7/20/2026

The Week Ahead

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THINGS TO WATCH

Memorandum of Misunderstanding?
Tensions in the Persian Gulf escalated over the weekend as Iran’s Deputy Foreign Minister said the country has suspended its commitments to the memorandum of understanding signed last month with the U.S. On Sunday, U.S. Central Command said it had conducted 9 straight nights of strikes against Iran, as Kuwait and Bahrain reported attacks by Iranian projectiles and commercial shipping in the Strait of Hormuz continued to face disruptions. WTI crude oil ended last week above $82 per barrel, up 20% over the last two weeks.

Alphabet (GOOGL)
Alphabet (GOOGL) reports 2Q26 results after the close on Wednesday. While growth in core Search ad volume is expected to moderate amid intense competition from frontier AI labs, attention will anchor on the sales growth trajectory of its Google Cloud segment. Supercharged by hyper-scale demand for its proprietary TPU computing chips, Cloud revenue is projected to climb over 60% to roughly $22 billion. Investors will focus on management's 2026 capex forecast of $180–$190 billion and the $460 billion remaining performance obligation (RPO) backlog. Analysts will likely probe for details regarding reported internal testing delays for the company's next-generation Gemini 3.5 Pro model.

Moonshot: Echoes of DeepSeek
Investors will keep a close eye on AI infrastructure stocks this week after Chinese startup Moonshot AI triggered a bout of global technology sector volatility last week with the release of its Kimi K3 model. Delivering capabilities that match top-tier U.S. offerings, K3 echoes local competitor DeepSeek by pressuring Silicon Valley’s pricing structures. At an estimated $0.95 per task, Kimi K3 notably undercuts Western alternatives like Anthropic's Claude Fable 5. This aggressive pricing environment could impact the sentiment surrounding AI-related stocks if it prompts U.S. frontier labs to rationalize their capital expenditure spending.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
NFIB Small Business Optimism	97.4	95.8	▲
Consumer Price Index (Y/Y)	3.5%	3.3%	▲
Core Consumer Price Index (Y/Y)	2.6%	2.6%	-
Producer Price Index (Y/Y)	5.5%	4.3%	▲
Retail Sales (M/M)	0.2%	1.7%	▼
U. of Mich. Consumer Sentiment	54.4	49.8	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	52146.42	0.91%	9.43%	19.18%
NASDAQ	25520.25	2.39%	10.16%	22.94%
S&P 500	7457.69	-1.55%	9.62%	19.81%
MSCI EAFE	3144.60	0.21%	9.29%	20.60%
BB U.S. Aggregate	2351.55	0.08%	0.29%	4.32%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	3.79%	3.75%	4.34%
10-Year Treasury	4.55%	4.49%	4.45%

REPORTS DUE THIS WEEK	LATEST
S&P Global U.S. Manufacturing PMI	53.9
S&P Global U.S. Services PMI	51.2
Continuing Jobless Claims (Thousands)	1,805
New Home Sales (Thousands Ann.)	580
Building Permits (Millions Ann.)	1.37

Total returns are as of 7/17/26. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

$3.86 per gallon

The AAA national average price for a gallon of gasoline at U.S. retail locations has wavered between $3.79 and $3.99 in the first 17 days of July, with an average price of $3.86. This is down about 9% from a daily average price of $4.22 per gallon in the second quarter. Lower prices at the pump have likely eased pressure on household budgets and contributed to the University of Michigan’s gauge of consumer sentiment for July recording a five-month high of 54.4 last week.

$50 billion

Last week, Meta Platforms (META) confirmed plans to expand its under-construction data center in Richland Parish, Louisiana, to produce up to 5 gigawatts of computing capacity at a total cost of $50 billion. The expanded data center will reportedly require ten new Entergy Louisiana power plants to satisfy its power needs. META expects the facility’s construction will create about 7,500 new jobs.

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