Wealth Management

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The Markets

The rally continues.

A lot of factors influence the United States stock market, including economic trends, market sentiment, and government and Federal Reserve (Fed) policies. However, many investors consider earnings, which reveal how profitable a company is after paying expenses, one of the most important indicators of company and market health.

Companies have been more profitable than analysts expected.

In 2026, most companies in the Standard & Poor's (S&P) 500 Index have delivered higher-than-expected profits. John Butters of FactSet reported:

- From January through March 2026, overall S&P 500 earnings grew 28.6 percent year over year, and 85 percent of companies in the Index reported higher-than-expected earnings.

- From April through June 2026, overall earnings grew 50.4 percent year over year. Much of that resulted from unusually large earnings at two of the largest companies in the Index. When they're excluded, growth was still 32 percent year over year.

Analysts expect profits to keep growing in 2026.

The pace of hiring and wage growth has slowed.

The availability of jobs and the size of paychecks shape how Americans feel and how they spend. That's important because consumer spending is a primary driver of economic growth in the United States.

- The number of new jobs needed to maintain full employment is uncertain because it depends on immigration numbers. Last year, Alexander Bick of the Federal Reserve Bank of St. Louis explained that immigration "is a significant source of labor for the U.S. economy." He estimated that much lower immigration projections had cut the optimal number of jobs from more than 150,000 a month to a range of 32,000 to 82,000. His newest estimate is 15,000 to 87,000.

  Last week, the Bureau of Labor Statistics (BLS) reported that unemployment remains low by historical standards, even though job growth remains modest. Employers cut 23,000 jobs in July and just 34,000 jobs a month were added, on average, over the last year. That pace falls within Bick's breakeven range, which helps explain why unemployment has stayed low even as hiring slowed.

- The report also showed average hourly pay rose 3.2 percent over the year through July 2026. Inflation eased some over that period, slowing to 3.5 percent in June from 4.2 percent a month earlier. Even so, wages have not kept pace with prices.

For now, strong earnings are carrying the market, hiring is slowing without stalling, and inflation is cooling even if paychecks have yet to catch up.

Last week, major U.S. stock indexes gained. Yields on longer maturities of U.S. Treasuries moved lower after the weaker-then-expected employment report raised "fresh concerns about the labor market while dimming the immediate outlook for higher Fed interest rates," reported Yun Lee, Sean Conlon, and High Leasak of CNBC.

Data as of 8/7/26	**1-Week**	**YTD**	**1-Year**	**3-Year**	**5-Year**	**10-Year**
Standard & Poor's 500 Index	3.6%	13.3%	22.4%	19.7%	11.9%	13.5%
Dow Jones Global ex-U.S. Index	1.8	13.6	24.1	15.9	6.2	6.9
10-year Treasury Note (yield only)	4.7	N/A	4.2	4.1	1.3	1.6
S&P GSCI Gold Index	7.1	1.4	27.4	30.7	20.6	12.6
Bloomberg Commodity Index	-0.2	20.1	30.8	7.6	7.2	4.6

S&P 500, Dow Jones Global ex-US, S&P GSCI Gold Index, Bloomberg Commodity Index returns exclude reinvested dividends. The three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.
Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury.
Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

WHAT DO YOU KNOW ABOUT BACK-TO-SCHOOL TIME? The shock of an early alarm after sleeping in all summer, the smell of old textbooks, and that fluttery mix of dread and excitement about who you'd sit next to in homeroom. Whether your first day of the new school year involved a chalkboard, an overhead projector, or a smartboard, one thing united many of us: the sensory overload of a crowded school hallway as everyone caught up after a few weeks off. With the school buses rolling out again, it is the perfect time for a pop quiz. This quiz won't be graded, there's no permanent record, and you absolutely do not need a calculator.

1. According to the Merriam Webster Dictionary, the English word "school" traces back to the ancient Greek word "scholē." Somewhat ironically, what did that original Greek word mean?
   a. A place of gathering
   b. Leisure time
   c. Strict discipline
   d. The pursuit of wisdom

2. According to a 2025 AdoptAClassroom.org survey, about how much of their own money did the average U.S. teacher spend on classroom supplies during the 2024–25 school year?
   a. About $300
   b. About $550
   c. About $895
   d. About $1,500

3. Recognized by the Guinness Book of World Records as the "oldest existing and continually operating educational institution in the world", the University of Karueein was established in 859 AD. Where is the university located?
   a. Bologna, Italy
   b. Oxford, England
   c. Fez, Morocco
   d. Athens, Greece

4. In 1939, school transportation officials met to establish "national construction standards for the American school bus," reported Bryan Greene of Smithsonian Magazine. Today, most U.S. school buses are painted the same color, which is officially known as "National School Bus Glossy Yellow." What was the main reason this particular shade was chosen?
   a. It contrasts sharply with red stop signs and traffic signals
   b. It's an easy color for the human eye to see
   c. It resists fading and hides road dirt better than darker colors
   d. It matched the color already used on U.S. postal and government vehicles

Whether you aced every question or found a few to be challenging, we hope this quiz brought a smile to your day. Any time you have questions about financial matters, please get in touch.

WEEKLY FOCUS – THINK ABOUT IT
"An investment in knowledge pays the best interest."
— *Benjamin Franklin, Founding Father, scientist, and inventor*

Answers: 1) b; 2) c; 3) c; 4) b

Best regards,

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- This newsletter was prepared by Carson Coaching. Carson Coaching is not affiliated with the named firm or broker/dealer.
- Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
- Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
- The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
- All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM.
- The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
- Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
- Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
- Past performance does not guarantee future results. Investing involves risk, including loss of principal.
- The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.
- There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
- Asset allocation does not ensure a profit or protect against a loss.
- Consult your financial professional before making any investment decision.
- To unsubscribe from our weekly commentary please reply to this email with "Please remove me from your weekly commentary" in the subject line.

Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

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