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Happy Summer!

Please find the latest edition of the Park Plaza Group (formerly The Marshall / Tepper Group) Market Update. As always, we hope you find it to be a good read. Please feel free to share it with friends, family, and business associates as we sincerely appreciate the introductions.

Market Update

The Mid-Year Turn

It seems the second quarter of 2026 had a little bit of everything for investors, while also serving as a clear reminder of just how quickly the financial weather can change. For months, a small group of the largest technology companies seemed to do no wrong. This highly concentrated cohort was instrumental in pushing the market to new heights. More recently, those same companies saw their story line of massive commitments to AI become increasingly challenged. Investors began to question the sheer size of the expenses involved and grew impatient for a tangible return.

While this select group of tech giants began to give back a fair amount of their gains, some other fascinating stories caught the market's attention. Within the technology sector itself, a full-blown frenzy emerged around availability and supply constraints for much-needed silicon chips. The silicon bottleneck and the massive influx of capital into the recent space debut helped set the stage for a rotation of money within the broader market.

Of course, the quarter wasn't just about technology, as the macroeconomic picture gave investors plenty to digest. The on-again, off-again conflict involving Iran continues to drive volatility in the energy sector. When fears of trade disruptions near the Strait of Hormuz spiked, crude oil surged back above $80 a barrel and gas prices jumped. Even during quiet periods, the threat of escalation keeps a floor under energy prices. Now, as discussions to end the war could potentially proceed, there remains an active debate about how quickly—and for how long—energy prices could stabilize and eventually return to pre-war levels.

Amidst all of this, Kevin Warsh officially took over as the new Chairman of the Federal Reserve. He steps into the driver's seat during a challenging period defined by still "sticky" inflation and a noticeably soft housing market. All while facing persistent pressure from Wall Street to move toward lower interest rates.

So yes, while many of the "storied" tech stocks gave up some ground after so many months of doing the heavy lifting, the overall market remained surprisingly together. As money flowed out of that tech exit door, it came right back into other crucial areas of the market that had been neglected for all too long. This pivot supports our long-held belief that true asset allocation, maintaining a clear long-term strategy, and keeping a steady focus are what ultimately matter over time.

As we look to the remaining months of summer and into early fall, we remain constructive on the resilient state of the economy and the consumer. We also stay deeply mindful of potential short-term market turbulence as we digest corporate earnings, AI updates, and the daily news cycle. Finally, for those who missed our recent webinar introducing our new partners and discussing our team transition, we will be hosting an additional session in September.

Please be sure to visit our website at
https://advisor.morganstanley.com/the-park-plaza-group

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