fatigue," questioning whether the spending will ever pay off. That skepticism is fair. The real question is whether the market is pricing it or overreacting.



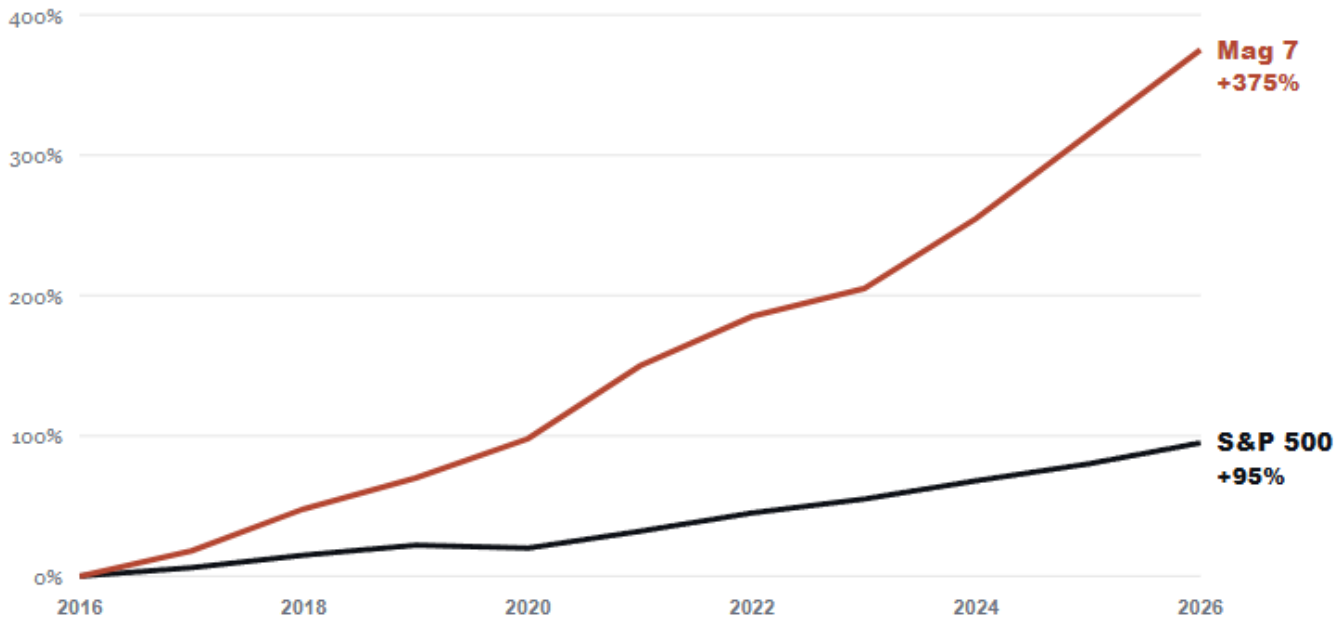
The current fear has a rhyme. From 2016 through 2020, these same names poured cash into data centers to build out the cloud. Investors fretted about margins and runaway spending. That capex converted into the revenue and margin leadership that has defined the market ever since.

The long-run numbers make the point. Since 2016, Mag 7 revenue has grown by close to 375%, compared with roughly 95% for the S&P 500. Earnings echo it. **The group's 2026 growth is tracked near 38%, versus about 19% for the S&P 493.** The gap is narrowing as the index recovers, part of why money rotated away. Even so, the fundamental leadership remains intact. A three-month, flow-driven drawdown does not erase a decade of compounding.

Will the AI build rhyme with the cloud build? That is the honest uncertainty. What the record shows is that the market feared this exact pattern before and was wrong to sell the builders wholesale. We will take up the other side, the risk that heavy spending and slow depreciation are flattering today's reported earnings, in a separate contrarian piece soon.

CUMULATIVE REVENUE GROWTH SINCE 2016

Rebased to 0%. Mag 7 versus S&P 500.



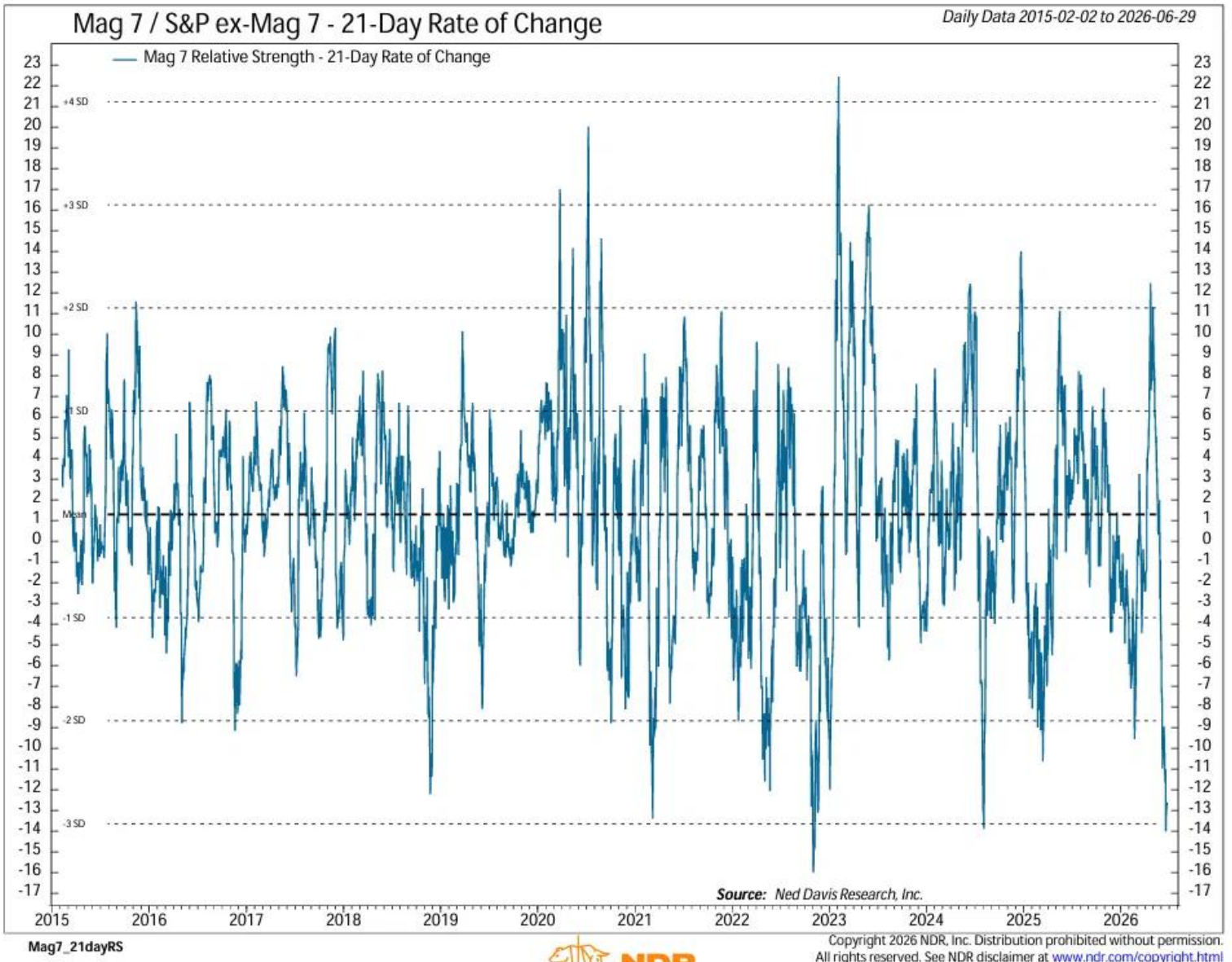
Source: RIA Advisors, company revenue data. Rebased cumulative growth.

Have Mag 7 Stocks Already Repriced The Risk?

This is where the two possibilities meet. If the selloff were only a story, valuations on the Mag 7 stocks would still be stretched. They are not. HSBC strategists Duncan Toms and Max Kettner show the leaders at the low end of their own decade-long forward multiples. Nvidia sits near 20 times forward earnings, close to a 10-year low for the stock. Meta is near 16, Microsoft and Alphabet are near 24. The expensive corner is now the defensive names. Costco, Walmart, and Monster Beverage sit near the top of their ranges.

The cleaner tell is what drove the de-rating. It happened against rising earnings, not falling ones. Meta, Amazon, Microsoft, Nvidia, and Broadcom have all seen trailing multiples fall over the past year because earnings have outpaced share prices. That is not a broken story. It is a repricing.

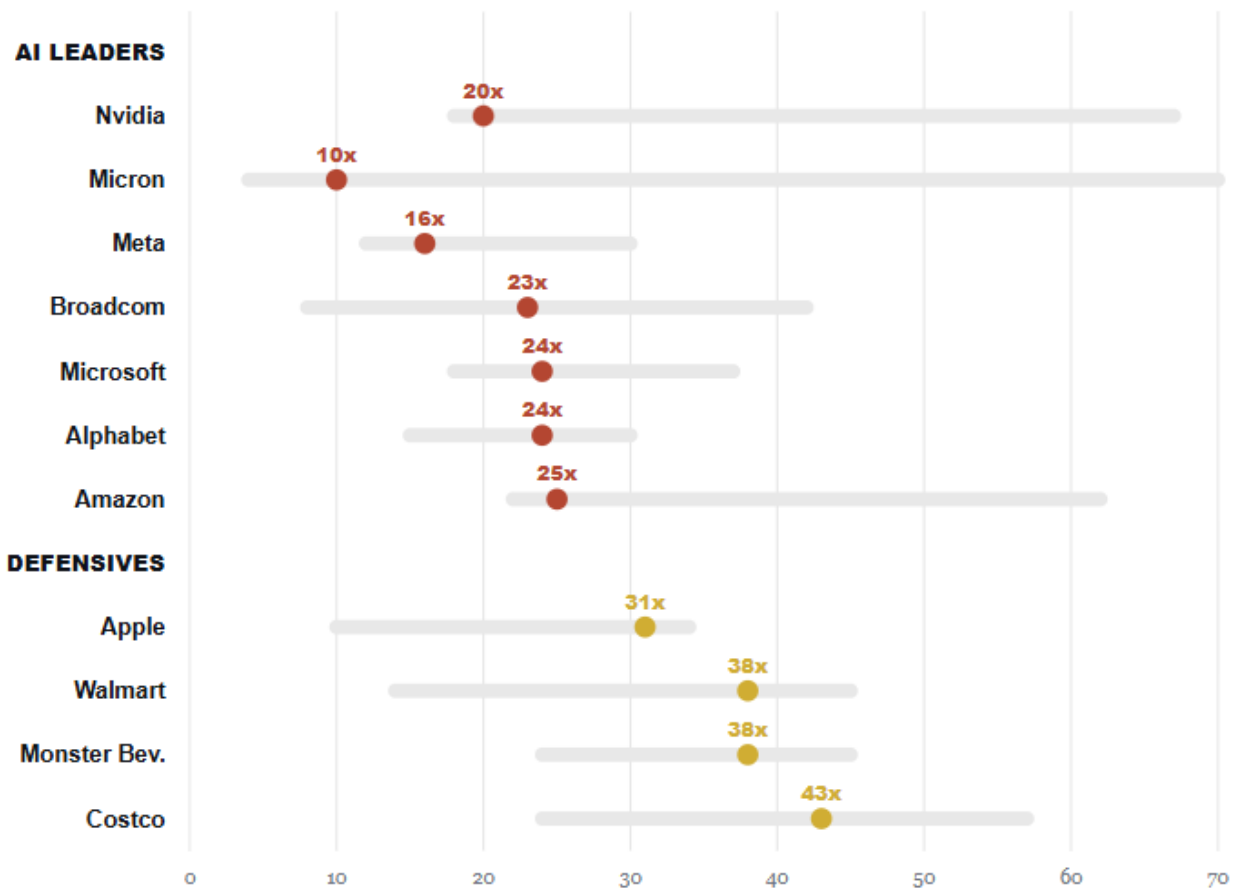
In the short term, the underperformance is stretched to an extreme that few appreciate. Ned Davis Research's 21-day rate of change on Mag 7 relative strength, against the S&P 500 ex-Mag 7, has fallen to roughly three standard deviations below average.



That reading has appeared only a handful of times in eleven years. One caution matters. It measures the speed of the decline, not a floor. So the pace looks unsustainable, but a bounce is not guaranteed. Positioning agrees with Goldman and Morgan Stanley's prime data showing hedge funds near multi-year lows in these names.

THE LEADERS ARE CHEAP, THE DEFENSIVES ARE NOT

12-month forward P/E versus each stock's own 10-year range



Source: RIA Advisors. Concept and range data per HSBC, as of June 24, 2026. Bars show 10-year range, dot = current.

What Should Investors Do Now

Our answer rejects the either/or because both are true in sequence. The first leg was a narrative, capital leaving the spenders to chase semiconductors. But the flows ran far enough that a story-driven decline has repriced the Mag 7 stocks into an opportunity. It is concentrated in the very names that fell the most, Microsoft and Meta.

That is how we are positioned. Last Wednesday, our Sector and Factor Rotation model shifted from a value tilt toward growth. We added mega-cap exposure to the weakness. Net equity exposure barely moved. This is a TACTICAL add, not a verdict that the AI spending debate is over. The exit is defined. If free cash flow and the depreciation catch-up confirm at second-quarter earnings in late July, we sell and move on.

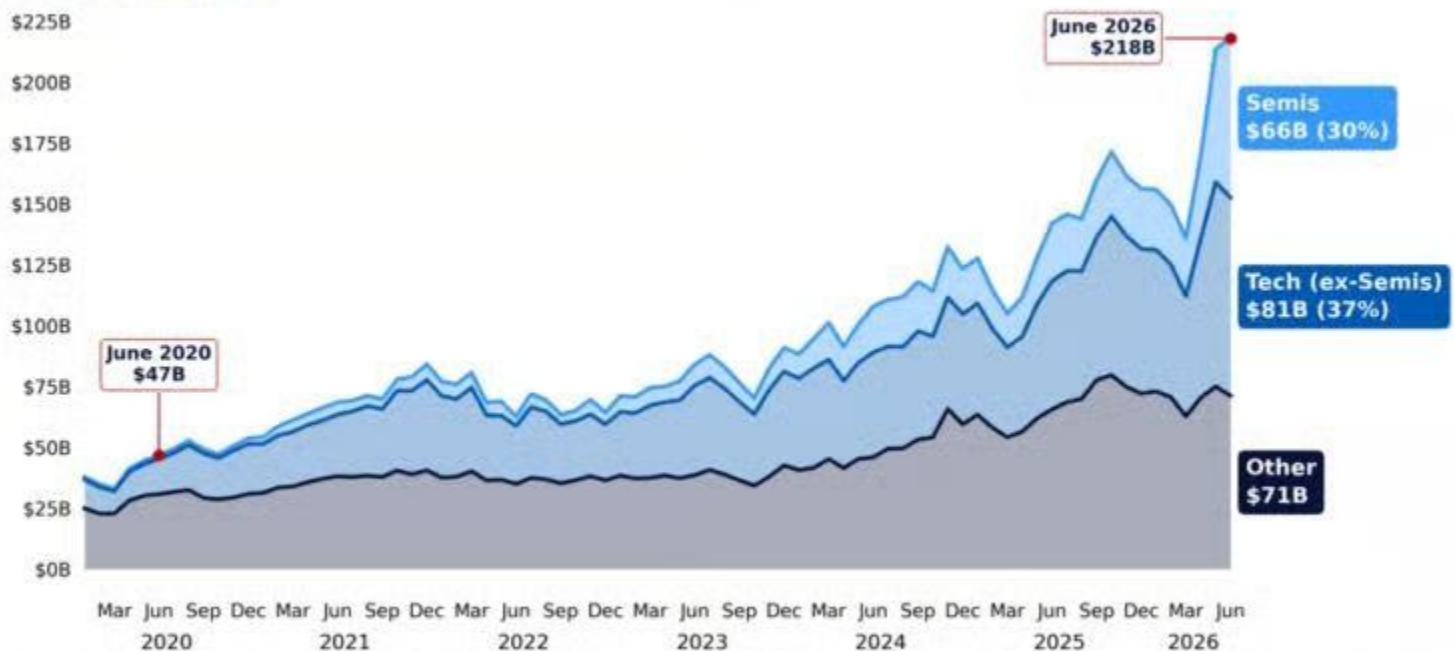
ACTION	WHAT WE DID	WHY	EXIT TRIGGER
Rotation shift	Value tilt to growth, Sector & Factor model (last Wed.)	Model flipped as mega-cap growth became the biggest laggard	Model reverts to value
Tactical add	Added mega-cap exposure, weighted to the spenders	Flow-driven de-rating, not a fundamental break	Q2 capex / FCF concerns confirm
Risk control	Net equity exposure held roughly flat	Trade, not a conviction bet	Position, not a permanent hold

Know the risk on the other side. The semiconductor chase is crowded and heavily levered. Citadel Securities data show leveraged ETF assets at a record high, with semiconductor exposure up about 175% since March. Half of all retail options now expire the same day.

One-month equity financing spreads sit near 138 basis points over the risk-free rate. When a trade is that crowded and levered, the unwind tends to be fast. That is one more reason the rotation back toward the spenders can move quickly.

Leveraged ETF Assets Under Management

Monthly, Since 2020



Source: Citadel Securities, GMI, as of June 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

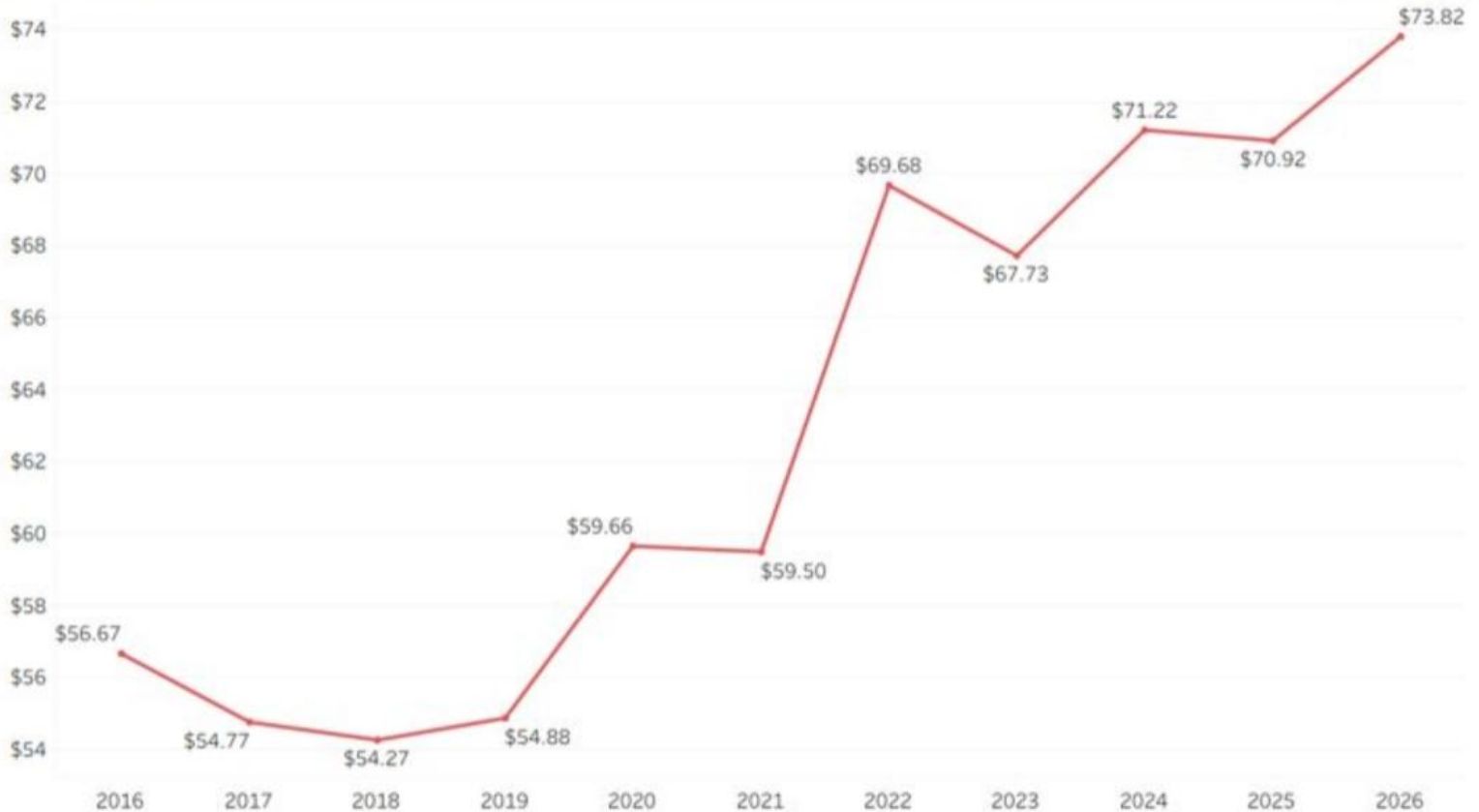
There is a caution on the bull case, too. Nearly every major desk, from BofA and Morgan Stanley to Goldman, JPMorgan, and HSBC, is leaning the same contrarian way. **When everyone agrees a trade is contrarian, it stops being contrarian.** That crowding is the real risk to our own view. It is why we sized this as a trade with a stop, not a conviction position.

As Bob Farrell warned, excesses in one direction tend to invite excesses in the other. The crowd rotated hard into chips. We think the rubber band snaps back toward the Mag 7 stocks, and we will be quickly proven wrong if it does not.

Good Luck Trading...

Firing up the grill this weekend will be more expensive with the cost of a July 4th cookout for 10 people rising to \$73.82, up from \$70.92 last year and \$54.88 pre-Covid

Cost of 4th of July Cookout for 10 People
From 2016 to 2026



Data Source: American Farm Bureau Federation, BLS

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datascience.arborresearch.com

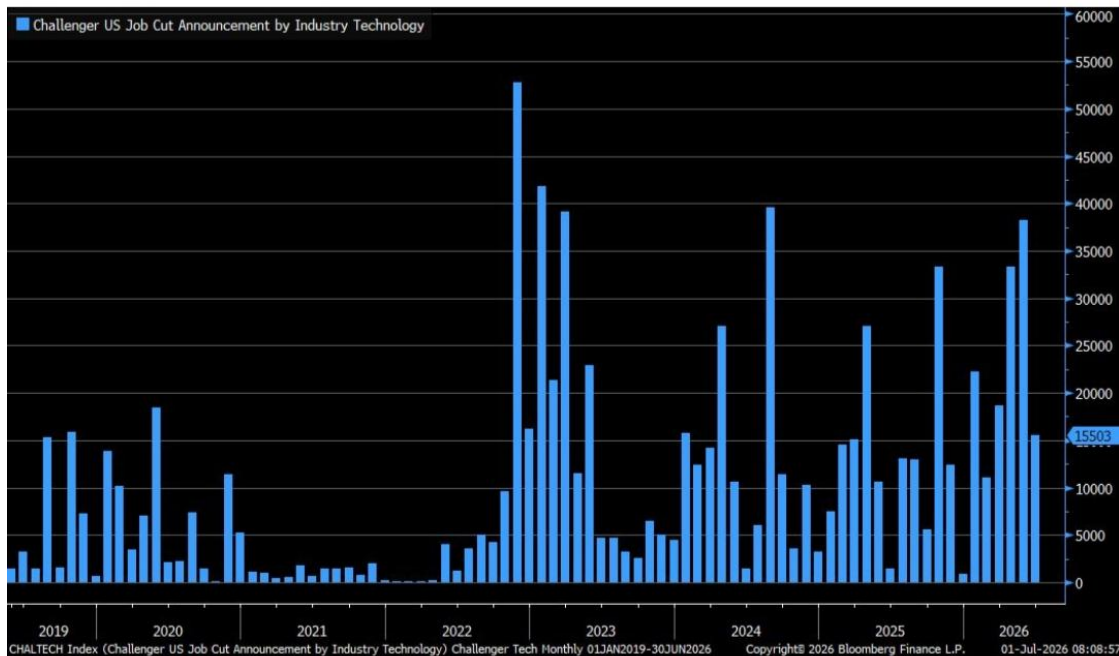
Number of job openings per unemployed workers showed a slight improvement in May, inching up to 1.04 vs. 1.03 prior



Supercore CPI (blue) and PCE (orange) #inflation both continued to rise in May, up +3.7% and +3.9% y/y, respectively...moving further away from Fed's 2% target



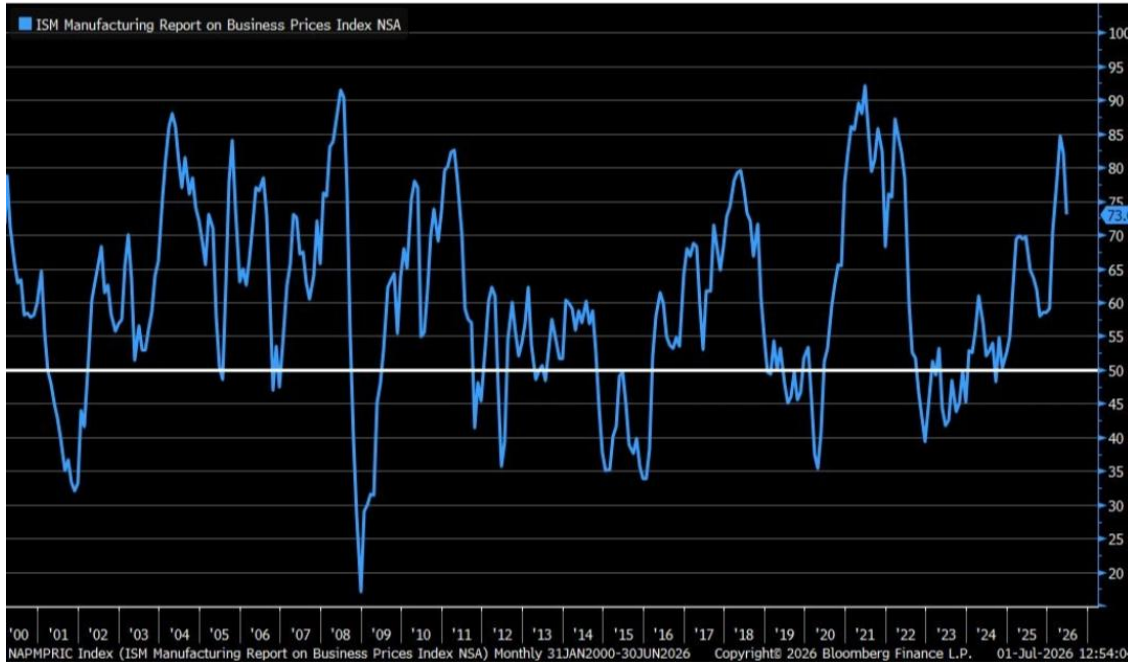
Tech sector announced 15,503 job cuts in June according to Challenger Gray data and accounted for nearly a third of all layoffs so far in 2026, with a year-to-date tally of 139,156



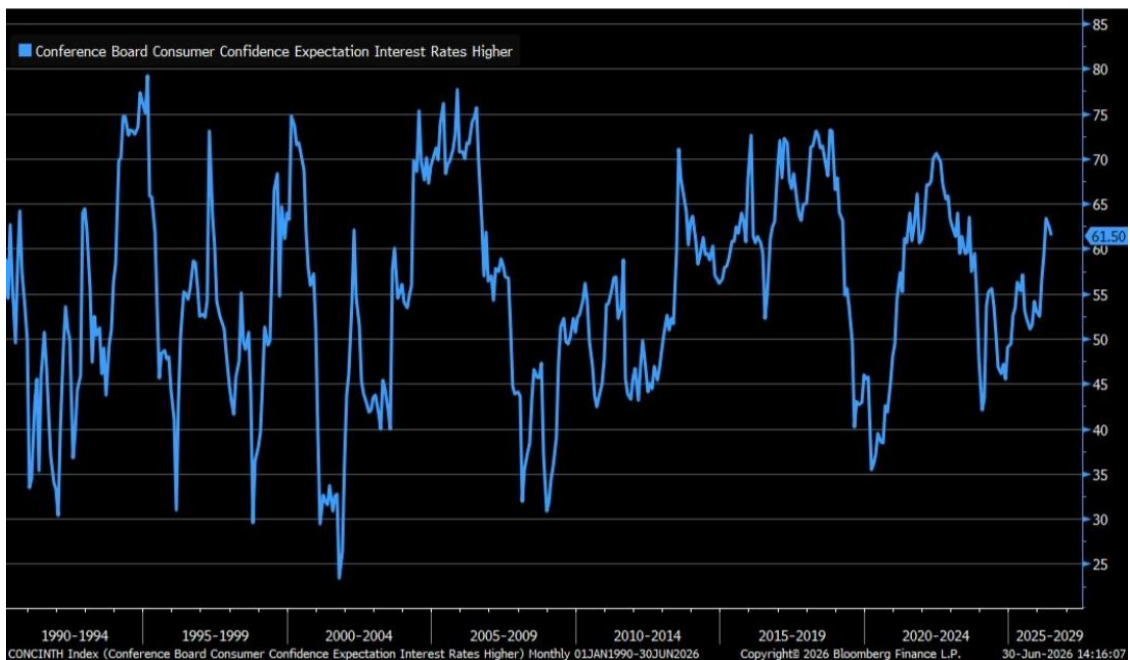
Quits rate remained unchanged at 1.9% in May per latest JOLTS data



Prices paid component of ISM Manufacturing PMI continued to ease in June, falling nine percentage points to 73...largest drop since July 2022



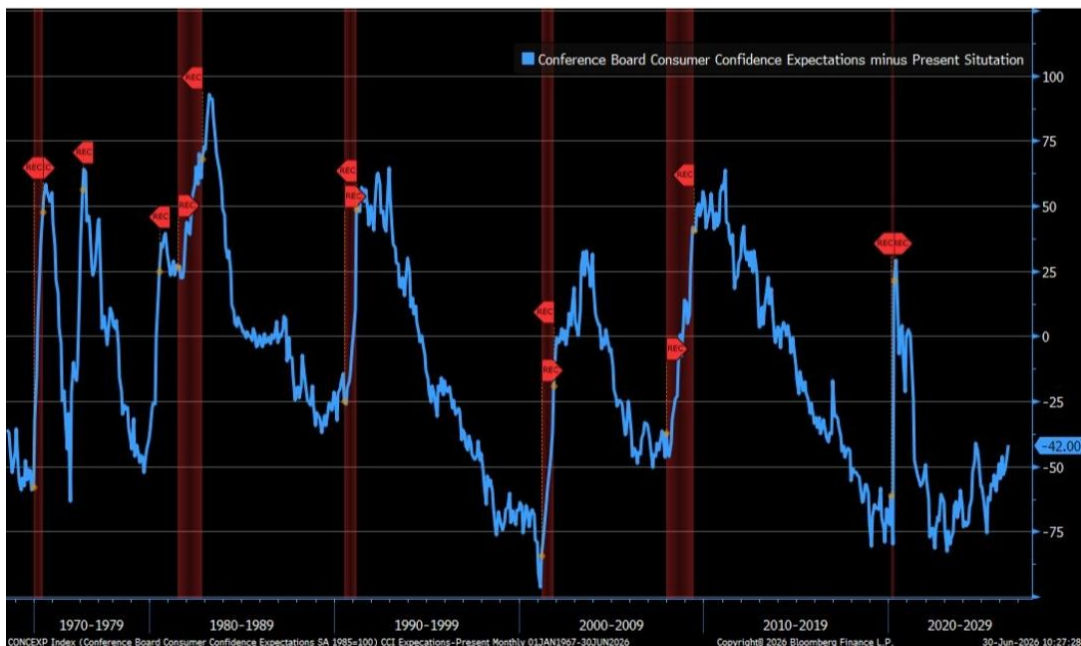
Consumer expectations for higher interest rates over the next 12 months dipped to 62% in June but still remain elevated



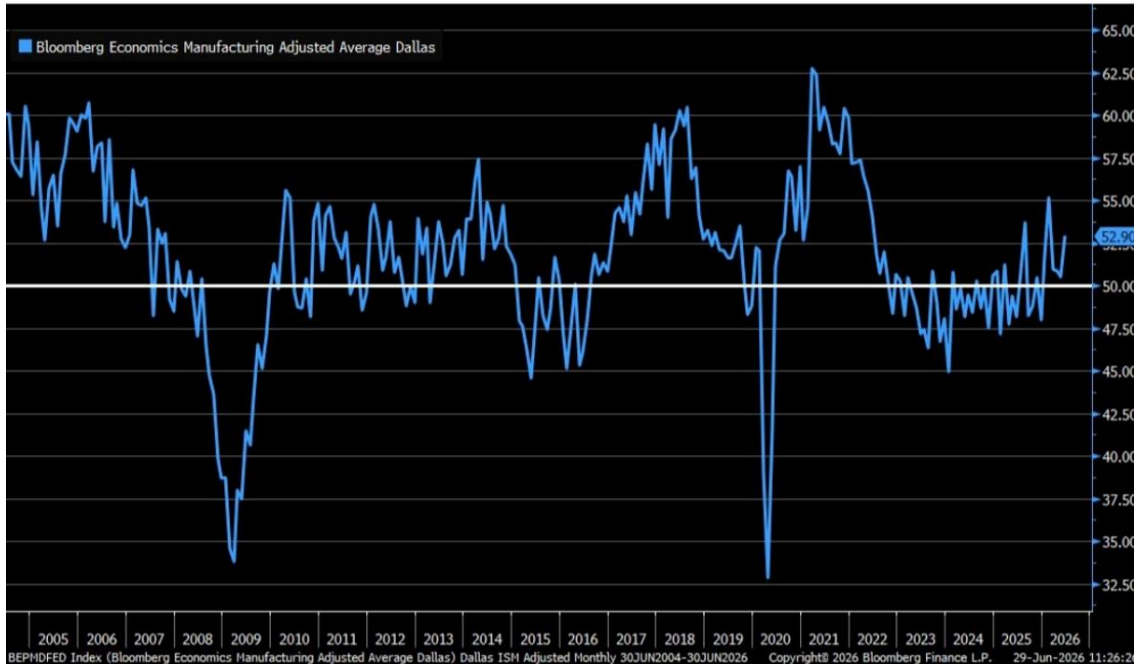
Personal savings rate held steady at +3.0% in May and remained at its lowest level in four years



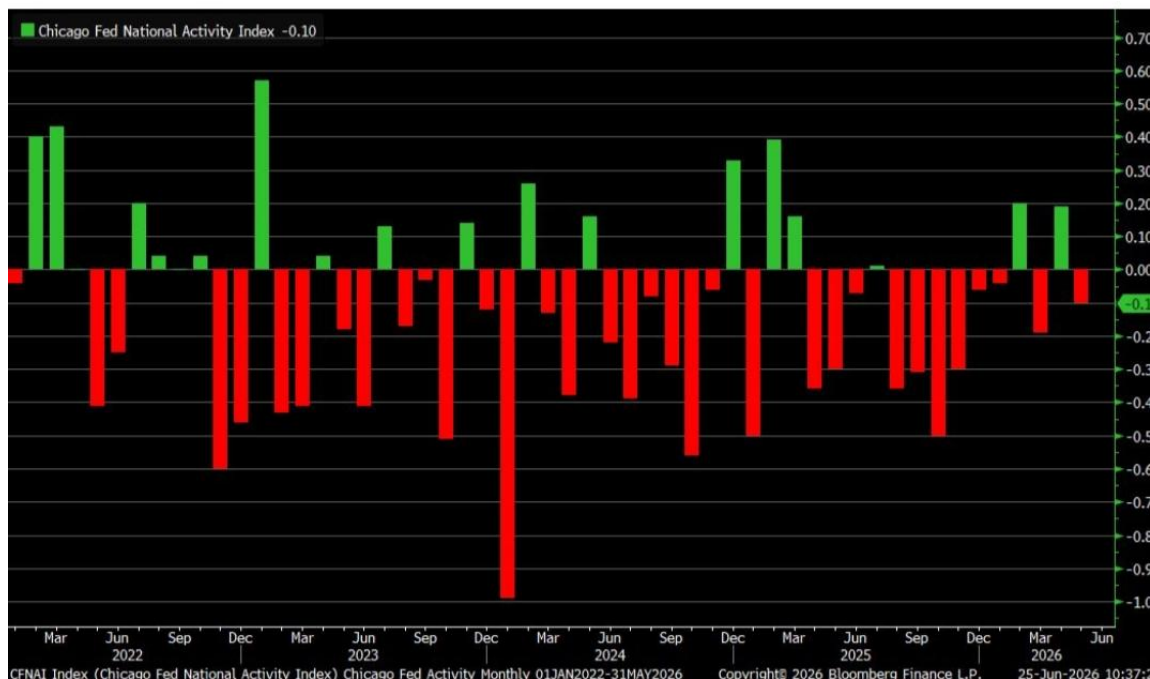
June spread between expectations and present situation components in Conference Board's Consumer Confidence Index moved up to -42.0 vs. -48.0, narrowest since September 2024



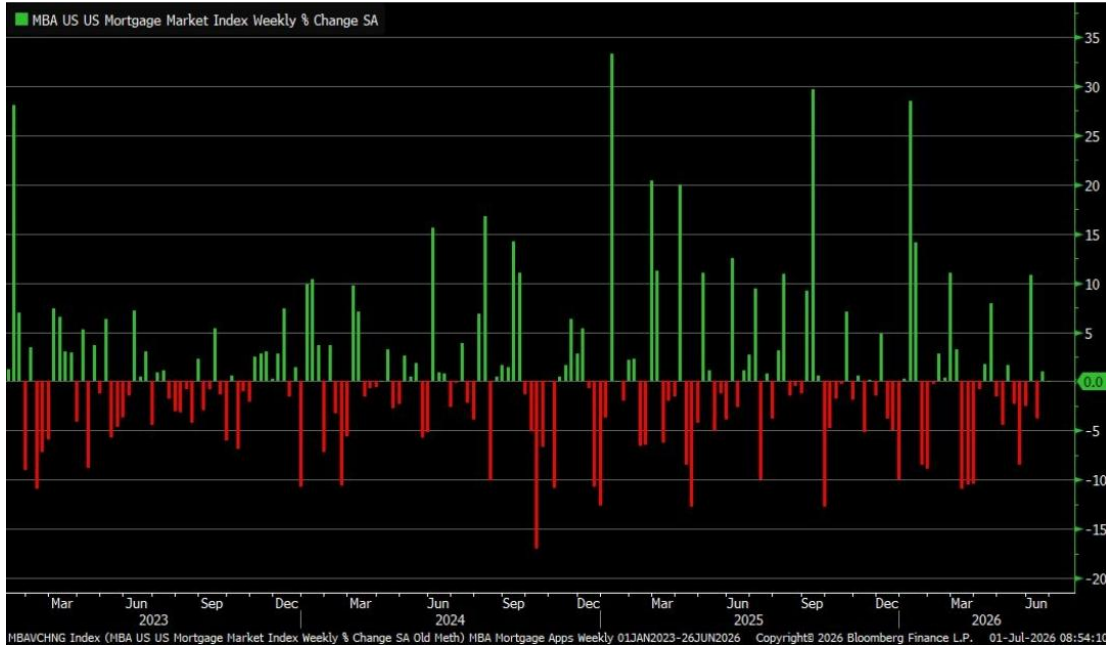
Adjusted for ISM methodology, Dallas Fed Manufacturing Index climbed further into expansion in June



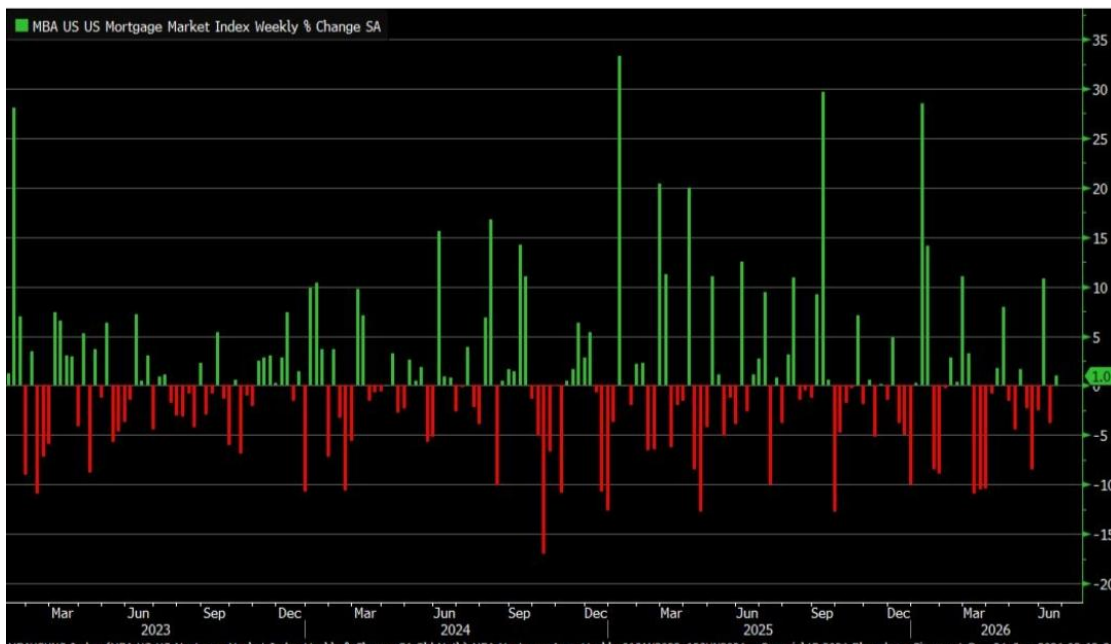
Chicago Fed National Activity Index (gauges overall economic activity and related inflationary pressure) turned negative in May falling to -0.10 vs. +0.19 prior



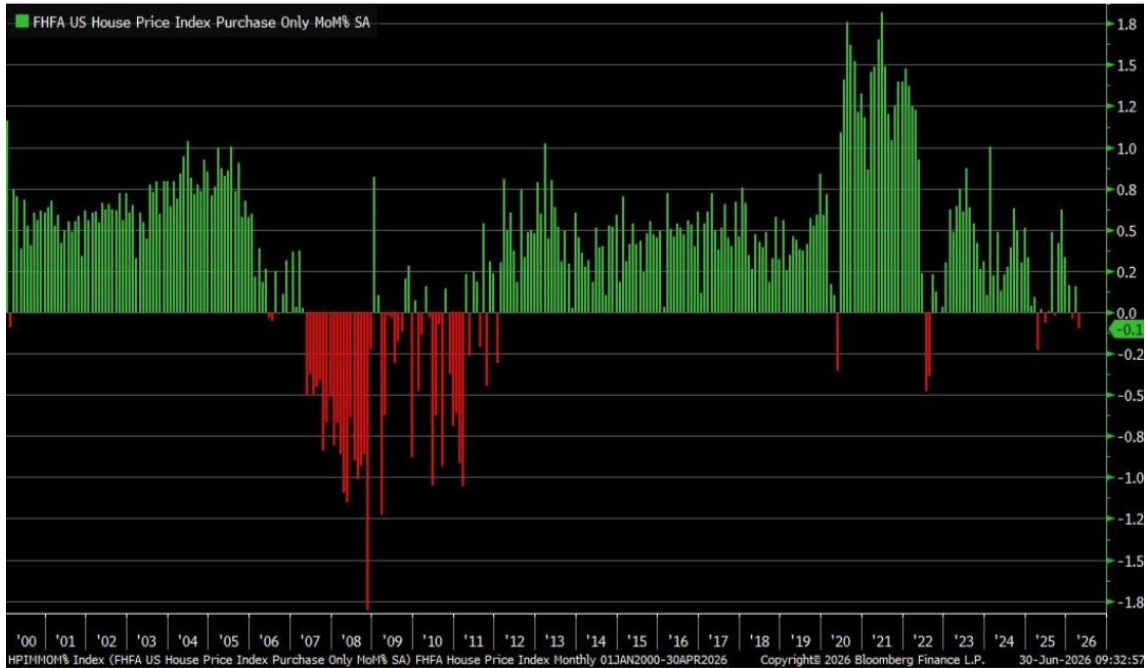
MBA mortgage applications for week ended June 26 flat vs. +1.0% prior...30-year mortgage fell to 6.57% vs. 6.59% prior



Mortgage Bankers Association mortgage applications for week ended June 18 rose +1.0% vs. -3.8% prior...30-year mortgage dipped to 6.59% vs. 6.60% prior



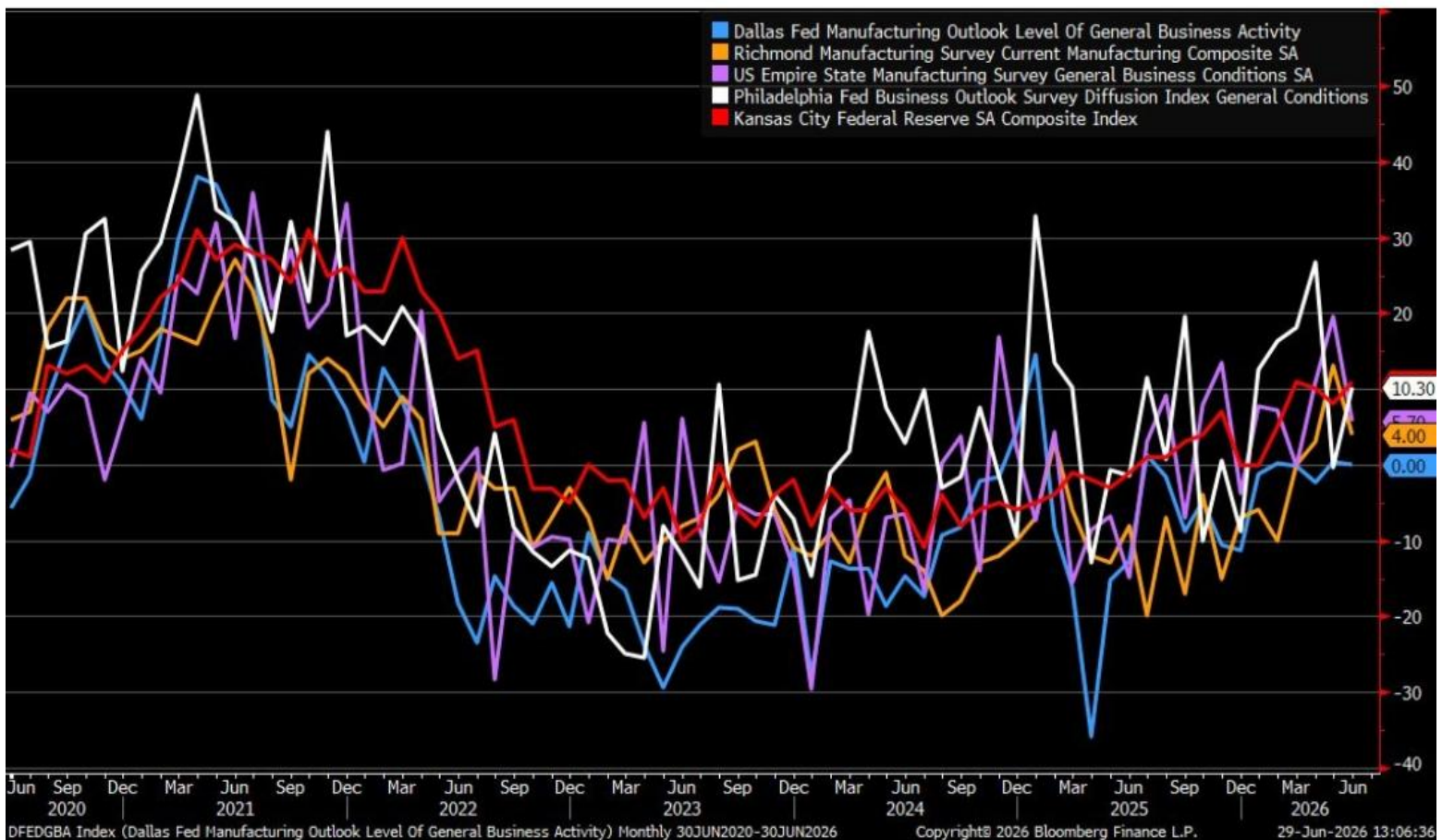
FHFA House Price Index turned negative in April...-0.1% m/m vs. +0.2% prior



May durable goods orders sank -4.4% y/y vs. +19.2% prior and fell into negative territory for the first time since February 2025

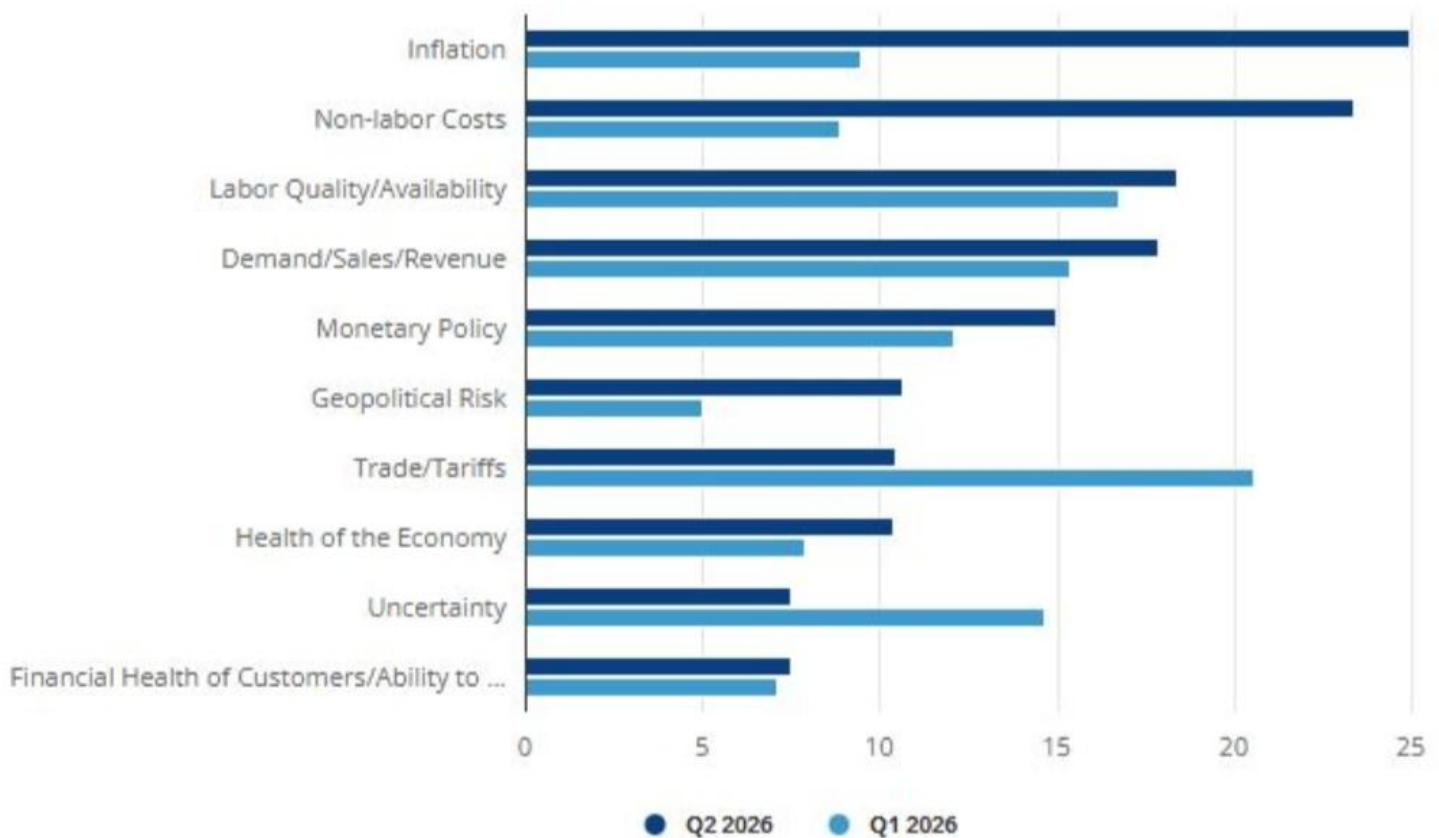


June regional Fed manufacturing gauges were generally positive but soft, suggesting next week's July ISM Manufacturing reading could weaken



Inflation replaced trade/tariffs as most pressing concern in latest CFO Survey followed by non-labor costs and labor quality/availability

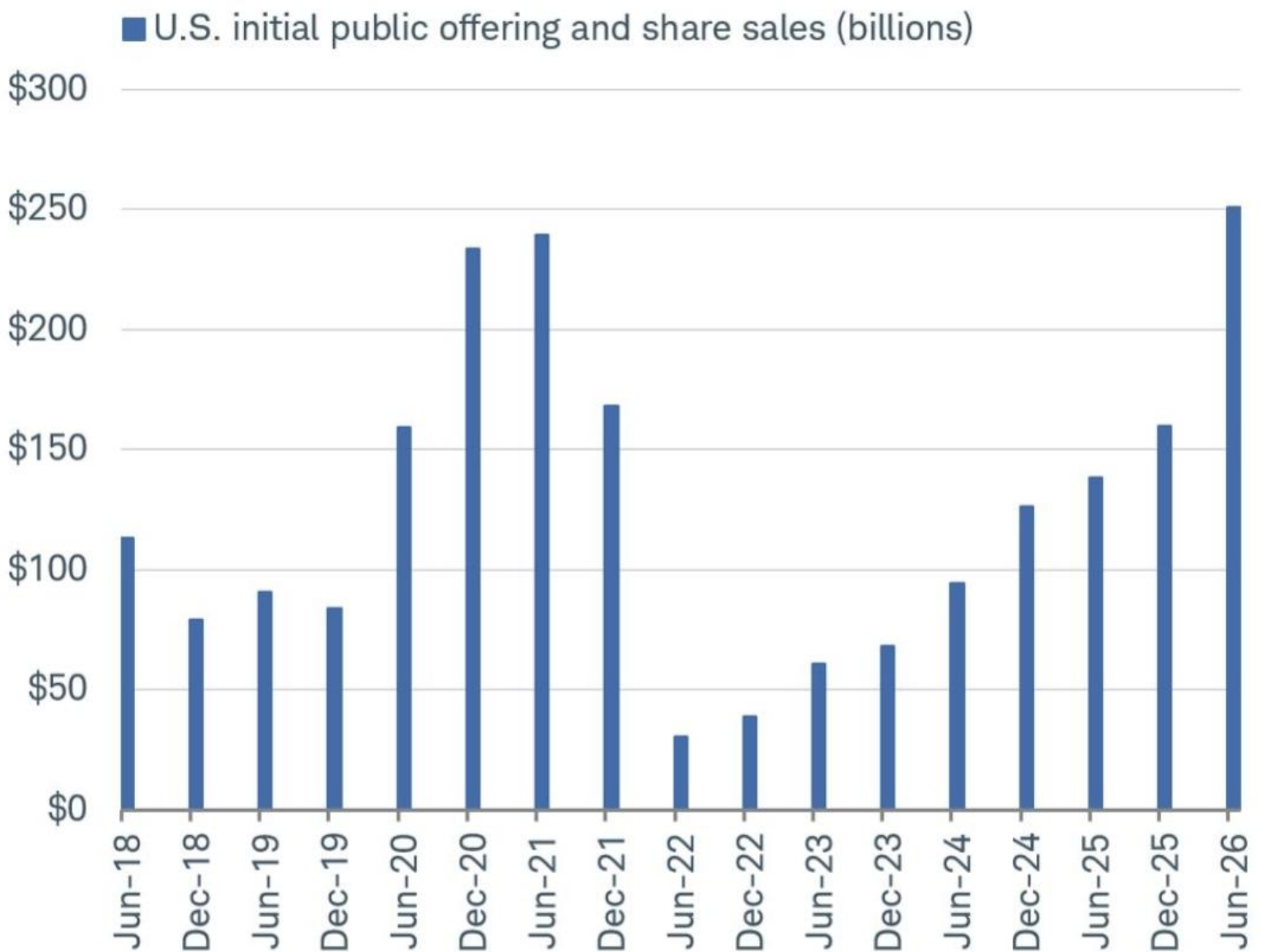
Firms' Most Pressing Concerns



Note: Percentages do not sum to 100 because only the top ten topics (and ties) are shown. Results from the Q1 2026 survey (February 17 - March 5, 2026) are shown for comparison.

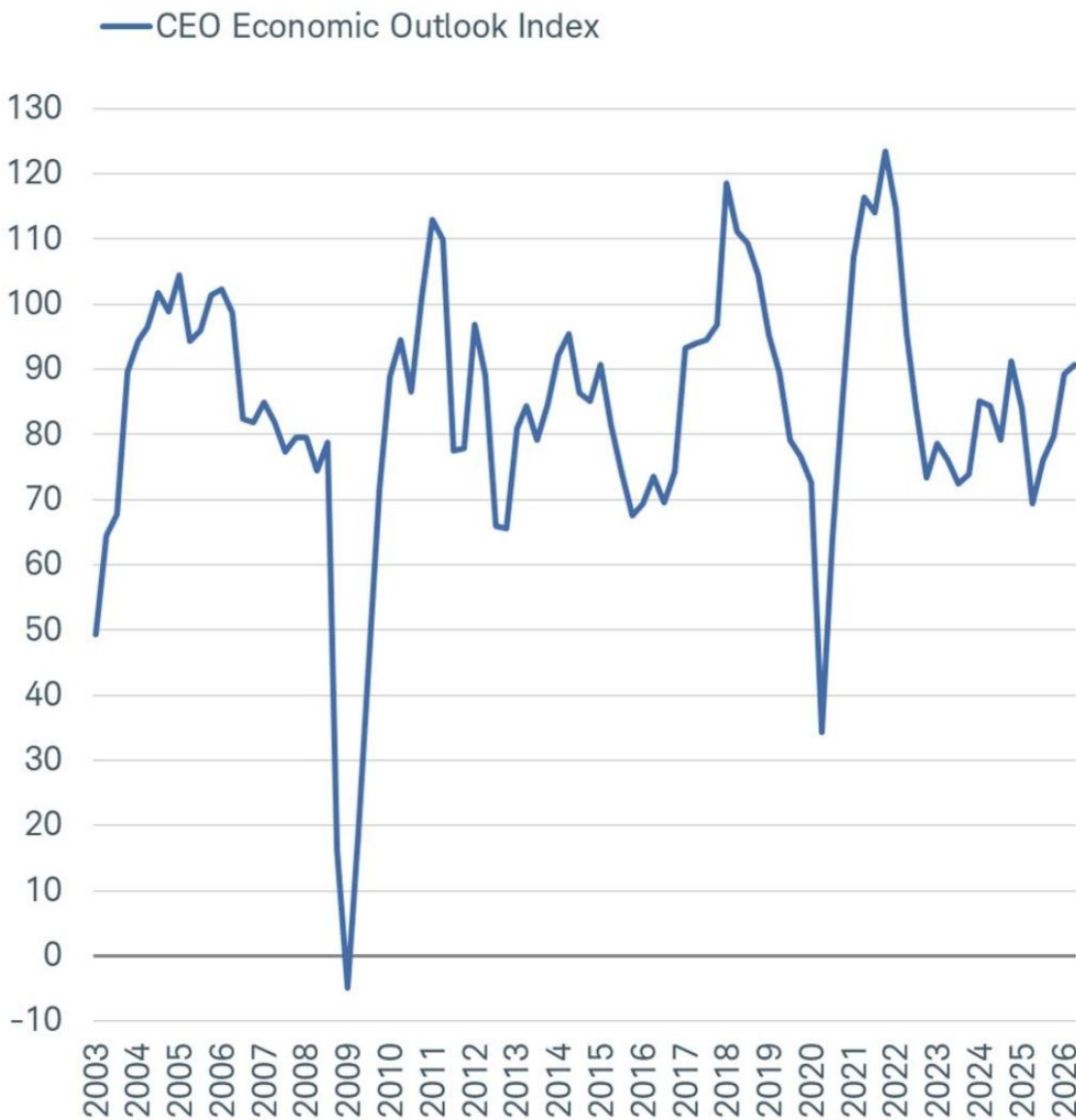
Source: Duke University, FRB Richmond and FRB Atlanta, The CFO Survey - Q2 2026 (May 18 - June 5, 2026)

Through June 26 this year, U.S. IPO and share sales have totaled a record \$251B (excluding blank-check companies and other investment vehicles) per Bloomberg data ... just slightly eclipses high mark seen in first half of 2021



Source: Charles Schwab, Bloomberg, as of 6/29/2026.

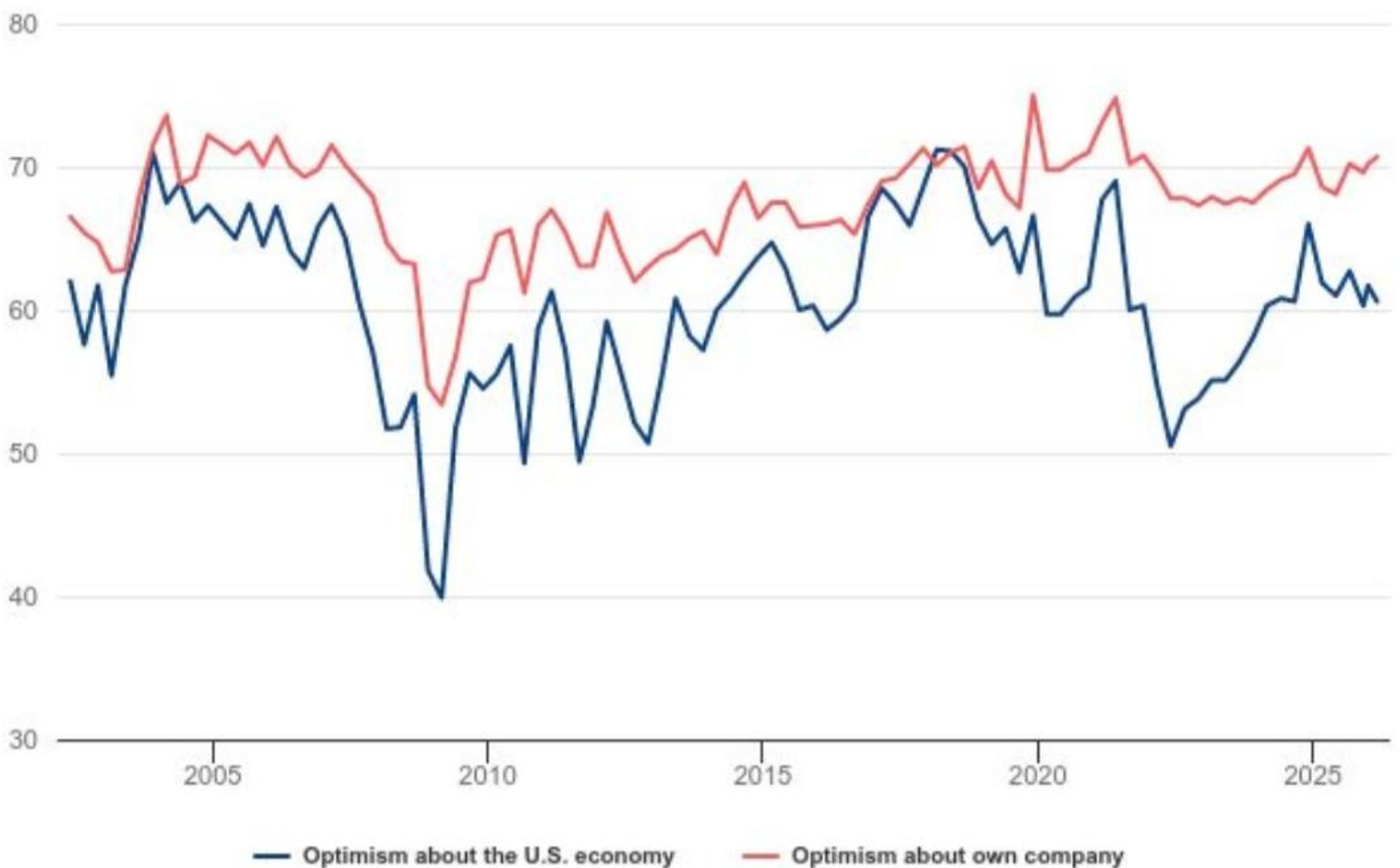
In latest Business Roundtable CEO Economic Outlook Survey, overall index rose two points to 91 in 2Q26, highest since 4Q24 and well above its historic average of 83; plans for hiring 51 vs. 50; plans for capital investment 93 vs. 91; expectations for sales 129 vs. 126



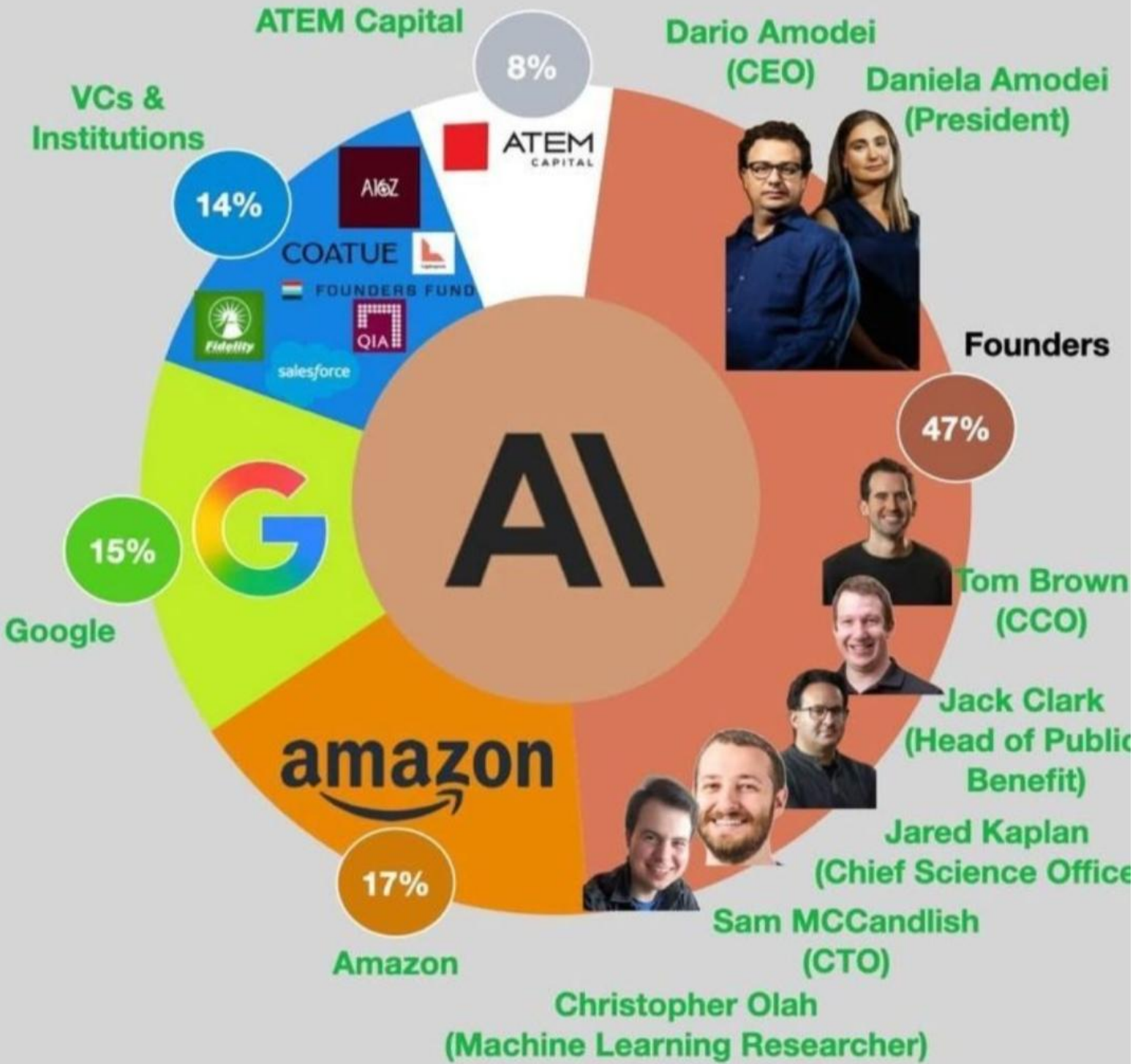
Source: Charles Schwab, Business Roundtable, FactSet, as of 6/17/2026. CEO Economic Outlook Survey is a composite index of CEO plans for capital spending and employment and expectations for sales over the next six months.

CFO optimism about the overall economy (blue) edged lower in 2Q26 amid concerns about inflation and cost pressures, according to survey from Duke University, Richmond Fed, and Atlanta Fed; CFO confidence in their own companies (red) continued to rise

The CFO Survey: Optimism Indexes

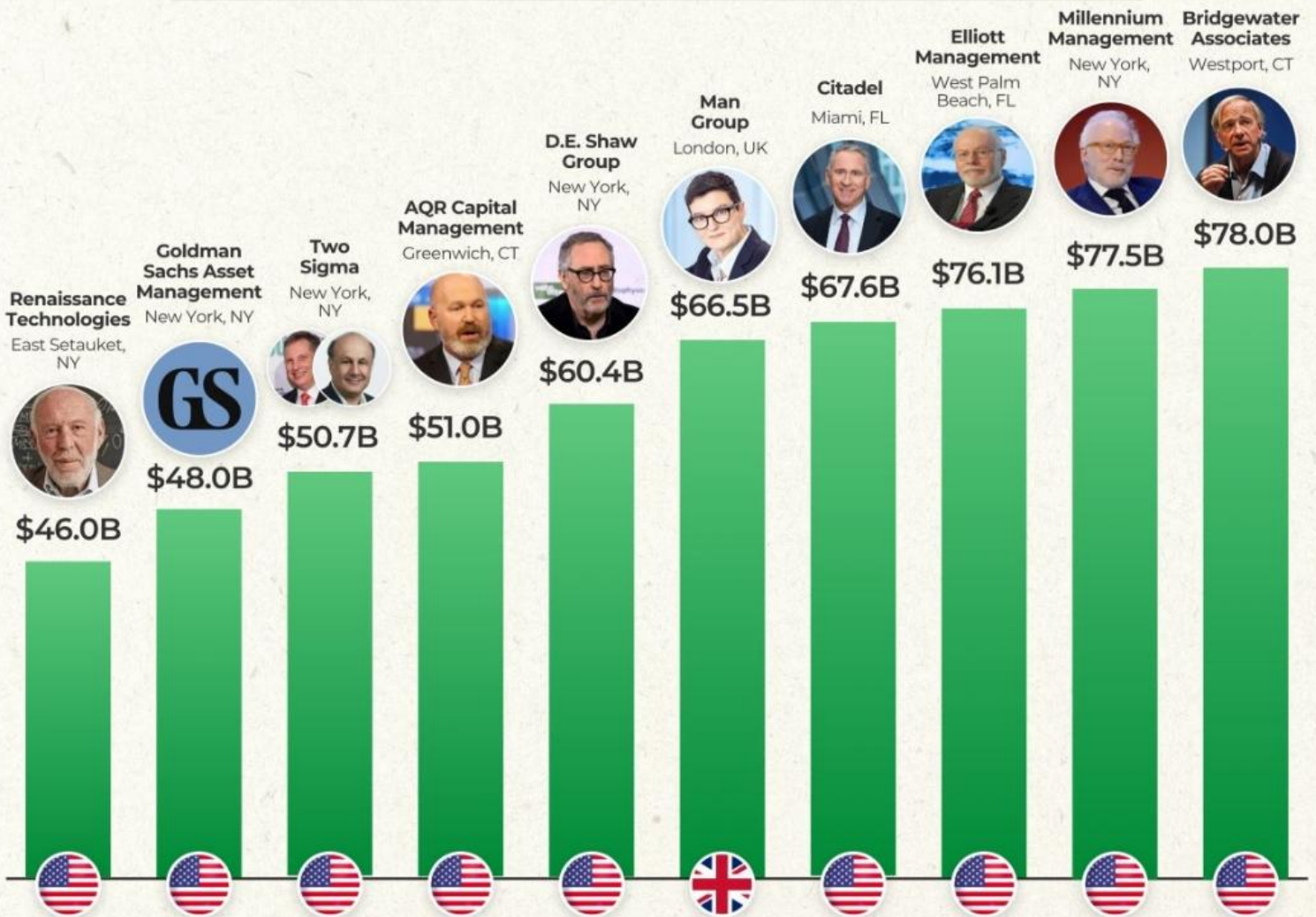


Who owns ANTHROPIC



The World's Largest Hedge Funds

By (AUM) Assets Under Management,
as of June 2025



*Hedge fund strategy AUM only. Excludes non-hedge-fund products.

Source: Pensions & Investments, as of June 2025

Charlie Munger's 5 Rules for a Rich Life

How to build financial independence



1) Invert Always

✗ Ask what builds wealth.

✓ Ask what destroys it.
Then avoid that.



2) Know What You Don't Know

✗ Trade what you think you understand.

✓ Own only what you can deeply explain.



3) Read Something Real Every Day

✗ Consume news and social media.

✓ Read books about how the world works.



4) Avoid Debt That Doesn't Earn

✗ Car loans on depreciating assets.

✓ Debt only for what earns more than it costs.



5) Same Calm for Gains and Losses

✗ Emotions override your system.

✓ The process is the protection.

THE WORLD'S LARGEST RETAILERS

RANKED BY REVENUE

1. WALMART



Walmart

\$648
BILLION

2. AMAZON



amazon

\$574
BILLION

3. COSTCO



COSTCO
WHOLESALE

\$242
BILLION

4. SCHWARZ
GROUP



SCHWARZ



\$175
BILLION

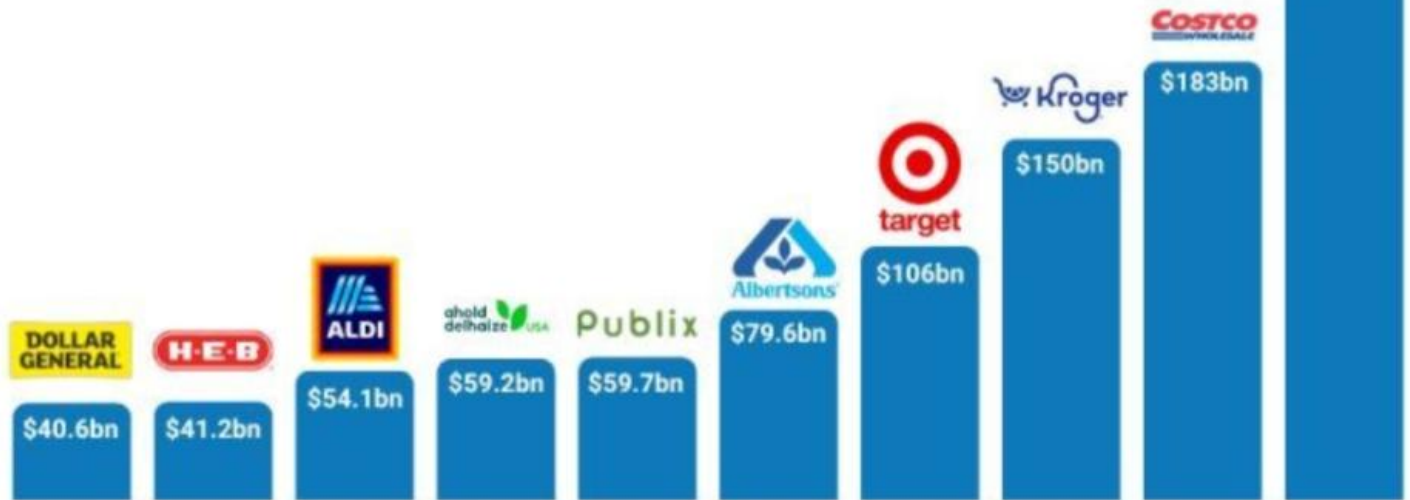
5. ALDI



\$126
BILLION

TOP 10 US GROCERY RETAILERS

BY REVENUE





FORD MUSTANG

— A LEGEND THROUGH TIME —

1965



First Generation

1968



First Generation

1971



First Generation

1986



Third Generation

1999



Fourth Generation

2014



Fifth Generation

2016



Sixth Generation

2020



Sixth Generation (Facelift)

2024



Seventh Generation