

Weekly Market Recap

October 12, 2026

Index	Price	Price Returns	
	Close	Week	YTD
S&P 500® Index	7,812	1.2%	14.1%
Dow Jones Industrial Average	51,655	0.9%	7.5%
NASDAQ	27,366	0.5%	17.7%
Russell 2000® Index	2,807	-0.9%	13.1%
International Equities ¹	103.40	-0.5%	7.7%
Emerging Markets Equities ²	66.80	-1.3%	22.1%
Ten-Year Treasury Yield	5.28%	0.4%	-7.0%
Bonds ³	\$94.59	0.4%	-5.3%
Oil WTI ⁴ (\$/bbl ⁵)	\$91.66	0.6%	59.6%

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.

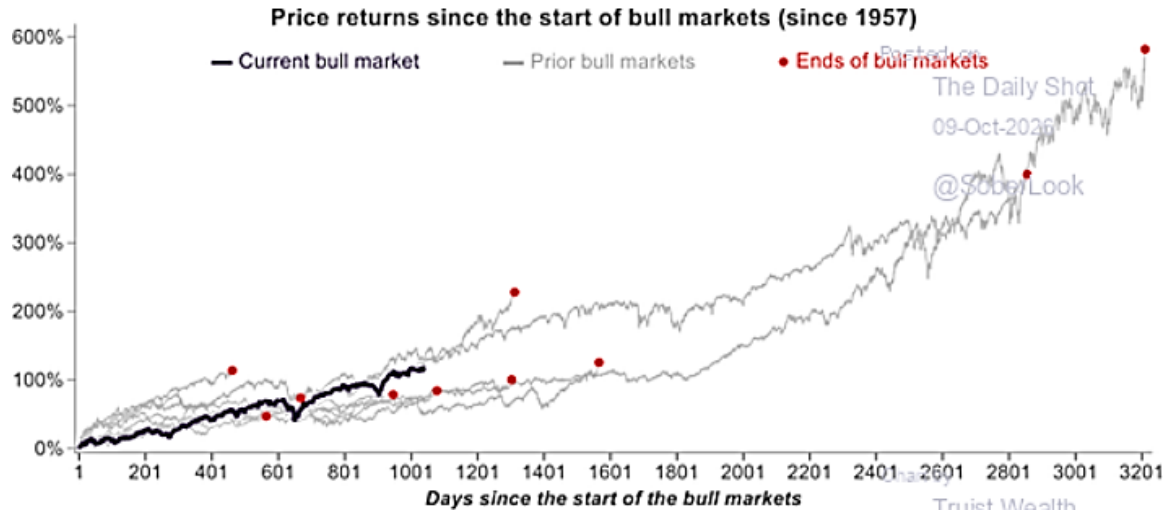
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rose +1.2% to a record high, as stocks seemed relatively resilient to elevated interest rate concerns helped by a well-received 10-year Treasury bond auction of \$39B. Inflation/Federal Reserve (Fed) outlook remained hawkish, as Institute for Supply Management (ISM) services prices paid rose to its highest level since July 2022 and Fed commentary continued to flag elevated inflation risks from energy, artificial intelligence (AI) demand, and tariffs. The AI investment theme came under pressure on Thursday after a report that OpenAI's annualized revenue was approaching \$50B, below the previously cited \$70B figure, which appeared to add to scrutiny around elevated expectations. President Trump said he would not attack Iran before the November midterms, which potentially led to oil (WTI) rising only +0.6% for the week. Gold rose +1.3%.
- S&P 500 Index Sector Returns:
 - Consumer staples (+4.0%), utilities (+3.9%), and healthcare (+2.8%) outperformed, as investors tend to favor more defensive stocks.
 - Energy (+3.6%) rose, as the price of oil rose +0.6%.
 - Consumer discretionary (+3.1%) rose, led by Amazon, Tesla, autos, and home improvement retailers.
 - Financials (+2.3%) rose, led by financial data companies.
 - Real Estate (+1.8%) rose, led by cell towers.
 - Materials (+1.4%) rose, led by precious metals miners, and chemical companies.
 - Communication services (+0.8%) rose, led by internet search stocks, but partially offset by telecom declines due to concerns of increasing competition from SpaceX's Starlink network.
 - Tech (-0.3%) fell, led lower by AI semiconductors stocks.
 - Industrials (-0.4%) fell, led lower by airlines, AI power suppliers, and aerospace and defense stocks.

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- The current S&P 500 Index's bull market is reaching its four-year anniversary from its start in October of 2022.



- Since 2019, the S&P 500 Index's gain of 168% has appeared to have been driven by earnings growth (sales growth & margin growth), and not higher valuations.

S&P 500 Total Return Drivers
January 1, 2020 - October 6, 2026



Next 12-month data used for earnings, sales, margins and multiples. Sources: Carson Investment Research; FactSet; Daily Chart Book.

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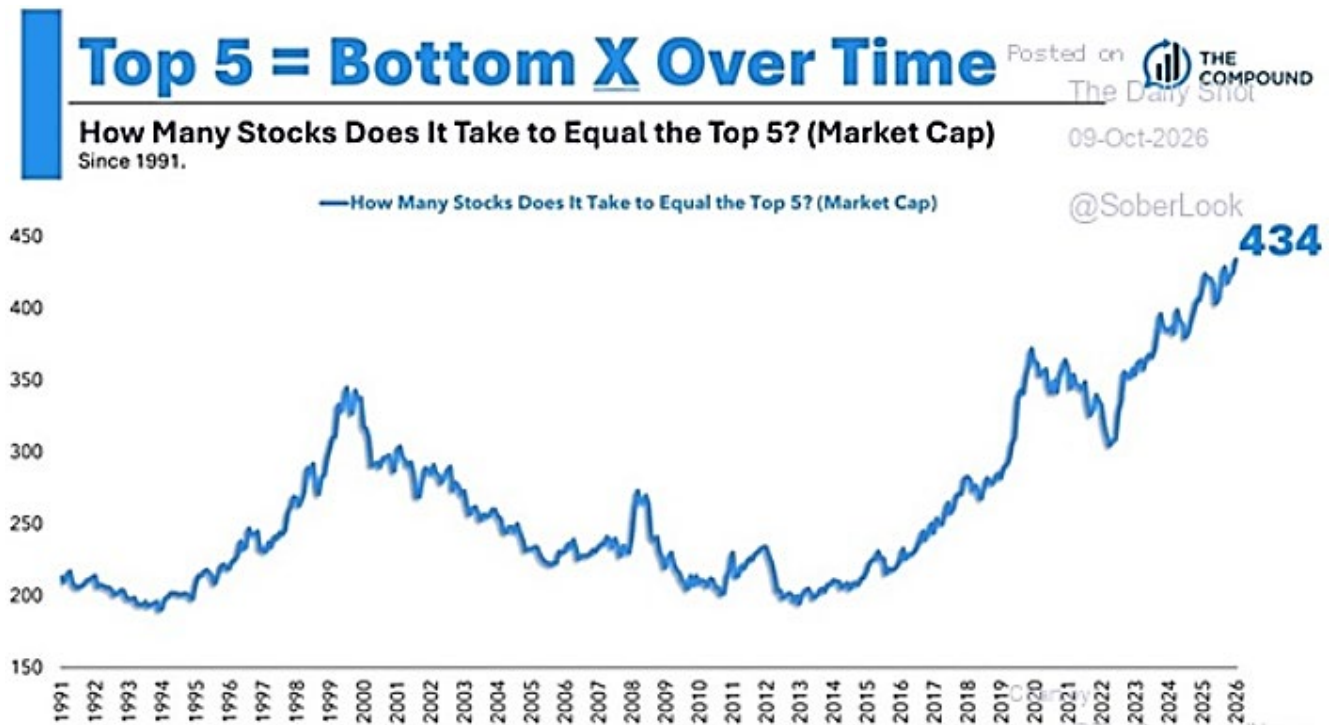
- Of the six previous bull markets that lasted at least four years, five gained further ground in their fifth year with an average fifth-year return of 12%.

S&P 500 bull markets lasting >4 years (since 1957)

Start	End	Duration (years)	Return through year 4	Year 5 return	Posted	Cumulative bull market return
Oct-57	Dec-61	4.1	76%	-20%	09-Oct-2026	86%
Oct-74	Nov-80	6.2	65%	7%		126%
Aug-82	Aug-87	5.0	138%	37%	@SoberLook	229%
Dec-87	Mar-00	12.3	70%	14%		582%
Oct-02	Oct-07	5.0	74%	16%		101%
Mar-09	Feb-20	11.0	129%	21%		401%
Oct-22	10/6/26*	4.0	119%	n/a		119%
Median		5.6	75%	15%		177%
Average		7.3	92%	12%	Chart by	254%

Returns & durations based on calendar days. Median & average figures exclude current cycle. Green shading indicates stronger returns than the current cycle. *Most recent all-time high. Sources: Truist; FactSet; S&P Dow Jones; The Daily Shot.

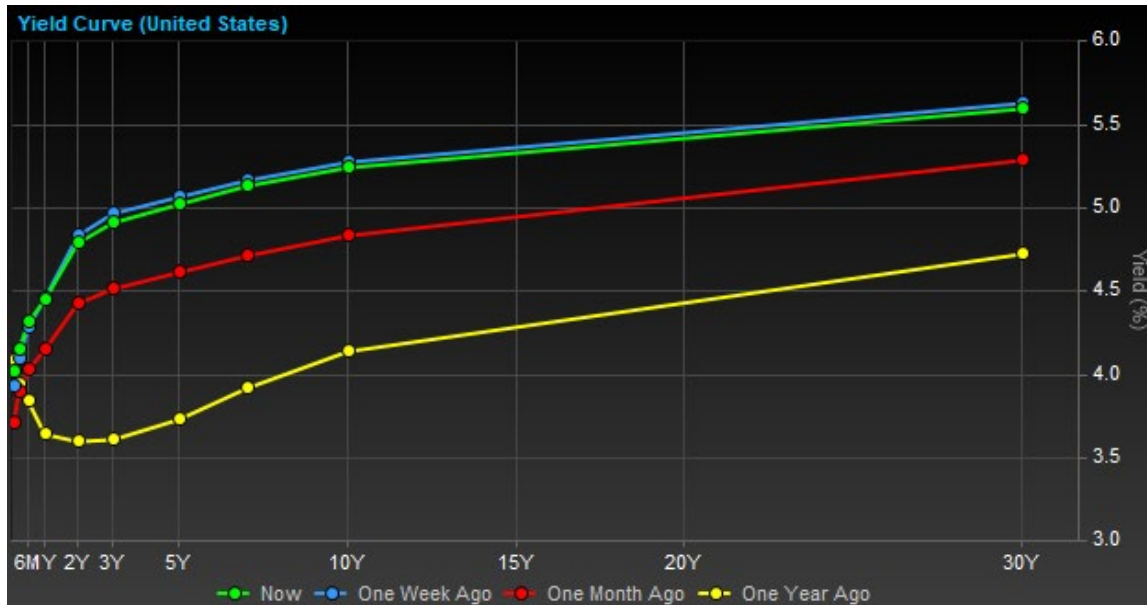
- The five largest S&P 500 companies (NVIDIA, Apple, Alphabet, Microsoft, & Amazon) have combined market capitalization equal to that of the smallest 434 constituents of approximately of \$21.6T.



Sources: TheCompoundNews; Bloomberg L.P.; The Daily Shot.

Fixed Income Markets

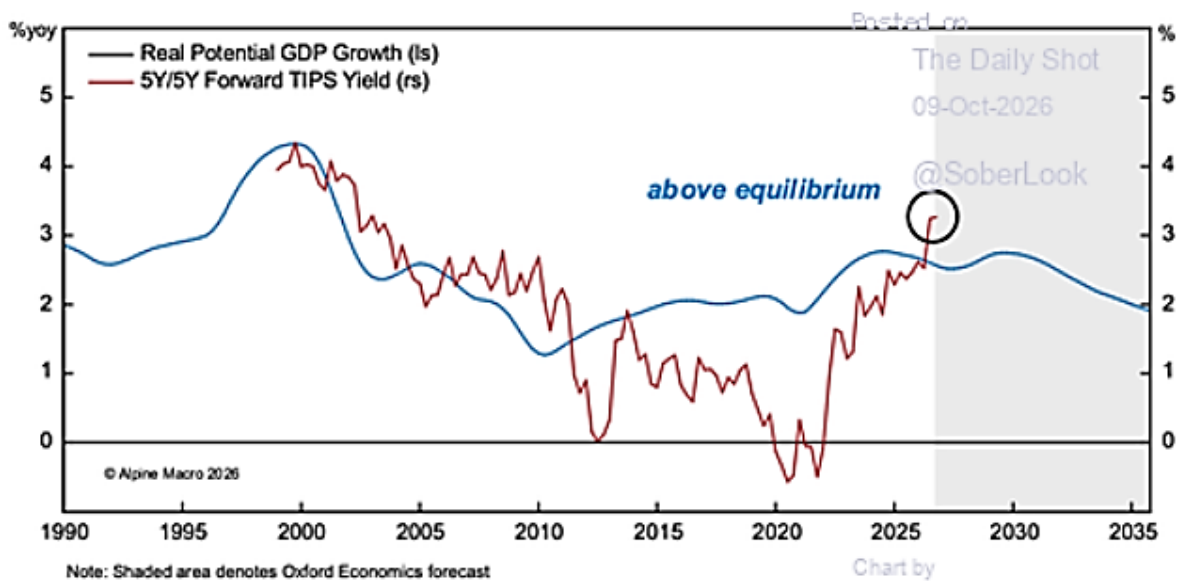
- The U.S. Treasury Yield curve appeared to have modest movements this week but remains elevated from one month ago.



M: Month. Y: Year. Data is as of 10.09.2026. Sources: FactSet; Tullet Prebon Information.

- The five-year/five-year forward real Treasury yield is approximately 70 basis points (bps) above estimated U.S. potential growth, possibly suggesting that long-term real rates may have overshoot equilibrium, according to Alpine Macro.

Chart 1: Forward Real Rate Has Overshot



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A forward real rate is the inflation-adjusted (real) interest rate agreed upon today for a borrowing or lending transaction that will take place at a specific date in the future. GDP: Gross domestic product. Y: Year. TIPS: Treasury inflation-protected securities.

Sources: Alpine Macro; Bloomberg L.P.; Oxford Economics.

International Markets Summary

- European markets (STOXX 600 Index) were flat, as elevated oil prices, a more hawkish European Central Bank (ECB), mixed Eurozone industrial data, and softer U.K. activity data appeared to shape investor sentiment over the week.
- The Chinese stock market (Shanghai Composite A share) fell -0.7%, as AI-oriented and Tech/growth stocks declined on Thursday due to rising yields and elevated oil prices.
- Japanese equities (Nikkei 225 Index) rose +1.1%, led by AI-oriented stocks.

This Week:

- The volume of corporate earnings reports will increase this week.
- Economic data:
 - Monday: Rail Carloads, Crop Progress, Weekly World Advance Cargo Declaration, China Auto Sales;
 - Tuesday: National Federation of Independent Business Small Business Index, Existing Home Sales, Treasury Monthly Budget, Automatic Data Processing Weekly Employment Change, American Petroleum Institute Crude Inventories, Cass-Freight Index;
 - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Consumer Price Index, Hourly Earnings/Average Workweek, Department of Energy Crude Inventories, Beige Book;
 - Thursday: Empire Manufacturing, Philadelphia Fed Index, Producer Price Index, Retail Sales, Business Inventories, Weekly Jobless Claims, Energy Information Administration Natural Gas Inventories, Drewry Container Index;
 - Friday: Import/Export Prices, Capacity Utilization, Industrial Production, Treasury International Capital Flows, Port of Long Beach, Port of LA Twenty-Foot Equivalent Units.

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 **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.

Technical Terms:

The **Institute for Supply Management (ISM) manufacturing index**, also known as the purchasing managers' index (PMI), is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at manufacturing firms nationwide. It is considered to be a key indicator of the state of the U.S. economy. A **basis point (BPS)** is one-hundredth of a percentage point, used to denote changes in interest rates or other financial percentages. **Gross domestic product (GDP)** is the monetary value of all finished goods and services made within a country during a specific period. The **Producer Price Index (PPI)** is a family of economic indexes that measures the average change over time in the selling prices received by domestic producers for their output. The **Consumer Price Index (CPI)** measures the monthly change in prices paid by U.S. consumers. The Bureau of Labor Statistics (BLS) calculates the CPI as a weighted average of prices for a basket of goods and services representative of aggregate U.S. consumer spending. **Treasury Inflation-Protected Securities (TIPS)** are U.S. government bonds designed to protect investors from the purchasing power erosion of inflation. The **Cass Freight Index** is a measure of monthly freight activity, widely used by analysts and economists as an indicator of North American economic trends. The **Beige Book** (officially known as the Summary of Commentary on Current Economic Conditions by Federal Reserve District) is a qualitative report published eight times a year by the United States Federal Reserve Board. The **Empire State Manufacturing Index** is a monthly survey that measures the business conditions and manufacturing activity in New York State. The **National Federation of Independent Business (NFIB)** is an association of small businesses in the United States. It is headquartered in Nashville, TN, with offices in Washington, D.C., and all 50 state capitals. The **Drewry World Container Index (WCI)** is a benchmark that tracks the average spot and short-term contract freight rates for shipping a 40-foot ocean container (FEU) across major global trade routes. **Treasury International Capital (TIC) flows** measure the cross-border movement of financial capital into and out of the United States. Compiled monthly and quarterly by the U.S. Department of the Treasury, these data track purchases and sales of long-term and short-term securities, banking claims, and liabilities between U.S. and foreign residents. The **Philadelphia Federal Index** tracks manufacturing growth in Pennsylvania, New Jersey, and Delaware and offers an early read on broader U.S. economic trends. The **eurozone** is a geographic and economic region consisting of 21 European Union (EU) member states that use the euro (€) as their official single currency. (Technical definitions are sourced from Corporate Finance Institute.)

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