

Weekly Insight

July 9th, 2026

Markets Digest Semiconductor Sell-off

Key Takeaways

- ***Semiconductors sell-off.***
- ***Equity dispersion hits record.***
- ***Rate hike expectations inch higher.***

The S&P 500 finished the week flat despite semiconductors coming under pressure. Memory related equities sold off, which dragged the NASDAQ down 0.65%. Korea, with a high concentration in the memory sector, was down 12.7% for the week. The market continues to show diversification benefits with consistent industry rotation amid technology weakness. This week saw the oil and gas industry jump 8%. Pharmaceutical and biotechnology equities have been strong, as well.

The VIX Index remains contained at 16, which implies investors anticipate a daily range on the S&P 500 of about 1%. However, given wide dispersion in various sub-industries, single stock implied volatility remains elevated. This week saw single stock volatility relative to the Index hit an all-time high.

Military strikes this week raised questions regarding the U.S. – Iran ceasefire. This helped push oil prices up and lead to slightly higher bond yields. 5-year Treasury yields were up 6 basis points on the week. The 30-year Treasury added 8 basis points to reclaim the widely watched 5% threshold.

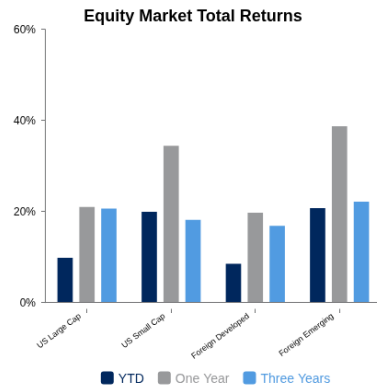
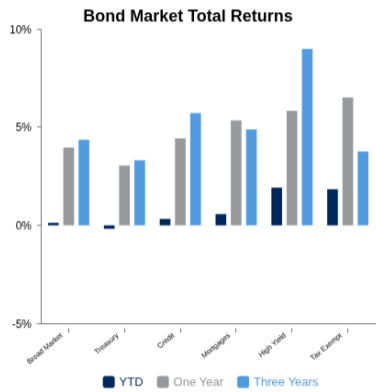
Fed minutes showed a few officials saw a case for a June rate hike, which reinforces the hawkish rhetoric. In the last month, the implied rate hikes have continued to increase for the January 2027 estimate. The market is now pricing in 1.5 hikes by January 2027.

Employment Remains in Good Place

Nonfarm payrolls for June came in below expectations. Following a couple strong months, June saw a more modest 57,000 net additions. Prior months were revised lower, as well. The unemployment rate fell to 4.2% versus a one-year high of 4.5%. Jobless claims remain very low. ISM Services data was released this week with a headline reading of 54.0, which is above the two-year average. The employment subcomponent has moved from 45.2 to 51.2 over the last three months.

High Profile IPO

The anticipated IPO window continues this week. This time in the form of a foreign listing. SK Hynix, whose shares have risen more than 800% over the last year, is expected to become the largest-ever U.S. listing by a foreign company. The Korean based company is the world's second-largest memory chip manufacturer. They are the 4th largest non-U.S. company by market cap at just over \$1 trillion. Shares begin trading this Friday and could be included in the NASDAQ 100 as early as December 2026.



Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper	3.75	4.50	5.25
3-Month T-Bill	3.81	4.36	5.34
10-Year Treasury	4.58	4.33	4.06
30-Year Treasury	5.07	4.87	4.05
10-Year Corporate AA	5.32	5.11	4.48
10-Year High Yield Corp	6.58	6.33	7.06

Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz)	4,077	3,314	1,925
Oil (WTI, \$/barrel)	73.52	68.38	73.86

Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	100.99	97.56	102.27
USD/EUR	0.88	0.85	0.91
USD/JPY	162.59	146.33	142.21

Sources: BTC Capital Management, Bloomberg, FactSet, Policyuncertainty.com The information provided has been obtained from sources deemed reliable, but BTC Capital Management and its affiliates cannot guarantee accuracy. Past performance is not a guarantee of future returns. Performance over periods exceeding 12 months has been annualized.

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