AB FINANCIAL NEWS · WEEKLY SUMMARY

Week Ending July 28, 2026

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Skill · Job · Business · Non-profit · Finance

SPECIAL FEATURE: THE BILL FOR AI ARRIVES · MACRO GRADE: B

Alphabet and Tesla Handed Wall Street the Invoice, Oil Round-Tripped From $102 to the $80s on a Weekend Iran Pause — and Warsh Decides Wednesday

S&P 500	Nasdaq	Dow	June CPI
−0.6%	**−2.1%**	**−0.4%**	**3.5%**
7,411.98 · 4-day skid	*24,975.82 · AI capex hit*	*51,947.25 · held best*	*from 4.2% · core 2.6%*

THE BIG PICTURE

For two years Wall Street clapped every time a technology company announced it would spend more on artificial intelligence. This week it stopped clapping and read the invoice. **Alphabet** reported a genuinely excellent quarter — $119.8 billion in revenue, up 24%, with Google Cloud up 82% — and the stock still fell about 7%, because management raised full-year capital-spending guidance to **$195–205 billion** and free cash flow swung to **negative $5.9 billion** from positive $10.4 billion a year ago. **Tesla** was worse: revenue grew 26% to $28.24 billion, but operating income collapsed 57% to $398 million — a 1.4% operating margin — and the company burned cash for the first time in over two years. The stock dropped double digits and shed well over $100 billion in market value. The Nasdaq fell more than 2% Thursday, its worst day in months.

Then the week turned again. Houthi forces struck two Saudi tankers in the Bab al-Mandeb strait Thursday, opening a ***second*** oil chokepoint alongside Hormuz, and Brent punched above $102. By Sunday the U.S. and Iran had each paused attacks for a second straight day, Oman-mediated talks on vessel transit were progressing, and Monday oil crashed roughly 8% — WTI back near $82. The Dow closed Monday at 52,210, and Apple quietly retook the crown as America's largest company from Nvidia.

*The split screen for our families is sharper than the index numbers suggest: **inflation just posted its biggest one-month drop since April 2020 — and gas still went up 15 cents in a single week to $4.09.***

U.S. MACRO REPORT CARD — OVERALL GRADE: B

Downgraded from B+ last month, and the reason is the labor market, not inflation. Prices are finally behaving — headline CPI fell to 3.5% and core to 2.6%, close to where the Fed wants it. But hiring nearly stopped: 57,000 jobs in June, with 74,000 knocked off the two prior months in revisions. **An economy that grows without hiring is an economy where your paycheck, not the index, tells the truth.**

Indicator	Current Status	Interpretation
GDP Growth	Q2 lands Thu 7/30	Q1 ran ~1.6%; this week's print is the real test
Labor Market	Cooling ⚠	+57K in June; April–May revised down 74K
Headline Inflation	3.5% ✓	Down from 4.2% — biggest monthly drop since April 2020

Indicator	Current Status	Interpretation
Core Inflation	**2.6% ✓**	Shelter up just 0.1% — smallest since January 2021
Energy Costs	**Elevated ⚠**	Gas $4.09/gal; energy still +15.7% year-over-year
Interest Rates	3.50%–4.00%	Hold widely expected Wednesday; a hike is not off the table
Business Investment	**Very strong**	AI capex — now the market's worry, not its fuel
Consumer Spending	Holding	But concentrated at the top of the income ladder

US 1. U.S. STOCK MARKETS — WALL STREET READS THE INVOICE

Index / Asset	Fri 7/24 Close	Week	Note	YTD
Dow Jones	51,947.25	**−0.4%**	Most resilient again; 52,210 on Monday	+8.1%
S&P 500	7,411.98	**−0.6%**	Snapped a 4-session skid Monday	+8.3%
Nasdaq	24,975.82	**−2.1%**	AI capex selloff led the decline	+7.5%
Russell 2000	2,930.00	**−1.1%**	Small caps gave back some of a strong year	+18.1%
Brent Crude	~$96.78	**Volatile**	Hit $102 Thursday → mid-$80s Monday	—
10-Yr Treasury	4.69%	**Eased**	4.65% Monday; 30-yr mortgage 6.58%	—
Bitcoin	~$64,660	**Steady**	$465M in ETF outflows late in the week	—

Stock / Sector	Move	Why It Moved — Plain English
⬇ Tesla (TSLA)	**−12% to −14%**	Operating income fell 57% to $398M — a 1.4% margin — and the company burned $1.09B in cash
⬇ Alphabet (GOOGL)	**~−7%**	Great revenue, brutal spending: capex guided to $195–205B, free cash flow went negative
⬇ SanDisk	**−9% / −11%**	Memory prices under pressure; a Chinese competitor completed a Shanghai IPO
⬇ American Express	**−4.9%**	Missed revenue expectations — a direct read on how much consumers are charging
⬆ Tenet Healthcare	**+14.5%**	Strong Q2. Healthcare keeps quietly winning while everyone watches chips
⬆ Digital Realty	**~+14%**	Earnings beat and raised guidance — data-center landlords collect the AI rent either way
⬆ Apple	**+3.5%**	Retook the largest-company title from Nvidia on Monday

THE BIG STORY — “SHOW ME THE RETURN”

Here is the sentence that moved a trillion dollars this week: **free cash flow went negative.** Free cash flow is simply the money left after a company pays for everything it needs to keep operating and growing. It is the household equivalent of what is left in your account after rent, groceries, gas, and the car repair. Alphabet earned enormous revenue — and spent more than all of it building data centers. That is not a scandal; it is a bet. But it is a bet with a bill attached, and this week investors asked, for the first time in a while, ***when does this spending turn into profit?***

Goldman Sachs framed the trap well: no large technology company can afford to spend *less* than its rivals, because falling behind in AI is worse than overspending on it. So every one of them keeps raising the number. That arms race is why Microsoft, Meta, Apple, and Amazon reporting this week matters more than usual — the market is no longer grading revenue. It is grading capex.

For your household, the lesson is the same one we repeat every week: ***you do not have to guess which company wins the AI race. A low-cost index fund owns the spenders, the chipmakers, and the landlords collecting rent from all of them.***

⚠ NILES WARNING — OIL WENT ROUND-TRIP, AND THERE ARE NOW TWO CHOKEPOINTS

Dan Niles has long noted that ten of the last twelve U.S. recessions were preceded by an oil spike. This week gave us a spike *and* a collapse in five trading days. Brent punched above **$102** Thursday after Houthi forces struck two Saudi tankers in the **Bab al-Mandeb strait** — the Red Sea route Saudi Arabia had been using specifically to *avoid* the contested Strait of Hormuz. With both routes compromised, cargo has to sail around the Cape of Good Hope, adding one to two weeks and spiking insurance costs. Then the U.S.–Iran pause landed over the weekend and Brent fell to the mid-$80s, with WTI near $82 on Monday.

Two chokepoints is not twice the risk of one — it is a different kind of risk, because the workaround for the first one runs through the second.

WHY THIS MATTERS

Every growth cycle has an engine, and every engine eventually has to prove it burns fuel efficiently. Housing drove the 2000s until the mortgages went bad. Smartphones drove the 2010s until the market saturated. AI infrastructure is driving this one — and this week was the first time the market asked the efficiency question out loud.

That question does not mean the cycle is over. It means it is maturing. **Mature cycles reward discipline and punish concentration.** If your retirement account is 80% in one technology name because it has been the best performer, this is the week to notice that.

2. COMMODITIES & CURRENCIES

Asset	Latest Level	Week	What It Means
Brent Crude	~$85–86 (Mon)	Round-trip	$102 Thursday on the Red Sea attacks; collapsed on the U.S.–Iran pause
WTI Crude	~$82 (Mon)	–8% Mon	$88.93 Friday. Every Iran headline still moves this number
U.S. Gas (avg)	$4.091/gal	+15¢	Up 94¢ from a year ago. Diesel above $5 — that feeds grocery prices

Asset	Latest Level	Week	What It Means
Gold (XAU)	~$4,081/oz	**Firm**	Safe-haven bid held even as oil fell — the market is not fully calm
Bitcoin	~$64,660	**Steady**	$465M of ETF outflows in two days. Institutional demand is still fragile
USD / ETB (CBE)	~158.8 buy / 162.0 sell	**Birr softer**	Better for senders than June's ~157. The window widened, not narrowed
30-Yr Mortgage	6.58%	**Higher**	Highest since last August — the cost of waiting to buy went up again

AB'S GAS MATH — AND WHY THE PUMP LAGS THE HEADLINE

If you burn 30 gallons a week, $4.09 versus $3.155 a year ago costs you about **$28 more per week — roughly $121 a month** — just to get to work. That is a car payment for many families, and it did not come with a raise.

Now the part nobody explains on television: **Monday's 8% oil crash will not show up at your station this week.** Refiners and station owners bought their current inventory at last week's higher price. Falling crude usually takes one to two weeks to reach the pump, and it falls slower than it rises. So do not budget July's relief into this week's grocery money — budget it into next month's.

Same discipline as always: consolidate trips, skip one drive-through, work from home a day if you can. ***Do not touch retirement contributions. Do not skip remittances.***

3. INTERNATIONAL & U.S. BUSINESS NEWS

IR 3.1 Iran — Two Chokepoints, Then a Pause

The week ran hot and then cooled fast. The order matters, because it explains your gas bill:

- **Monday–Wednesday, July 20–22 —** the pump crosses $4. National average gas topped $4 a gallon for the first time since mid-June as fighting entered its second week; diesel hit $5.10. Brent touched $90 before easing on early diplomatic signals.
- **Thursday, July 23 — the second chokepoint opens.** Houthi forces struck the Saudi tankers Encelia and Layla in the Bab al-Mandeb strait. Iran conducted drone strikes on U.S. facilities in Bahrain and Jordan; at least three people were killed at the Jordan base. Brent crossed $102. The Nasdaq fell more than 2%.
- **Friday, July 24 — first exhale.** Oil fell nearly 4% to $96.78 Brent, its first down day in a week.
- **Saturday–Sunday, July 25–26 — the pause.** The U.S. halted attacks; Iran's army spokesperson confirmed Tehran did the same. Oman-mediated talks progressed on letting Iran manage vessel transit through Hormuz with fewer restrictions on shipping.
- **Monday, July 27 — the market cashes it.** Oil fell roughly 8%. The Dow rose. Israeli Prime Minister Netanyahu was scheduled to meet President Trump in Washington Tuesday.

The backdrop: the 60-day interim ceasefire signed in mid-June is now in its second half, the U.S. naval blockade continues with commercial vessels redirected and boarded, and the nuclear file remains entirely unresolved. **Nothing has been signed.** A pause is not a peace.

AB'S READ — IRAN

Five days, three moods — again. We said last month the only variable that matters for your wallet is the Strait of Hormuz. Now there are two: Hormuz and Bab al-Mandeb. If the Oman framework holds and vessels move, oil drifts toward the high $70s, inflation keeps falling, and the Fed's job gets easy. If either chokepoint reignites, we are back above $100 within days and the rate-hike conversation returns.

The honest base case is still ***volatility without resolution.*** Budget your gas at $4, not $3.50. If it comes in cheaper, that is a windfall you can send home or save — not a lifestyle you should build on.

CA 3.2 Canada — The OECD Says the Worst Is Behind

Better news for our neighbor. After the technical recession — GDP down 1% annualized in Q4 2025 and 0.1% in Q1 2026 — the OECD now projects Canada growing **1.2% in 2026 and 1.7% in 2027**, helped by household consumption, defense and infrastructure spending, recovering business investment, and Canada's position as a net energy exporter benefiting from higher oil. The Bank of Canada held its policy rate at **2.25%** on July 15 and is expected to stay put while it watches for slack. Tariff pressure from the U.S. trade war has not gone away — it is simply being absorbed.

EU 3.3 Europe — A Hold With Stagflation in the Background

The European Central Bank held all three rates on July 23, leaving the deposit facility at **2.25%**. This was a pause, not a conclusion: July is a non-projection meeting, and the real decision comes **September 10** with fresh staff forecasts. The picture underneath is uncomfortable — euro-area GDP contracted 0.2% in Q1 and full-year growth is marked down to about 0.8%, while headline inflation eased to 2.8% in June from 3.2%. Energy inflation is still running 8.5% year-on-year and services inflation is stuck at 3.2%, which is the number that keeps central bankers awake. The ECB has warned inflation could peak again in the fourth quarter and stay above 3% into 2027.

3.4 Africa — Resilience, and the Case for Diaspora Capital

The African Development Bank's latest reporting holds the line: Africa's growth remains resilient against global headwinds, even as the financing gap and debt distress in low-income Sub-Saharan countries persist. The AfDB continues to name **diaspora finance** as one of the largest untapped levers available to the continent — not aid, not concessional lending, but money sent and invested by people like the families reading this.

- ET **Ethiopia —** Coffee is having a historic run: $1.87 billion in export revenue over ten months, up 87% year-over-year on 354,302 tonnes, with officials expecting the first-ever $2 billion coffee year. Germany, Saudi Arabia, and the United States are the top destinations. The caution: coffee and gold now dominate the export basket, and a narrow basket is a fragile one.
- KE **Kenya —** Tourism, technology, and agricultural exports continue to carry growth.
- NG **Nigeria —** Currency stabilization, inflation control, and energy reform remain the focus.

AB'S READ — AFRICA & THE DIASPORA

Read the coffee number again: **$1.87 billion** from one crop, grown mostly by smallholder farmers, in ten months. That is what happens when quality, traceability, and market access line up. It is also a reminder that when you send money home you are not only covering someone's rent — you are supplying foreign currency to an economy that badly needs it.

Send through formal channels. And where you can, push one notch beyond consumption: a small business, a piece of land, school fees that end in a credential. ***Consumption feeds a month. Capital feeds a decade.***

3.5 Asia — The Energy Shock Shows Up in the Forecasts

The Asian Development Bank cut its 2026 growth forecast for developing Asia to **4.9%** from 5.1% in April — down from 5.5% actual growth in 2025 — and raised its regional inflation forecast to **4.3%** from 3.0% in 2025. South Asia remains the bright spot at 6.0%; East Asia is 4.6%. The named cause is the Middle East conflict feeding through energy and supply chains into production costs. This is the clearest evidence yet that the Iran story is no longer a Middle East story — it is a global growth story.

CU 3.6 Cuba — The Grid Failed Again

Cuba suffered a nationwide blackout in early July — the third since January and the eighth since late 2024 — with the cause still officially under investigation and fuel starvation the underlying reality. Scheduled outages have exceeded 30 hours in parts of Havana and 70 hours in rural areas. Only one Russian oil tanker has been permitted to dock since January. For our Cuban-American families, the guidance is unchanged: **keep sending what you can through formal channels, and expect communication gaps that are about electricity, not indifference.**

US 3.7 U.S. Economy — Inflation Finally Broke, Hiring Nearly Stopped

This is the most important paragraph in the newsletter this week, so read it twice.

On inflation, the news is genuinely good. June CPI **fell 0.4% for the month** — the largest monthly decline since April 2020 — bringing the annual rate down to **3.5% from 4.2%**. Core inflation, which strips out food and energy, eased to **2.6%**. Shelter costs rose just 0.1%, the smallest one-month increase since January 2021, and shelter is the single biggest line in most family budgets. Gasoline fell 9.7% in June.

On jobs, the news is not good. Employers added just **57,000** positions in June. Unemployment held at 4.2%, but the labor-force participation rate fell 0.3 points to 61.5% — people leaving the workforce flatter the unemployment rate without helping anyone. Leisure and hospitality shed 61,000 jobs on weak seasonal hiring. April and May were revised down by a combined 74,000. Average hourly earnings rose 3.5% over the year to $37.64 — which now, finally, beats inflation.

One nuance that matters: the June CPI you are reading reflects June, when gas averaged around $3.83. Gas is $4.09 today. ***The inflation report is already stale by the time it reaches you — your receipts are more current than the government's data.***

3.8 U.S. Business — Fewer Layoffs Overall, More in Tech

The headline is better than last year and the composition is worse. U.S. employers announced **443,604 job cuts in the first half of 2026 — down 40%** from the same period last year, and June's 45,849 was 53% below May. But technology alone accounted for **139,156 cuts, up 83% year-over-year** — nearly a third of all U.S. layoffs. AI was cited in roughly **101,743 announcements, about 23% of the total**, the fourth straight month it ranked as the leading stated reason. Cloudflare, Snap, and Block were among the companies restructuring around it.

This week's addition: **Verizon** is cutting about 3,000 jobs — roughly 2,500 tied to retail and 500 corporate — and divesting 274 stores to franchise owners, effective August 16. The company says about 70% of affected retail employees typically move to the franchise operator. That follows 13,000 cuts at the end of 2025.

> **WHAT THIS MEANS FOR YOU**
>
> Notice the pattern in both the jobs report and the layoff data: the pain is concentrated in white-collar and technology roles, and it is increasingly attributed to automation rather than weak demand. That is a different kind of job loss. A recession-driven layoff comes back when the economy recovers. **An automation-driven layoff does not come back at all.**
>
> So the preparation changes too. A 3–6 month emergency fund is still step one. But step two is no longer just "update your résumé" — it is **build a second income stream and a skill that is hard to automate:** trades, care work, sales relationships, anything where a human being is the product. If you drive, cook, build, teach, or repair, you are in a better position than a lot of people with nicer job titles. Take that seriously.

4. IMMIGRATION — THE TPS PAGE HAS TURNED

ETHIOPIA TPS — THE PROTECTION HAS ENDED. THIS IS NOT A DRILL.

For months we reported that Ethiopian TPS holders were protected while the courts decided. That is no longer true, and we need to say it plainly.

On **June 25, 2026**, the Supreme Court ruled in *Mullin v. Doe* that the Department of Homeland Security may proceed with terminating Temporary Protected Status even while legal challenges continue in the lower courts. DHS and USCIS then set **July 10, 2026** as the expiration date for work permits tied to TPS for seven countries: **Haiti, Syria, Burma, Yemen, Ethiopia, South Sudan, and Somalia.** Roughly **350,000 people** are affected.

That date has passed. If your status and employment authorization rested on TPS and nothing else, you are no longer authorized to work, and lawful presence has lapsed. Some lower-court proceedings may still produce extended deadlines for particular countries, and DHS characterizes any continued relief as temporary — but **you cannot plan your family's life around a maybe.**

What to do — in this order, starting today:

1. **See a licensed immigration attorney this week.** Not a notario, not a group chat, not a YouTube channel. Many nonprofits offer free or low-cost consultations — ask your church, your community association, or a legal-aid clinic. Bring every document you have.
2. **Ask specifically about alternative pathways.** Asylum, family-based petitions, employment sponsorship, U or T visas, cancellation of removal — eligibility is individual and some options have deadlines of their own. Nobody can tell you which applies from a newsletter.
3. **Talk to your employer before they talk to you.** USCIS has issued I-9 and E-Verify guidance to employers on this termination. Walking into that conversation prepared, with an attorney's letter if you have one, is very different from being called into HR unprepared.
4. **Write your family emergency plan down.** Who picks up the children. Who holds power of attorney. Where the documents are — paper and digital, in two separate places. Who has the passwords. Do this on paper this week, calmly, before you need it.
5. **Do not travel internationally** without written advice from your attorney. Departure can trigger bars on re-entry that are far harder to fix than the underlying problem.

4.2 The Green Card Rule (PM-602-0199) — Still In Force

The USCIS policy memo issued in May remains in effect. To recap what it does and does not do: adjustment of status — applying for a green card from *inside* the U.S. on Form I-485 — is discretionary, not automatic, even when you meet every eligibility requirement. Officers are told to weigh each case individually and to treat consular processing abroad as the ordinary path where it is available.

What it does ***not*** do: it is not a law or a regulation, it changes no statute, and it eliminates no green-card category. If you were eligible before the memo, you are still eligible. What changed is the **burden** — being eligible may no longer be enough; you now have to affirmatively show you deserve a favorable exercise of discretion.

Most exposed: single-intent temporary visa holders — F-1 students, B-1/B-2 visitors, many temporary workers — who entered on visas never intended as a green-card pathway. Least exposed: asylees and refugees adjusting under INA §209, which is governed by a separate part of the law with a one-year physical-presence requirement and is the standard intended next step after a humanitarian grant. Dual-intent H-1B and L-1 holders sit in between.

Litigation was widely expected from business groups, universities, and individual plaintiffs. **Assume the policy is in force until a court says otherwise, and prepare your case as if discretion is the whole ballgame — because right now, it is.**

⚖ ONE HONEST WARNING ABOUT THIS SECTION

Immigration policy is moving faster than any weekly newsletter can track, and the consequences of acting on stale information are severe and often irreversible. Everything above is reported in good faith from public sources as of Tuesday morning. **None of it is legal advice, and none of it substitutes for a licensed attorney reviewing your specific file.** If you take one thing from this issue, take that.

5. HEALTH WATCH

5.1 Cyclospora — A Large, Quiet Outbreak Across 34 States

The CDC has confirmed **1,645 domestically acquired cyclosporiasis cases across 34 states** since May 1, with roughly **5,100 additional cases awaiting verification**. For comparison, there were 249 cases by the same date last year. A concentrated cluster of more than 400 cases spans Michigan, Ohio, West Virginia, and Kentucky, with illness onset on or after June 22. Investigators have pointed to **lettuce or salad greens** as a possible vehicle, but no specific product or supplier has been identified. Of confirmed cases, 141 people (9%) were hospitalized. No deaths have been reported. Median age is 44.

Symptoms typically begin about a week after exposure: watery diarrhea, loss of appetite, weight loss, bloating, nausea, and fatigue. Untreated, it can persist for over a month in a relapsing pattern — which is why people often assume it is something else and wait too long. Treatment is a course of trimethoprim-sulfamethoxazole, generally 7–10 days.

WHAT THIS MEANS FOR YOU

The uncomfortable part: **ordinary washing and standard disinfectants do not reliably kill this parasite.** Rinsing your salad greens is good practice but is not a guarantee here. If you or someone in your household has watery diarrhea lasting more than a few days — especially with fatigue and weight loss — see a doctor and **say the word “cyclospora.”** It requires a specific test that is not part of a routine stool panel, and it responds well to the right antibiotic. Separately, the CDC is investigating a salmonella outbreak linked to shell eggs; cook eggs thoroughly.

AN IMPORTANT REMINDER

Do not stop or change any prescription medication based on a news cycle — including this one. Your prescriber knows your specific situation. And if you are putting off a visit because of cost, ask the clinic about a sliding scale before you skip it. Almost every community health center has one, and almost nobody asks.

ET 6. ETHIOPIA — REMITTANCE, CULTURE & THE MONEY LESSON

REMITTANCE WINDOW — WIDER THAN LAST MONTH

The Commercial Bank of Ethiopia was quoting roughly **158.8 Birr buying and 162.0 selling per dollar** on Monday, July 27 — softer than the ~157 we reported in early June, which means **your dollar buys more Birr today than it did six weeks ago.**

$1,000 sent today ≈ 158,800 Birr. · $500 ≈ 79,400 Birr. · $200 ≈ 31,800 Birr.

6.2 Culture Corner — Coffee Is Culture, and This Year It Is Also a Record

Ethiopia is on track for its first **$2 billion coffee year** — $1.87 billion earned in ten months, up 87% year-over-year, on 354,302 tonnes of exports. Germany, Saudi Arabia, and the United States lead the buyers, and the growth is credited to traceability, quality control, and better market access, riding a global appetite for single-origin Arabica.

There is something worth sitting with here. The ceremony that happens in living rooms across Virginia, Maryland, Minnesota, and Washington every weekend — the roasting, the three rounds, the conversation that goes long — is the same crop that is now the country's largest agricultural earner. ***Culture and economy are not separate things. They are the same thing, viewed from different rooms.***

😆 6.3 The Lighter Side — Beginner's Luck in Gastonia

Kahla Jeffries of Gastonia, North Carolina stopped for gas, noticed a scratch-off, and bought the first lottery ticket of her life. It was a $100,000 winner. "I didn't think I was looking at it right," she said. Her plan for the money: a new car, and savings for school. Earlier this month a Michigan woman who played an online game because she was bored turned a $700 prize into $100,000.

> **THE LAUGH HAS A LESSON**
>
> Look closely at what Ms. Jeffries said she would do: **a car and school.** One depreciating asset she needs, and one investment in earning power. That is a better plan than most windfalls receive, and she made it in the first week.
>
> The research is consistent and unkind: a large share of sudden-money recipients are back where they started within a few years, because the decision gets made after the money arrives, in a fog of relatives and excitement. The fix is boring. **Decide the order in advance — before the bonus, the tax refund, the settlement, the inheritance:** (1) clear high-interest debt, (2) fund the emergency account, (3) then a slow, diversified, long-term plan. And have the family conversation *before* the money exists, not after.
>
> ***Scam note: any message telling you that you have won something and must pay a fee or share bank details to "release" the funds is a scam, 100% of the time. Real prizes never ask you for money first. Delete it, and tell the elder in your family who is most likely to believe it.***

6.4 The Immigrant Money Lesson — Build In Order, Especially Now

This week's immigration news will push some families to make fast financial decisions — pulling retirement money, selling a car, sending everything home at once, or handing cash to someone promising to fix a case. Slow down. **A crisis is the worst possible moment to reorder your finances, and the best possible moment to be glad you already did.**

> **THE RECOMMENDED ORDER**
>
> 1. **Emergency Fund** — 3–6 months of expenses, in cash, before anything else.
> 2. **Life Insurance** — protect the people who depend on you.
> 3. **Health Insurance** — one illness should not bankrupt a household.
> 4. **Debt Elimination** — kill the high-interest balances first.
> 5. **Retirement Savings** — 401(k) or IRA; always capture the employer match.
> 6. **Investment** — diversified, low-cost, long-term.
> 7. **Business Expansion** — grow once the foundation is set, not before.

7. BEHAVIORAL FINANCE — THE SPLIT SCREEN

What Wall Street Saw This Week	What Main Street Felt
Inflation fell to 3.5% — the best print in months	Gas rose 15 cents in one week to $4.09 a gallon
Core inflation at 2.6%, near the Fed's target	Energy costs still up 15.7% from a year ago
AI capex near $200 billion = a growth story	57,000 jobs added in June, and 74,000 revised away
Oil round-tripped $102 → low $80s in five days	Diesel above $5 — that lands in grocery prices next
The Fed will probably hold rates Wednesday	30-year mortgage at 6.58%, highest since last August
Wages finally growing faster than inflation	Labor-force participation fell — people stopped looking

AB'S CHALLENGE THIS WEEK

A down week driven by companies spending too much on the future is not a crisis. It is a market doing its job. Do not let it rewrite a plan you made when you were calm. Three things, five minutes:

1. **Open your 401(k) and confirm the automatic contribution is still running.**
2. **Open your savings and confirm the emergency-fund auto-deposit is on. If your TPS status is affected by this week's news, make that fund your absolute first priority over every other financial goal.**
3. **Open your remittance app. The Birr window is wider than last month — confirm the next transfer is scheduled, and ask whether you qualify for the CBE bonus.**

Three buttons. Five minutes. The headlines resolve themselves; your discipline does not.

8. WEEK AHEAD — JULY 27–31, 2026

Day	Event	Why It Matters
Mon 7/27	Durable goods orders (June)	Already in the books — oil fell 8% and the Dow rose
Tue 7/28	Consumer Confidence (July) · Case-Shiller home prices	Does cheaper oil lift the national mood, or is it too late?
Wed 7/29	**FOMC decision 2:00 PM · Warsh press conference 2:30 PM**	**The main event. About two-thirds odds of a hold; a hike is live**
Wed–Thu	Microsoft, Meta, Apple, Amazon earnings	Capex guidance is now the whole story — see Section 1
Thu 7/30	Q2 GDP (advance) · June PCE & core PCE · jobless claims	Growth plus the Fed's own preferred inflation gauge, same morning
Fri 7/31	Employment Cost Index (Q2) · UMich sentiment (final)	Wage pressure check — the number the Fed watches for spirals
Ongoing	Hormuz and Bab al-Mandeb	Two chokepoints now. Either one reopening the war sends oil back over $100

THE MOST IMPORTANT THING TO WATCH

Wednesday at 2:30 PM, Chair Kevin Warsh takes questions. The federal funds rate sits at **3.50%–4.00%**, and roughly two-thirds of traders expect no change — but the remainder are pricing a hike, and that is unusually high for a meeting this close. Warsh is caught between two of his own commitments: he has said he prefers to "look through" supply shocks like an oil spike, which argues for holding, and he has said plainly that "prices are too high," which argues for acting. Bank of America's read is that he has the votes either way.

What to listen for, in order: **(1) whether he calls the oil spike temporary, (2) whether he mentions the weak jobs number at all, (3) whether any dissents are recorded.** A hold with hawkish language will move mortgage rates as much as a hike would.

Stay calm. Stay disciplined. The plan you wrote when you were calm is the plan that works on Wednesday afternoon.

9. AB'S TIP OF THE WEEK

"Alphabet made $119 billion and the stock fell, because it spent more than it made building the future.

That is not a technology story. That is every household that ever expanded before the foundation was ready — just with more zeros. Build in order."

— AB

The Bottom Line — Where We Are in the Cycle

Still a late-cycle expansion, but the character changed this week. Inflation is finally cooperating; hiring is not. The market's engine — AI capital spending — is now being questioned by the same investors who funded it. That is healthy, and it is also how the last third of an expansion usually feels.

Signal	Reading
Inflation falling toward target	✓
Wages now outpacing inflation	✓
Heavy business investment (AI)	✓
Hiring nearly stalled (+57K, negative revisions)	⚠
Energy prices and two shipping chokepoints	⚠
Elevated valuations concentrated in a few names	⚠
Mortgage rates at an 11-month high	⚠

Stay invested. Reduce high-interest debt. Maintain emergency reserves. If this week's immigration news touched your family, get legal advice before you make any financial move — and don't make major decisions based solely on short-term volatility in either the market or the headlines.

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Thank you for being part of the Maraki community. Stay safe. Stay disciplined. Stay together.

TUNE IN DAILY | 6:00 PM EST

English & Amharic

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