



# MEDALLION

WEALTH MANAGEMENT

July 2026 Market Commentary

## R.O.C.K. In The U.S.A.

*"Rockin' in the U.S.A.*

*Said goodbye to their families*

*Said goodbye to their friends*

*With pipe dreams in their heads*

*And very little money in their hands*

*Some are black and some are white*

*Ain't too proud to sleep on the floor tonight*

*With the blind faith of Jesus, you know that they just might, be*

*Rockin' in the U.S.A."*



[https://www.youtube.com/watch?v=SqtmStUrXMQ&list=RDSqtmStUrXMQ&start\\_radio=1](https://www.youtube.com/watch?v=SqtmStUrXMQ&list=RDSqtmStUrXMQ&start_radio=1)

John Mellencamp's spirit of hope and dreams resonates differently after standing on ground that has witnessed 5,000 years of exactly that. My wife and I were recently fortunate to tour the British Isles, and while we visited many interesting cities, drank a few pints of Guinness, and saw some amazing history one stop clearly stood out from the others— Jarlshof in the Shetland Islands. While I've toured many a ruin, I was totally unprepared for Jarlshof.

Here on this windswept peninsula in the North Atlantic, **lies 5,000 years of human occupation.** Nowhere else in Europe can you actually walk through five distinctly different homesites; from Neolithic ruins to the Bronze Age smithy's home, to the amazing Iron Age wheelhouses constructed using dry stone techniques, to the Norse Viking longhouses, and finally the "new" construction of the 16<sup>th</sup> century mansion of Robert Stewart, the 1<sup>st</sup> Earl of Orkney. What really blew us away was the fact that you were allowed to actually walk into each of these structures,

climb through the tunnels, and imagine what it might actually be like to have lived here thousands of years ago.

The other thing that struck me was how little things changed over thousands of years. Most of this settlement's occupants time was spent fishing, farming, and constructing shelters—in other words surviving. Progress was measured in centuries, not decades, years or months. In today's rapidly changing AI world, it's hard to imagine the glacially slow pace of change that transpired throughout most of human history. But you can't help but be impressed by their sheer will to survive in a very harsh environment.



Standing among those ruins, I couldn't help but think about my own family's comparatively short history here in America. I can trace my ancestors in America back to 1634 when my 9<sup>th</sup> great-grandfather settled in Virginia. In just nine generations and a mere 393 years, we went from true wilderness pioneers to "modern" man, where real adventure begins when my GPS guidance leads me into a construction zone. Where scavenging for food is now replaced with me deciding if I actually want to go to one of the five grocery stores within one mile of my house, or just have someone deliver my already prepared meal.

**What's really amazing when comparing the 1600's to today is not how far we've progressed, but how much the pace of progress has accelerated.** Ideas that would take a lifetime or two to come to fruition, can now happen in mere years. Change is happening so fast today that it is

hard for many of us to keep up, and there is an increasing feeling of being left behind. I'm not sure FOMO was as big of a thing back then as it is today.

I am very fortunate that my ancestors decided to come to America, and bought into the ideals that shaped this country. The story of America is, in many ways, the story of entrepreneurs who came to this country seeking opportunity and who, through grit, hard work, and creativity, built companies, cities, and entire industries. Our country did not become the world's leading economy by luck. We created an environment where entrepreneurs could flourish and where people with bold ideas could create value, generate jobs, spur innovation, and strengthen communities.

America is not perfect. Growth means change, and rapid growth means rapid change. Not everyone will be able to keep up, but everyone's standard of living will improve. Just 100 years ago only 60% of Americans had electricity and less than half had indoor plumbing.

Of course, my family's story is hardly unique. Millions of families across this country can trace a similar arc — immigrants and pioneers who arrived with little, bet on themselves, and built something lasting. **What is unique is the country that made it possible.** America created a framework unlike anything the world had seen: one that protected individual initiative, celebrated entrepreneurial success, and kept government interference at arm's length just long enough for bold ideas to take root. That framework has a name — **Economic Freedom** — and its survival is no longer something we can take for granted.

Today America is faced with a challenge from within, it is a challenge that we have faced several times in our brief history, the rise of socialism. It is a simple story of confiscation, pitting entrepreneurs who create growth that improves everyone's standards of living, against the "takers" who want to confiscate and control what they can't create.

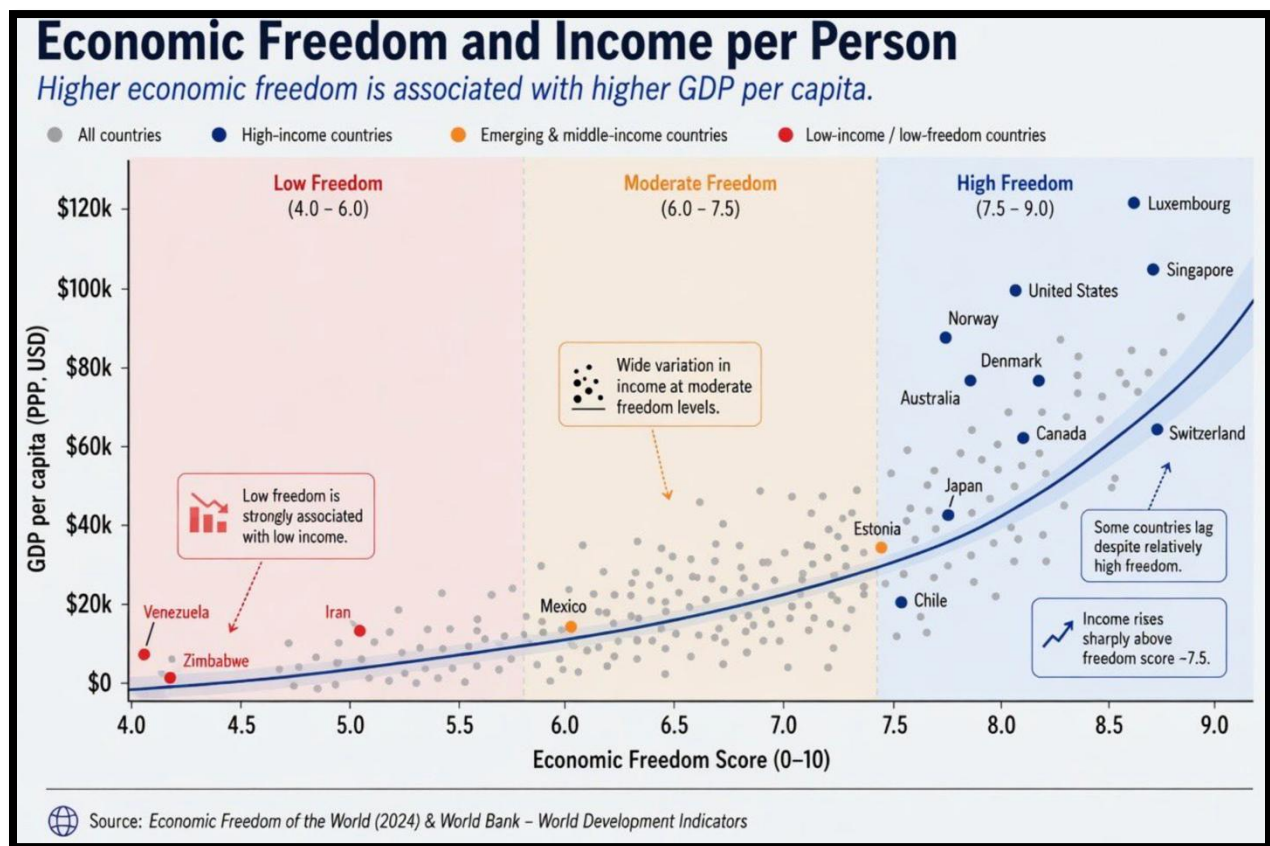
**This is a battle for Economic Freedom.** Economic Freedom is a measure of a country's willingness to allow its citizens to dream, create, and grow with a minimum of government interference. These are exactly the principles that America was founded on. It can be measured by looking at a country's size of government spending, taxes, social programs, state ownership of the means of production, the legal system, property rights, regulation, and the freedom to trade internationally.

America has historically been a leader in Economic Freedom, and while we are still better than most, we have been slipping for years. Our governments (both parties) willingness to spend much more than they take in has weakened our foundation. But even more worrisome is the government taking stakes in public companies, directing how management should deploy capital and who they do business with. This is not capitalism, it is some form of state sponsored capitalism, on the way towards socialism. Today, both the Trump administration and socialists like Bernie Sanders believe that the government should "take" stakes in AI companies.

As we approach America's 250th anniversary, the question is whether we are still committed to Economic Freedom and whether we are prepared to extend it to the next century of innovation.

There is no guarantee that the American experiment will survive. But from the beginning, America distinguished itself by embracing risk-takers, innovators, and entrepreneurs who were willing to challenge convention in pursuit of a better future. Our founding fathers actually wrote patent protection into the Constitution. That entrepreneurial spirit became our competitive advantage.

The most important lesson from America's first 250 years is that growth has always come from people willing to take risks to build something new, and a government that not only allows them to pursue their dreams but actually encourages and celebrates their success. The next American century will be shaped by artificial intelligence, quantum computing, and other transformative technologies. But ultimately, our success will depend on whether we continue to create an environment where entrepreneurs everywhere have the opportunity to build, innovate, and contribute.



**Market Commentary:**

250 years ago, we used lanterns in a church tower and riders on horseback to transmit urgent news, today we get daily/hourly tweets from our President. The markets have certainly tested

investor's nerves in the first six months of 2026, while still managing a YTD gain of about 7.5% on the S&P 500, consider what the market has already absorbed:

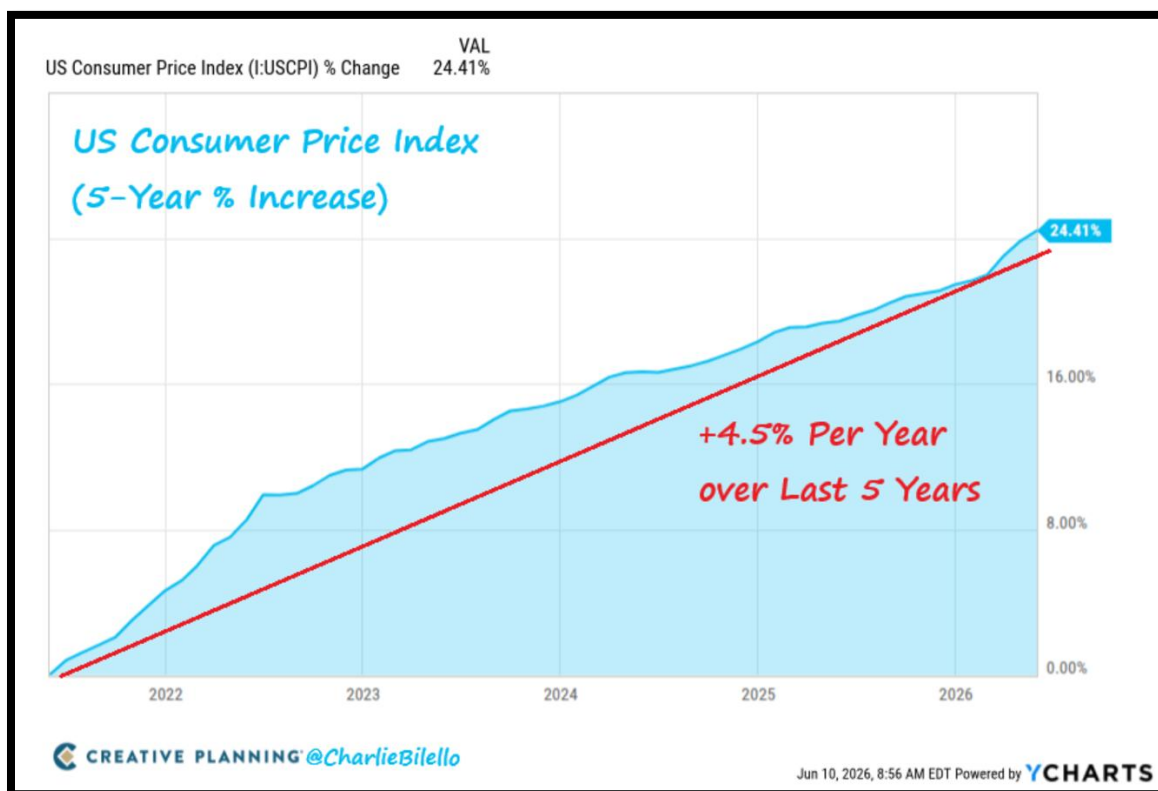
- A quick Venezuela invasion.
- A war in Iran which has all but shut down oil flowing through the Strait of Hormuz.
- Rapid changes in tariff policies.
- A new Federal Reserve Chairman.
- And weekly AI developments that make us question winners and losers in every industry.

**June puts this resiliency to its first real test.** Heading into June, U.S. equity markets had staged an impressive recovery from a March sell-off driven by the outbreak of hostilities with Iran. As of June 2, the S&P 500, and the Nasdaq Composite, had gained roughly 11.7%, and 21.6%, respectively year-to-date. That early-June high-water mark proved short-lived. Since June 2, the S&P 500 pulled back approximately 3.8% while the Nasdaq 100 fell more than 5.2%, with weakness concentrated in the market's largest technology and AI-related names — the Magnificent Seven declined roughly 11% as a group. The Mag-7 has become the Lag-7.

This rotation out of the biggest AI spenders may signal a real shift in market sentiment. Investors are rightfully questioning whether the hundreds of billions being spent on AI will result in hundreds of billions in free cash flow, and if so, when?



**A new Fed chair resets the conversation.** The defining macro event of the month was the June 16–17 FOMC meeting, the first chaired by Kevin Warsh, who was confirmed by the Senate in a 54–45 vote — the most divisive confirmation in Fed history. With inflation at its highest level in more than three years, the Federal Reserve held its benchmark interest rate steady at 3.50–3.75%, and signaled the next move could be a rate increase — a dramatic reversal from three months ago, when the average committee member had projected a quarter-point cut in 2026. Warsh immediately put his own stamp on the institution: he issued a shorter, more "curt" policy statement, hinted at fewer press conferences going forward, and notably declined to offer forward guidance on interest rates. He also refrained from submitting his own dot-plot projection — an unusual move that signaled his broader skepticism of the practice. Warsh announced the creation of five task forces to review Fed communications, balance-sheet policy, data sources, productivity and AI, and inflation frameworks — suggesting a broader reassessment of how the central bank operates and explains itself.



**Inflation and bonds under pressure.** The inflation picture darkened further through the month. The Consumer Price Index rose 4.2% year over year in May, the highest reading since April 2023, fueled by the wartime spike in energy prices that has made rate cuts politically and economically impossible. The PCE price index — the Fed's preferred gauge — showed inflation running at a seasonally adjusted 4.1% annual rate, also the highest since April 2023. Bond markets reacted swiftly to Warsh's hawkish debut. Two-year Treasury yields jumped 16 basis points on the day of the FOMC decision to 4.21%, their highest level in over a year. The 10-year Treasury yield remained elevated near 4.40% as of June 26. Markets are now pricing in a greater than 50% probability of at least one quarter-point rate hike before year-end — a complete

reversal of the rate-cut expectations that characterized the start of 2026. While it appears that the message for bond investors is higher-for-longer, there is also a glimmer of hope that our new Fed chair is going to be serious about getting inflation under control, therefore long-bonds may not rise that much.

**SpaceX makes history on the Nasdaq.** The month's most spectacular single event was the public debut of SpaceX. On June 12, SpaceX completed the largest IPO in history, pricing 555 million shares at \$135 each and raising \$75 billion. The stock closed its first day at \$160.95 under the ticker SPCX, vaulting the company to a market capitalization above \$2 trillion and making it one of the world's biggest listed companies on day one. SpaceX is now the sixth-largest publicly traded company in the United States. The debut was not without turbulence: the stock peaked at \$225.64 intraday on June 16 before falling in three consecutive sessions, and by late June was trading near \$153. The SpaceX listing was followed by confidential IPO filings from OpenAI and Anthropic, each expected to go public in the fall and potentially achieve trillion-dollar public market valuations. Fun times.



I love the above pictographic of the tightrope that we as a nation and as investors must walk. Mix in the political battles between socialism and capitalism, and you might just want to take a long summer break deep in the mountains. But this uncertainty is exactly what gets me out of bed in the morning, watching history unfold. I'm an optimist when it comes to humans' ability to adapt and survive, and I'm an optimist when it comes to Americans remembering our founding fathers' ideals. Sure, we're going to have some stumbles, but as Americans and as investors I am confident, we'll not only survive, but find a way to keep "Rockin' in the U.S.A."

I hope you have a wonderful Fourth reflecting on what has made this the greatest country on earth. **Cheers to another 250 years of Economic Freedom!**

As always, be careful out there.

Chris Wiles, CFA



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