Chris Hyzy: This is Chris Hyzy, Chief Investment Officer for the market update for July 14th. Almost the halfway point already of the month. Two important catalysts this week that are being unfolding and developing really right out of the gates and that's first and foremost inflation. Inflation readings led by the consumer price index will be out tomorrow on Tuesday, July 15th. We'll see CPI year over year, also the core CPI, ex-food and energy. And then right after that, literally on July 16th, we get producer price index in the same ilk overall.

We also get industrial production, manufacturing production, capacity utilization. The Fed releases this page book and there's also retail sales later this week. So, a lot of economic data. We do believe that some of the data will be noisy but the word of the week for inflation is muted. That's what we believe you'll see coming out of the overall readings taken together and that should support one of the catalysts that breaks us out of this range type of close to all-time high trade on the S&P 500.

A couple of other areas of emphasis continue to be earnings, earnings, earnings. That happens also this week with the financials and then it kicks off well into consumer discretionary and then technology in the next couple of weeks. Those areas we expect better than expected increases in growth and projections on a go-forward basis. So, inflation muted and better than expected earnings are two catalysts to point to that break this range bound trade that we've been in over the last week and a half or so.

Those are very, very short-term ways to think about directions in the market. The longer-term basis is all about capital investment and we continue to see a CapEx boom unfolding the latter part of this year into 2026 and 2027, supporting our bullish thesis overall.

One also point to watch is credit spreads continue to remain tame, oil prices low and still below the $70.00 a barrel. Gold prices at this point taking a breather from the strong rally it had to begin the year. Non-U.S. markets overall continue to have a wrestling match with the U.S. now that tech is back into the leadership position in the United States but still a weaker dollar is supporting higher exposures over to non-dollar assets overall.

One final point is the upcoming Fed meetings with bullish and tame or muted inflation readings. It is expected to see the market start to discount that the Fed may actually cut this year in tune with the Fed funds futures market which is about two cuts that they are expecting. We are still carrying zero for this year according to our BofA global research economics team but again there is the risk that with tame inflation there could be an adjustment downside on short rates overall.

Long rates remain sticky at current levels perhaps a little bit of a drift higher on the basis of better than expected growth in the economy but overall, a bear steepening which is basically rates going up a little bit together. The longer end going up a little bit more than the shorter end until the Fed actually re-engineers cuts one more time.

That will do it for today. Thanks for listening.

Operator: Please see important disclosures provided on this page.

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