WEST SHORE BANK

WEEKLY RECAP - July 13, 2026

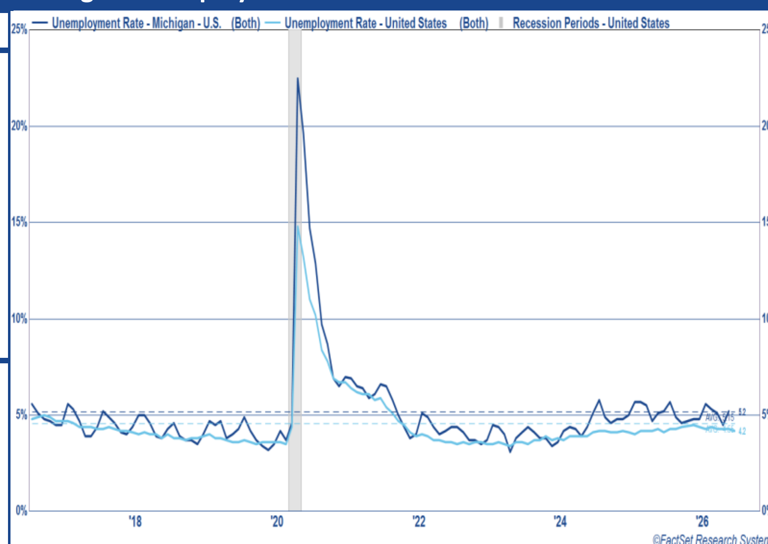
Economic & Market Commentary

Equity markets finished the week mixed, while bond prices declined as yields moved modestly higher. Investor focus remained centered on geopolitical developments in the Middle East, shifting market leadership, and the beginning of second quarter earnings season. After experiencing periods of rotation and profit-taking in recent weeks, technology and AI-related companies once again attracted investor attention. The AI narrative regained momentum following several positive headlines that renewed investor enthusiasm for the sector. Geopolitical developments also re-emerged as a meaningful driver of market behavior. The Iran conflict moved back into focus after additional military exchanges, effectively eliminating hopes that the recently announced memorandum of understanding would lead to a lasting de-escalation. Despite the renewed tensions, market reaction remained relatively measured, as expectations for a return to a prolonged war appear limited. Nevertheless, uncertainty surrounding the conflict contributed to higher oil prices and renewed inflation concerns. Bond yields moved higher during the week as investors weighed both geopolitical risks and the potential inflationary implications of rising energy prices. As a result, bond prices declined modestly, reflecting continued caution surrounding the inflation outlook and the future path of monetary policy. Markets continue to reassess policy expectations as economic data remains resilient and inflation remains above the Federal Reserve's long-term target. Looking ahead, attention will shift to a busy calendar of economic and corporate earnings. Second quarter earnings season for the S&P 500 begins in earnest this week, with investors closely watching whether earnings growth can continue to support current market valuations. Economic releases include June CPI and PPI inflation reports, small business optimism, June retail sales, the latest Beige Book, and congressional testimony from the new Federal Reserve Chair. Collectively, these reports should provide additional insight into inflation trends, consumer activity, and the future direction of monetary policy.

Index Total Returns - July 10, 2026

	1-Wk	YTD	1-Yr
MSCI-Emerging	0.45	21.70	39.82
Russell 2000	-0.60	20.71	33.20
S&P 400	-0.58	15.16	19.80
NASDAQ	1.74	13.44	28.17
S&P 500	1.26	11.36	22.07
Dow Jones	-0.48	10.46	19.85
MSCI-Developed	-0.59	9.77	20.08
Barclay's U.S. Bond Index			
High Yield	0.02	2.07	5.89
Municipal	-0.32	1.91	6.49
5-year Muni	-0.07	0.99	3.25
Int. Gov. Credit	-0.21	0.17	3.23
Aggregate	-0.44	0.04	3.61

Michigan Unemployment



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.05	3.93	4.07
U.S. 2-Yr	4.21	4.17	3.87
U.S. 3-Yr	4.24	4.19	3.83
U.S. 5-Yr	4.30	4.25	3.93
U.S. 10-Yr	4.56	4.49	4.34
U.S. 30-Yr	5.06	4.98	4.86

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.50	3.44	3.75
U.S. AA	3.54	3.48	3.80
U.S. A	3.89	3.83	4.20
U.S. Baa	4.44	4.38	4.74
U.S. Municipal	3.65	3.60	3.93
Michigan	3.77	3.72	4.09

S&P 500 Sector Total Returns - July 10, 2026

Sector	1-Wk	YTD	1-Yr
Energy	3.22	23.88	27.46
Info Tech	3.43	19.82	35.04
Industrials	-1.09	17.96	22.35
Real Estate	-0.36	12.77	11.94
Materials	-2.22	12.17	12.25
Consumer Staples	-1.25	8.90	6.82
Utilities	-0.80	7.82	13.11
Comm. Services	2.36	5.02	27.94
Health Care	-1.84	4.87	20.12
Financials	0.12	2.65	7.38
Con. Discretion	0.40	-0.37	8.28

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.68	19.44	1.02
S&P 400 - Mid Cap	16.27	16.58	1.19
S&P 600 - Small Cap	15.59	16.43	1.43

Sources: FactSet