

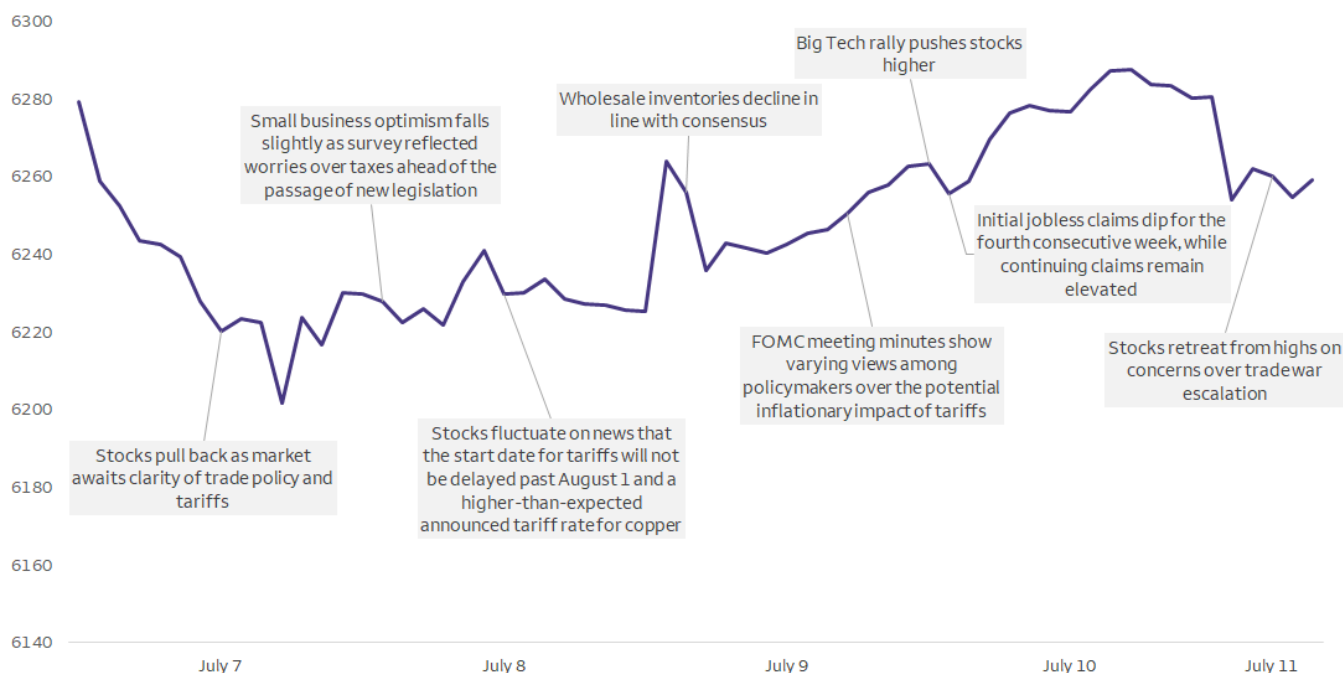
# Looking Ahead

July 11, 2025

## Stocks volatile on trade developments

Stocks were on track to end the week lower despite a mid-week rally that was driven by tech stocks. Markets were watching for the July 9 expiration of the pause on reciprocal tariffs, but on Sunday, the implementation date was extended out to August 1 and letters were sent to various trading partners dictating a tariff rate if no trade deal were to be made. Then, at the end of the week, tariff concerns flared up and stocks declined in light of President Trump's threat of 35% tariffs on some Canadian goods as well as his statement that the baseline tariff rate may be increased to 15% – 20%, up from the current 10% rate. Meanwhile, the Federal Open Market Committee's (FOMC's) meeting minutes indicated a divergence in policymakers' expectations regarding the impact of tariffs on inflation and the outlook for the federal funds rate. Looking ahead to next week, investors will be watching for trade-related developments as well as Consumer and Producer Price Index (CPI and PPI) inflation for June. Other key data releases will include consumer sentiment from the University of Michigan, retail sales, and industrial production.

## S&P 500 Index performance week of July 7 – 11



Sources: Bloomberg, Wells Fargo Investment Institute. Data from July 7, 2025, through July 11, 2025, at 12:00 p.m. ET. Past performance is no guarantee of future results. An index is unmanaged and not available for direct investment.

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## Week in review: July 7 – 11

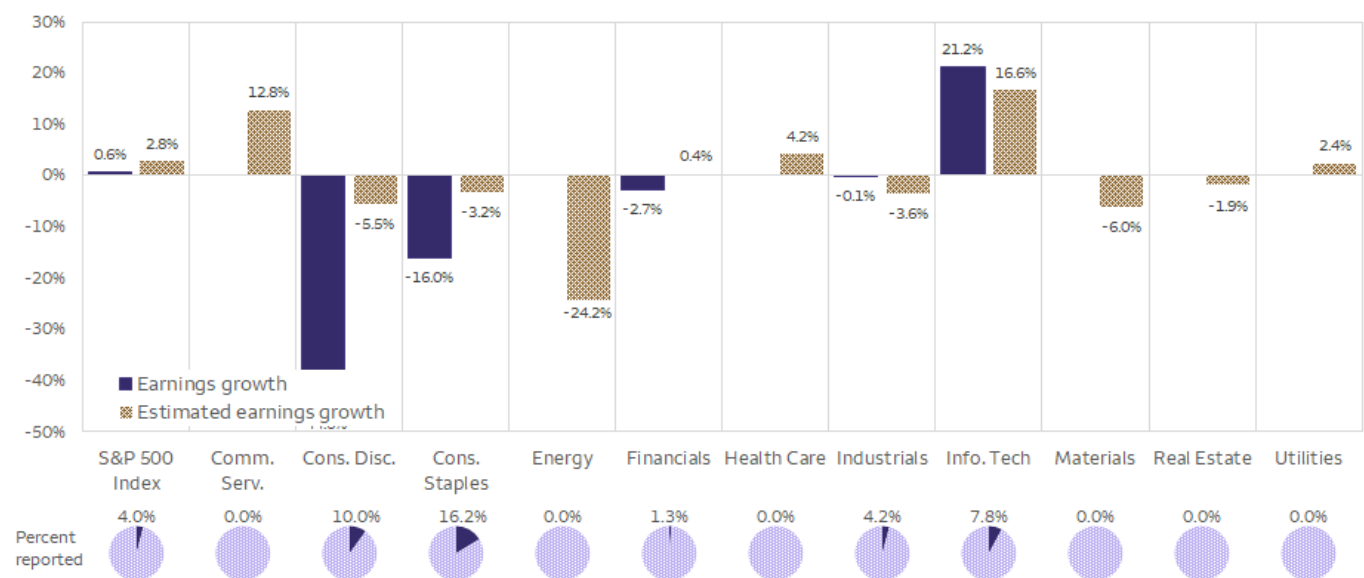
### Economic data

- The minutes from the June FOMC policy meeting indicated that policymakers have differing expectations for how tariffs will likely impact inflation, leading to divergences in the outlook for the federal funds rate.
  - According to the minutes, “In discussing their outlooks for inflation, participants noted that increased tariffs were likely to put upward pressure on prices. There was considerable uncertainty, however, about the timing, size, and duration of these effects.”
  - This uncertainty was driven by outstanding questions regarding how much of tariffs would be passed through to consumers and how soon this would likely occur; the potential impact of tariffs on supply chains and productivity; whether there will be one-time price increases or more persistent increases; and how long it takes for trade deals to be reached.
  - While the timing of the next rate cut remains uncertain, the minutes stated that “Most participants assessed that some reduction in the target range for the federal funds rate this year would likely be appropriate.” The market is currently pricing in a rate cut as early as September.
- The National Federation of Independent Business (NFIB) Small Business Optimism Index for June declined only slightly month over month (MOM) to 98.6.
  - The decrease was driven by fewer respondents with excess inventories. Meanwhile, the level of uncertainty declined, and taxes were the top-ranked issue.
  - The report indicated that while concerns remain around trade and immigration policies, small-business sentiment is currently in somewhat of a holding pattern.
- Consumer credit for May saw a smaller-than-expected MOM gain, driven by a decrease in revolving credit (such as credit cards) and indicating that consumers are pulling back on credit usage.
- The final print of wholesale inventories for May showed a 0.3% MOM decline. May’s print represented the first MOM contraction of the year as the pace of inventory increases has declined gradually since spiking in January.

### Stock market recap

By Friday morning, the major averages were on track to end the week mixed. As of 12:00 p.m. ET, the S&P 500 Index was on track to dip 0.3%, the Nasdaq to rise 0.1%, and the Dow to fall 1.1%.

### Slowdown in earnings growth is expected in the second quarter



Sources: Bloomberg, Wells Fargo Investment Institute. Chart shows actual versus projected S&P 500 Index earnings growth by sector. Actual earnings growth as of July 11, 2025, at 8:30 a.m. ET. Bloomberg consensus estimated earnings growth as of June 30, 2025, at 8:30 a.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

## Looking ahead to next week: July 14 – 18

### U.S.

- The highlight of the week will be inflation data with the June CPI, PPI, and Import Price Index releases.
- Other releases capturing attention include June's industrial production and retail sales data, along with the preliminary July consumer sentiment and inflation expectations survey from the University of Michigan.
- Also on tap: the Federal Reserve's (Fed's) Beige Book survey of regional economic conditions and July regional business surveys from the New York and Philadelphia Fed districts.
- Rounding out the docket is a flurry of housing market data, including July's homebuilder sentiment, in addition to June's housing starts and preliminary building permits.

### Asia

- In China, the focus will be on second-quarter gross domestic product, along with June's industrial production, retail sales, trade balance, fixed asset investment, home prices, and the money supply.
- From Japan, watch for the national CPI, trade balance, core machine orders, Tertiary (services) Industry Index, and finalized industrial production.
- Elsewhere in the region, South Korea's unemployment rate and export prices hit the tape, in addition to Australia's consumer confidence and labor market data.

### Europe

- In Europe, the highlights will be the eurozone's industrial production, trade balance, ZEW expectations for economic growth, and finalized June CPI.
- German releases include the PPI and ZEW index of current conditions. From the U.K., be on the lookout for the June CPI and a companion Retail Price Index, along with house price and labor market data.

### Scheduled economic releases for week of July 14, 2025

Date	Time	Country	Release	For	Consensus	Prior
Monday, 7/14	10:00 PM	China	Retail Sales YoY	June	5.2%	6.4%
Monday, 7/14	10:00 PM	China	Industrial Production YoY	June	5.6%	5.8%
Monday, 7/14	10:00 PM	China	GDP YoY	2Q	5.1%	5.4%
Tuesday, 7/15	5:00 AM	Germany	ZEW Survey Expectations	July	50.7	47.5
Tuesday, 7/15	8:30 AM	U.S.	CPI YoY	June	2.6%	2.4%
Tuesday, 7/15	8:30 AM	U.S.	CPI Ex Food and Energy YoY	June	2.9%	2.8%
Tuesday, 7/15	8:30 AM	Canada	CPI YoY	June	2.0%	1.7%
Tuesday, 7/15	7:00 PM	South Korea	Unemployment rate SA	June	2.7%	2.7%
Wednesday, 7/16	2:00 AM	U.K.	CPI YoY	June	3.4%	3.4%
Wednesday, 7/16	8:30 AM	U.S.	PPI Final Demand YoY	June	2.5%	2.6%
Wednesday, 7/16	8:30 AM	U.S.	PPI Ex Food and Energy YoY	June	2.7%	3.0%
Wednesday, 7/16	9:15 AM	U.S.	Industrial Production MoM	June	0.10%	-0.22%
Wednesday, 7/16	9:30 PM	Australia	Unemployment Rate	June	4.1%	4.1%
Thursday, 7/17	2:00 AM	U.K.	Jobless Claims Change	June		33.1k
Thursday, 7/17	5:00 AM	Eurozone	CPI YoY	June Final	2.0%	2.0%
Thursday, 7/17	8:30 AM	U.S.	Retail Sales Advance MoM	June	0.1%	-0.9%
Thursday, 7/17	7:30 PM	Japan	Natl CPI YoY	June	3.3%	3.5%
Friday, 7/18	8:30 AM	U.S.	Building Permits	June Prelim	1,390k	1,394k
Friday, 7/18	8:30 AM	U.S.	Housing Starts	June	1,300k	1,256k
Friday, 7/18	10:00 AM	U.S.	U. of Mich. Sentiment	July Prelim	61.2	60.7

Source: Bloomberg. Data as of July 11, 2025, as of 12:00 P.M. ET. Times shown in table are in Eastern Time.

## Scheduled earnings releases for week of July 14, 2025

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
FAST	Fastenal Company	Monday, 7/14	10:00 AM	\$2.07	\$0.28	\$0.26
WFC	Wells Fargo & Company	Tuesday, 7/15	10:00 AM	\$20.76	\$1.41	\$1.33
C	Citigroup Inc.	Tuesday, 7/15	11:00 AM	\$20.96	\$1.61	\$1.52
STT	State Street Corporation	Tuesday, 7/15	12:00 PM	\$3.35	\$2.35	\$2.15
OMC	Omnicom Group Inc	Tuesday, 7/15	4:30 PM	\$3.97	\$2.02	\$1.95
JBHT	J.B. Hunt Transport Services, Inc.	Tuesday, 7/15	5:00 PM	\$2.92	\$1.30	\$1.32
BLK	BlackRock, Inc.	Tuesday, 7/15	7:30 AM	\$5.46	\$10.79	\$10.36
JPM	JPMorgan Chase & Co.	Tuesday, 7/15	8:30 AM	\$43.90	\$4.48	\$6.12
BK	Bank of New York Mellon Corp	Tuesday, 7/15	9:30 AM	\$4.78	\$1.75	\$1.52
PNC	PNC Financial Services Group, Inc.	Wednesday, 7/16	10:00 AM	\$5.61	\$3.55	\$3.39
UAL	United Airlines Holdings, Inc.	Wednesday, 7/16	10:30 AM	\$15.36	\$3.85	\$4.14
MTB	M&T Bank Corporation	Wednesday, 7/16	11:00 AM	\$2.39	\$3.99	\$3.73
PLD	Prologis, Inc.	Wednesday, 7/16	12:00 PM	\$2.01	\$1.41	\$0.92
KMI	Kinder Morgan Inc Class P	Wednesday, 7/16	4:30 PM	\$3.83	\$0.28	\$0.25
BAC	Bank of America Corp	Wednesday, 7/16	8:00 AM	\$26.75	\$0.86	\$0.83
JNJ	Johnson & Johnson	Wednesday, 7/16	8:30 AM	\$22.87	\$2.68	\$2.82
MS	Morgan Stanley	Wednesday, 7/16	8:30 AM	\$16.02	\$1.98	\$1.82
ASML	ASML Holding NV Sponsored ADR	Wednesday, 7/16	9:00 AM	\$8.75	\$6.07	\$4.38
GS	Goldman Sachs Group, Inc.	Wednesday, 7/16	9:30 AM	\$13.45	\$9.59	\$8.62
CBSH	Commerce Bancshares, Inc.	Wednesday, 7/16		\$0.43	\$1.04	\$1.02
PGR	Progressive Corporation	Wednesday, 7/16		\$20.46	\$4.36	\$2.65
CTAS	Cintas Corporation	Thursday, 7/17	10:00 AM	\$2.63	\$1.07	\$1.00
CFG	Citizens Financial Group, Inc.	Thursday, 7/17	10:00 AM	\$2.01	\$0.88	\$0.78
SNA	Snap-on Incorporated	Thursday, 7/17	10:00 AM	\$1.16	\$4.63	\$5.07
TSM	Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Thursday, 7/17	2:00 AM	\$29.68	\$2.35	\$1.47
NFLX	Netflix, Inc.	Thursday, 7/17	4:45 PM	\$11.04	\$7.07	\$4.88
GE	GE Aerospace	Thursday, 7/17	7:30 AM	\$9.56	\$1.41	\$1.20
NVS	Novartis AG Sponsored ADR	Thursday, 7/17	8:00 AM	\$14.07	\$2.35	\$1.97
USB	U.S. Bancorp	Thursday, 7/17	8:00 AM	\$7.05	\$1.07	\$0.97
PEP	PepsiCo, Inc.	Thursday, 7/17	8:15 AM	\$22.24	\$2.03	\$2.28
ELV	Elevance Health, Inc.	Thursday, 7/17	8:30 AM	\$48.14	\$9.03	\$10.12
MMC	Marsh & McLennan Companies, Inc.	Thursday, 7/17	8:30 AM	\$6.93	\$2.67	\$2.41
ABT	Abbott Laboratories	Thursday, 7/17	9:00 AM	\$11.06	\$1.25	\$1.14
FITB	Fifth Third Bancorp	Thursday, 7/17	9:00 AM	\$2.22	\$0.87	\$0.81
TRV	Travelers Companies, Inc.	Thursday, 7/17	9:30 AM	\$11.62	\$3.60	\$2.51
RF	Regions Financial Corporation	Friday, 7/18	10:00 AM	\$1.86	\$0.56	\$0.53

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
TFC	Truist Financial Corporation	Friday, 7/18	8:00 AM	\$5.02	\$0.92	\$0.62
AXP	American Express Company	Friday, 7/18	8:30 AM	\$17.70	\$3.87	\$4.15
SCHW	Charles Schwab Corp	Friday, 7/18	8:30 AM	\$5.70	\$1.09	\$0.73
MMM	3M Company	Friday, 7/18	9:00 AM	\$6.11	\$2.01	\$1.93
HBAN	Huntington Bancshares Incorporated	Friday, 7/18	9:00 AM	\$1.97	\$0.33	\$0.30
SLB	Schlumberger Limited	Friday, 7/18	9:30 AM	\$8.52	\$0.73	\$0.85
FAST	Fastenal Company	Monday, 7/14	10:00 AM	\$2.07	\$0.28	\$0.26

Source: FactSet. Data as of July 11, 2025, as of 8:30 A.M. ET. Times shown in table are in Eastern Time. EPS = earnings per share.

## Risk Considerations

Different investments offer different levels of potential return and market risk. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic condition.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

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## Definitions

An index is unmanaged and not available for direct investment.

The S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

Building permits (or building approvals) track the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Consumer confidence (or consumer sentiment) tracks sentiment among households or consumers.

Consumer or household credit tracks the outstanding amount of credit (or loans) used by consumers to finance purchases of goods or services. It can include everything from credit card lending, to auto loans, to lines of credit but it excludes mortgage loans.

The Consumer Price Index (CPI) is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Continuing claims tracks the total number of people who have filed jobless claims with the appropriate government labor office; typically, in order to receive unemployment benefits.

Core machine orders tracks the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Export price indexes track changes in the prices of goods produced domestically and sold abroad (exports).

Fixed asset investment tracks investment in or capital expenditures on fixed assets such as buildings, plant, equipment, machinery, etc.

The German ZEW index of current conditions (or business conditions) tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by industry approach (or output-based GDP) is the sum of the gross value added (output less intermediate consumption) of all industry and services sectors of the economy (at basic prices), plus all taxes less subsidies on products. This concept is adjusted for inflation.

Homebuilder sentiment tracks sentiment among participants in the housing industry.

House/home prices track changes in residential property prices.

Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Import price indexes track changes in the prices of goods produced abroad and sold domestically (imports).

Industrial production measures the output of industrial establishments in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply). Production is based on the volume of the output.

Initial jobless claims track the number of people who have filed jobless claims for the first time during the specified period with the appropriate government labor office. This number represents an inflow of people receiving unemployment benefits.

The international trade balance measures the difference between the movement of merchandise trade and/or services leaving a country (exports) and entering a country (imports). This measure tracks the value of the merchandise trade balance.

University of Michigan Consumer Sentiment Index is published monthly by the University of Michigan. Each month at least 500 telephone interviews are conducted throughout the U.S. The Index of Consumer Sentiment is developed from these interviews.

The money supply (or money stock) measures the total amount of money in circulation in a country or group of countries in a monetary union.

NFIB Small Business Optimism Index is the small business optimism index is compiled from a survey that is conducted each month by the National Federation of Independent Business (NFIB) of its members. The index is a composite of ten seasonally adjusted components based on questions on the following: plans to increase employment, plans to make capital outlays, plans to increase inventories, expect economy to improve, expect real sales higher, current inventory, current job opening, expected credit conditions, now a good time to expand, and earnings trend.

The Producer Price Index (PPI) is a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

The retail price index is a measure of inflation that tracks changes in retail prices paid by households for a market basket of goods and services.

Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Small business optimism tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

The Tertiary Industry Index measures the change in the total value of services purchased by businesses.

The unemployment (or jobless) rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

Wholesale inventories track the level of inventories (goods acquired for the purpose of reselling them without further processing) held by wholesalers.

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