

Weekly Market Recap

October 5, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	7,723	-0.3%	12.8%
Dow Jones Industrial Average	51,177	-1.3%	6.5%
NASDAQ	27,191	0.5%	17.0%
Russell 2000® Index	2,833	-0.2%	14.1%
International Equities ¹	103.96	-1.5%	8.3%
Emerging Markets Equities ²	67.67	-0.5%	23.7%
Ten-Year Treasury Yield	5.28%	-1.1%	-7.4%
Bonds ³	\$94.25	-0.2%	-5.6%
Oil WTI ⁴ (\$/bbl ⁵)	\$91.26	-1.2%	58.9%

¹International Equities are represented by iShares Core MSCI ETF. ²Emerging Markets Equities are represented by iShares MSCI Emerging Markets ETF. ³Bonds are represented by the iShares U.S. Aggregate Bond ETF ⁴WTI = West Texas Intermediate ⁵bbl = Barrel..

Sources: Bloomberg L.P.; FactSet.

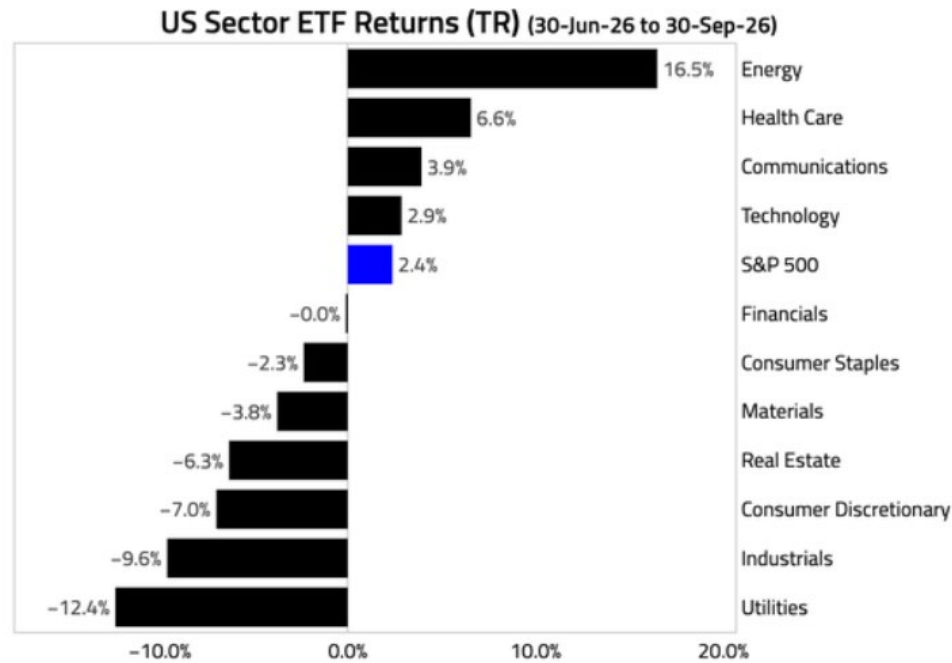
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) fell -0.3% as the 10-year and 30-year Treasury yields hit their highest levels since 2002, appearing to be driven by elevated inflation data, high energy prices, and solid economic growth prospects. Less hawkish commentary from New York Federal Reserve (Fed) President John Williams and Friday's softer-than-expected September payrolls release (only 29K in job gains vs. ~90k expected) seemed to reduce futures expectations of a potential Fed hike in October, but a possible December hike appears likely. OpenAI held its DevDay last Tuesday that unveiled its "dots" agentic system, announced \$70B of annual recurring revenue (ARR), and scrapped plans to release GPT-6.1 Astra due to control/security risks. President Trump reiterated that the U.S. could possibly return to kinetic action after the November midterms, with oil (WTI) down -1.2% for the week. Gold fell -3.7%.
- S&P 500 Index Sector Returns:
 - Tech (+1.4%) rose, led by artificial intelligence (AI) semiconductor stocks and software.
 - Energy (+1.4%) rose, despite the price of oil falling -1.2%.
 - Utilities (+0.74%) rose, led by Vistra and Dominion Energy.
 - Consumer discretionary (-0.2%) fell, led lower by home improvement retailers, Tesla, and autos.
 - Industrials (-0.3%) fell, led lower by airlines, and aerospace and defense stocks.
 - Materials (-1.6%) fell, led lower by precious metals miners, chemical companies and paint stocks.
 - Communication services (-1.6%) fell, led lower by social media and streaming stocks.
 - Real Estate (-1.9%) fell, as yields rose.
 - Consumer staples (-1.9%) and healthcare (-2.7%) underperformed, as investors tend to favor less defensive stocks.
 - Financials (-2.5%) fell, led lower by banks.

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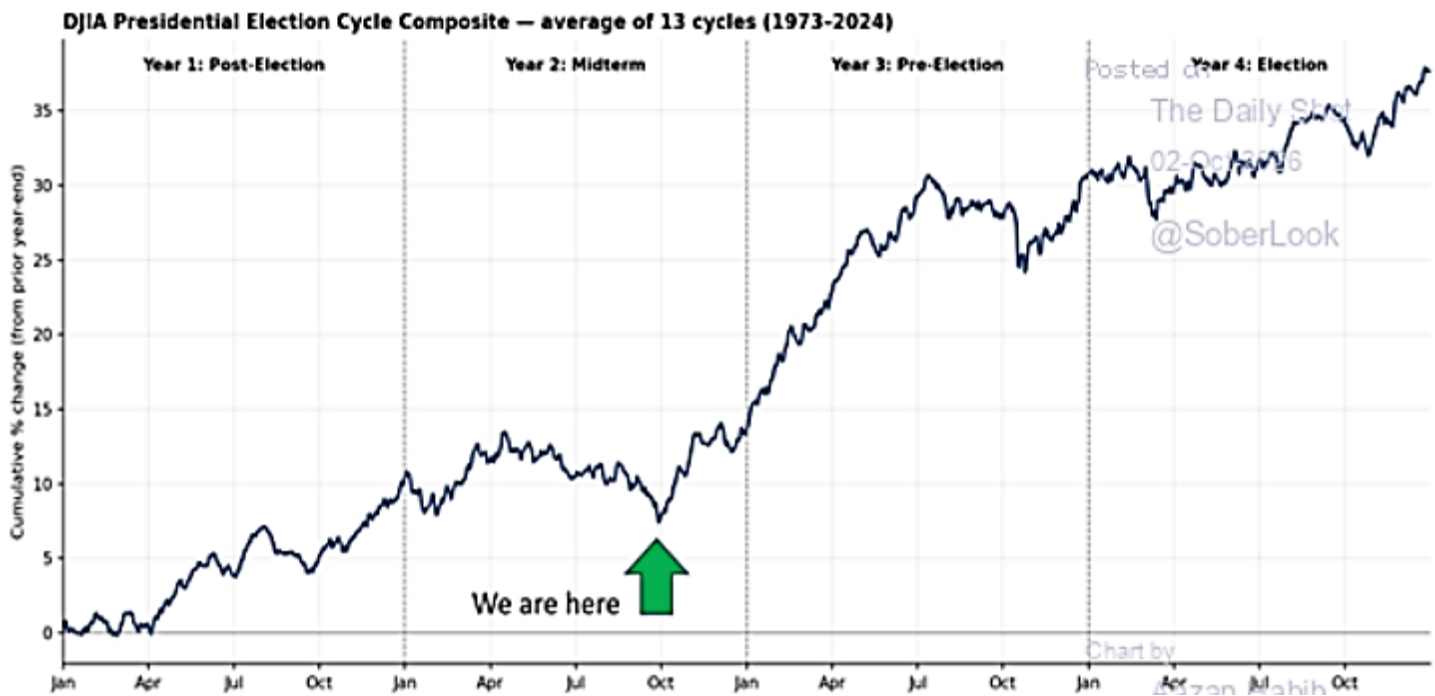
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- In 3Q26, energy, healthcare, communication services, and technology sectors appeared to outperform the S&P 500.



TR: Total return. Sources: Bloomberg L.P.; The Daily Shot.

- Historically, U.S. equities tend to rally in the fourth quarter of year two of a Presidential cycle.



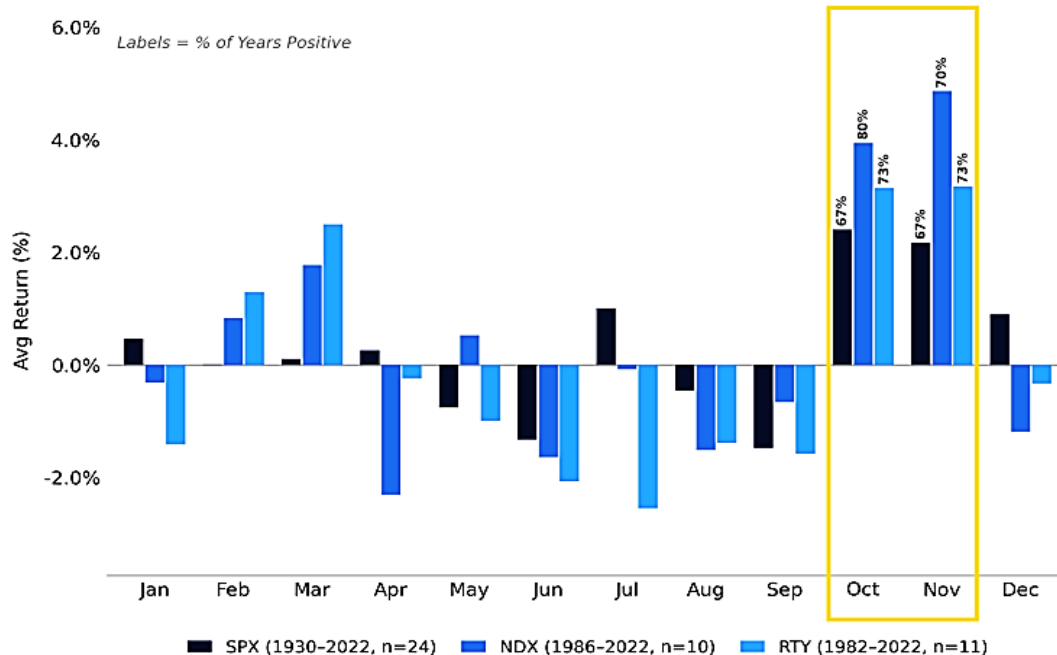
DJIA: Dow Jones Industrial Average. Sources: Aazan Habib; Paradigm Capital; The Daily Shot.

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- Historically, October and November are typically the strongest performing months in a midterm election year.

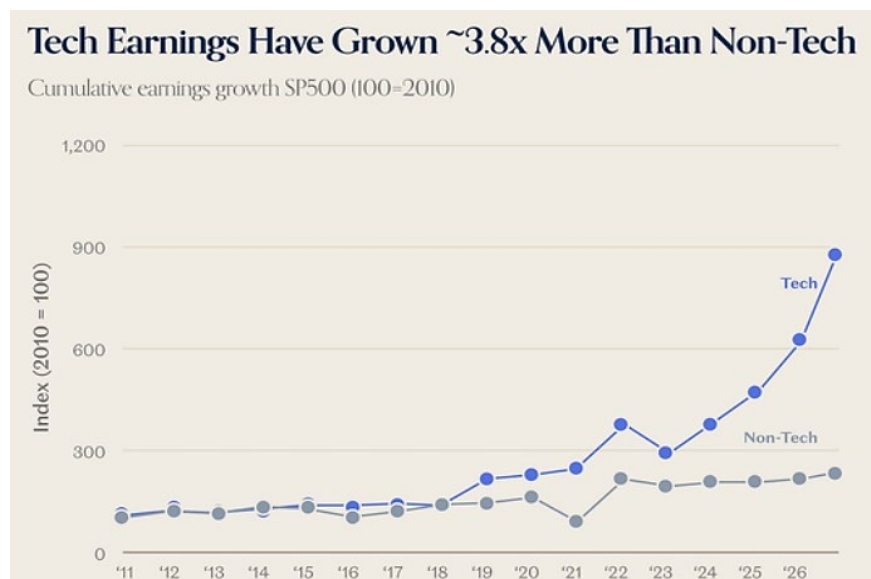
October and November Have Led the Midterm Calendar

Average Monthly Return by Index, Midterm Years Only



SPX: S&P 500 Index. NDX: Nasdaq 100 Index. RTY: Russell 2000 Index. Data is as of 09.30.2026. Sources: Bloomberg L.P.; Citadel Securities; Global Market Intelligence; The Daily Shot.

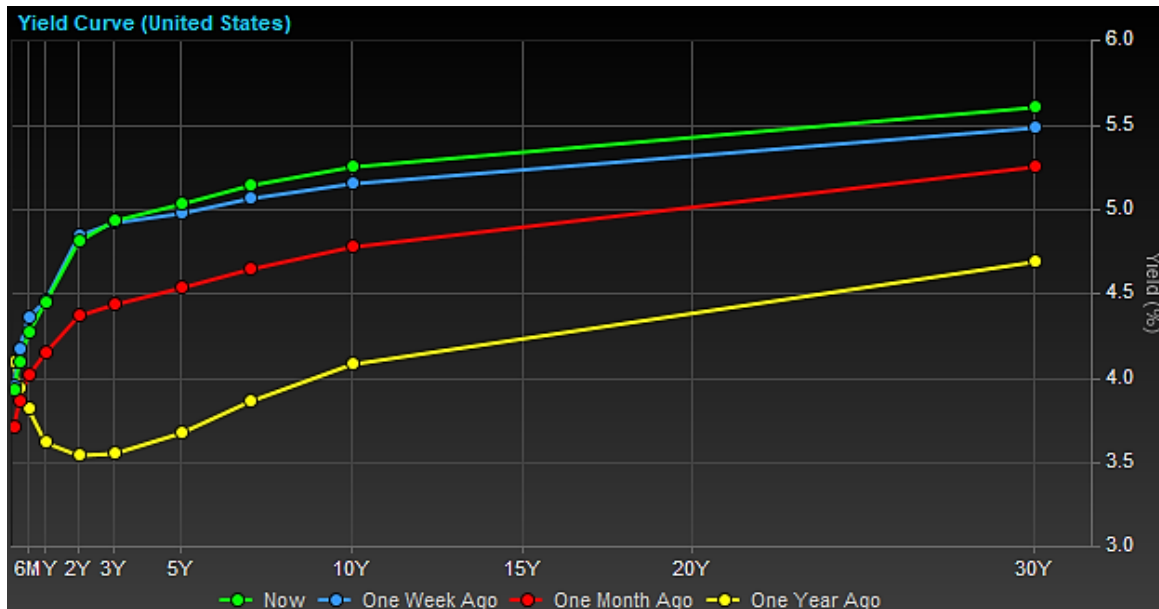
- Since 2010, cumulative tech earnings have risen to roughly 900 on the index scale, while non-tech earnings have increased to only about 240.



Sources: CapIQ for earnings and year-end market cap for S&P 500 constituent members (as of 08.26.26). Coverage limitations pre-2018 likely overstates tech's earlier share (and may understate the relative growth). Tech broadly defined and categorization may not be exhaustive; The Daily Shot.

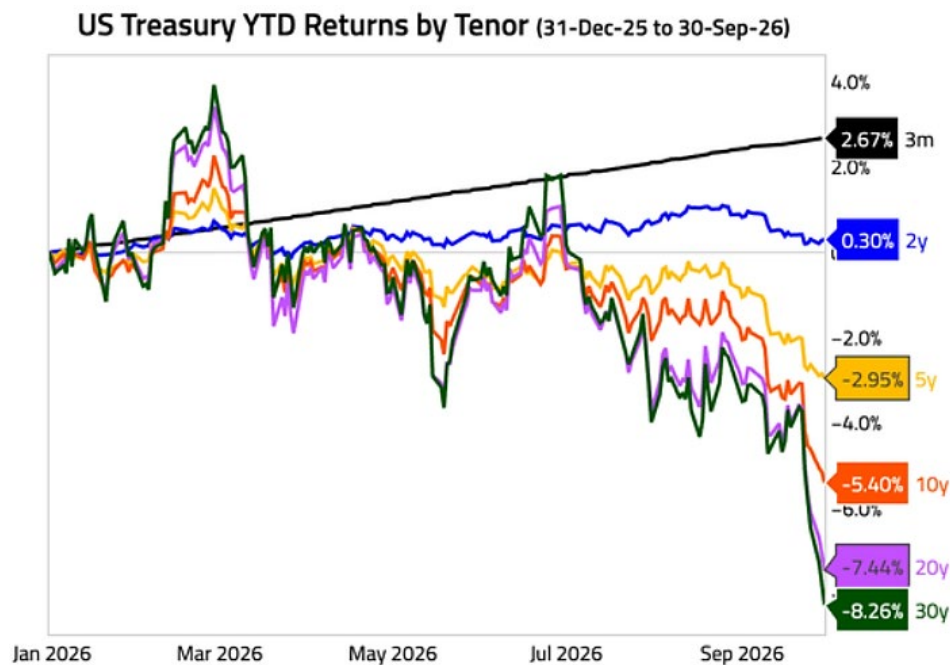
Fixed Income Markets

- U.S. Treasury Yield curve modestly steepened this week. 3Q26 had the largest quarterly rise in 10-year U.S. Treasury yield since 1994.



M: Month. Y: Year. Source: FactSet; Tullet Prebon Information.

- The long end of Treasury curve (5-yr, 10-yr, 20-yr, and 30-yr) appear to have experienced price declines thus far in 2026.



YTD: Year-to-date. Tenor refers to the time remaining on a financial contract. Sources: Bloomberg L.P.; The Daily Shot.

International Markets Summary

- European markets (STOXX 600 Index) fell -1.1%, as elevated oil prices, rising sovereign bond yields, and stronger-than-expected inflation data appeared to weigh on investor sentiment.
- The Chinese stock market (Shanghai Composite A share) fell -1.2%, as AI-oriented and tech/growth stocks appeared to decline on speculation that Beijing may allow companies to buy NVIDIA chips, while reports of potential U.S. restrictions weighed on shares of Chinese optical equipment makers.
- Japanese equities (Nikkei 225 Index) rose +2.9%, led by AI-oriented stocks.

This Week:

- The volume of corporate earnings reports will be light this week.
- Economic data:
 - Monday: Purchasing Managers' Index Services Final, Institute of Supply Management Non-Manufacturing Index;
 - Tuesday: Trade Balance, American Petroleum Institute Crude Inventories, Automatic Data Processing Weekly Employment Change;
 - Wednesday: Federal Open Market Committee Minutes, Mortgage Bankers Association Mortgage Purchase Applications, Consumer Credit, Department of Energy Crude Inventories;
 - Thursday: Weekly Jobless Claims, Wholesale Inventories (Final), Energy Information Administration Natural Gas Inventories;
 - Friday: Michigan Consumer Sentiment (Preliminary).

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
Executive Director

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Index Definitions

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.

The **S&P 500® Index** is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite Index** is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The **Nasdaq 100 Index** is a major stock market index tracking 100 of the largest non-financial companies, including Microsoft, Apple, and Nvidia.

The **MSCI EAFE Index** is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **MSCI World ex USA Index** is a stock market index that tracks medium and large companies in developed countries around the world, excluding the United States.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **Nikkei 225** is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The **Shanghai Stock Exchange Composite Index** is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

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Technical Terms:

OpenAI DevDay 2026 was OpenAI's annual flagship developer conference, held on September 29, 2026, at Fort Mason in San Francisco. A **futures market** is where financial products are bought and sold for delivery at a predetermined date and price in the future. **Annual Recurring Revenue (ARR)**, is a key metric used by subscription and software-as-a-service (SaaS) businesses to measure the predictable, yearly income generated from customer subscriptions. An **IPO, or initial public offering**, is the term for the first time that a private company sells shares of its stock to the public on a stock exchange. The **Federal Open Market Committee (FOMC)** has oversight and the power to take steps to contract or expand the U.S. economy depending on market conditions. A monthly **Purchasing Managers Index (PMI)** highlighting the manufacturing sector is made available by the Institute for Supply Management (ISM), a nonprofit supply management organization. The **ISM Non-Manufacturing Index** (now officially called the Services PMI) is a monthly economic indicator published by the Institute for Supply Management (ISM). The **Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. (Technical definitions are sourced from Corporate Finance Institute.)

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