

# Weekly Market Recap

October 19, 2026

| Index                                       | Price   | Price Returns |       |
|---------------------------------------------|---------|---------------|-------|
|                                             | Close   | Week          | YTD   |
| S&P 500® Index                              | 7,659   | -2.0%         | 11.9% |
| Dow Jones Industrial Average                | 52,002  | 0.7%          | 8.2%  |
| NASDAQ                                      | 26,140  | 4.5%          | 12.5% |
| Russell 2000® Index                         | 2,721   | -2.6%         | 9.7%  |
| International Equities <sup>1</sup>         | 103.55  | 0.5%          | 7.8%  |
| Emerging Markets Equities <sup>2</sup>      | 62.85   | -5.0%         | 14.9% |
| Ten-Year Treasury Yield                     | 5.08%   | 1.1%          | -6.0% |
| Bonds <sup>3</sup>                          | \$95.38 | 0.8%          | -4.5% |
| Oil WTI <sup>4</sup> (\$/bbl <sup>5</sup> ) | \$99.04 | 7.8%          | 72.5% |

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

Sources: Bloomberg L.P.; FactSet.

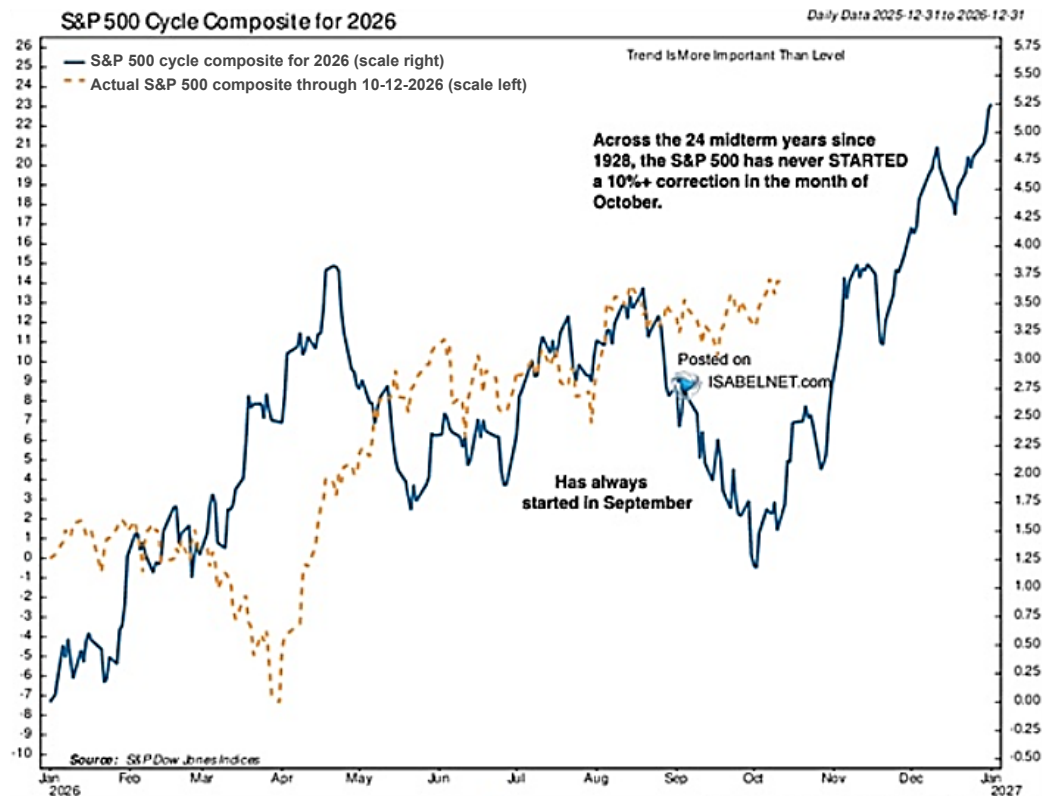
## U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) fell -2.0% on the selloff of the artificial intelligence (AI) theme as Anthropic's closed-door investor meeting resulted in a potential \$1.5T valuation for the upcoming initial public offering (IPO), down from prior \$2T expectations as 3Q26 revenue of \$16.8B was below expectations of \$18B. Rising interest rates and decelerating revenue seemed to contribute to a sharp selloff in Coreweave's (AI infrastructure company) equity and bond values, which may have contributed to additional fears in the AI theme. The AI turbulence may also have sparked a market rotation towards defensive and value equities. September core consumer price index (CPI) of 0.3% month-over-month was hotter than expectations of 0.2%, and September core producer price index (PPI) was also hotter than expected. Futures markets are pricing odds of the Federal Reserve (Fed) hiking rates in October at only 16%, but a potential 90%+ chance of a hike at the December meeting. President Trump ruled out sending ground troops to Iran, but reports indicated the U.S. military may be developing new strike plans targeting Iranian energy infrastructure and nuclear sites, which led to oil (WTI) rising +7.8% for the week. Gold fell -0.8%.
- S&P 500 Index Sector Returns:
  - Consumer staples (+5.0%), healthcare (+3.4%), and utilities (+2.0%) outperformed, as investors tend to favor more defensive stocks.
  - Energy (+5.0%) rose, as the price of oil rose +7.8%.
  - Financials (+1.4%) rose, led by fin-tech.
  - Real Estate (+1.2%) rose, led by cell towers and senior living.
  - Materials (+1.4%) rose, led by industrial gas stocks and chemical companies.
  - Industrials (-0.9%) fell, led lower by airlines, AI power suppliers, and aerospace and defense stocks.
  - Communication services (-1.6%) fell, led lower by internet search stocks, partially offset by telecom.
  - Consumer discretionary (-1.9%) rose, led lower by Tesla and Amazon.
  - Tech (-6.4%) fell, led lower by AI semiconductors stocks on concerns of rising rates impacting the financing of the AI infrastructure buildout.

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All data is as of 10.16.2026 unless otherwise noted. Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on pages 6-7.

- Since 1928, all 24 midterm years have never experienced the S&P 500 Index starting a 10%+ correction in the month of October as the month has averaged a positive return of 3% per year.



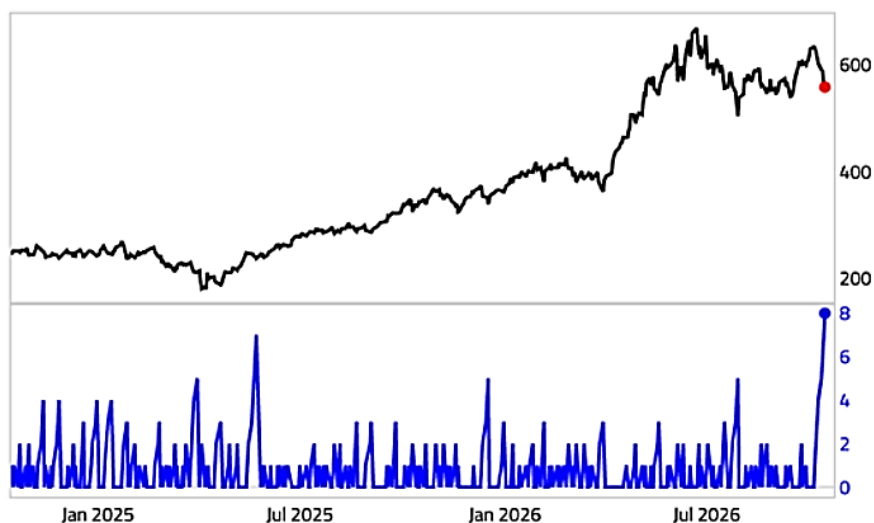
Sources: S&P Dow Jones Indices.

- The VanEck Semiconductor ETF has declined for eight consecutive trading sessions.

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## VanEck Semiconductor ETF

— 558.84 / -1.04% — Consecutive Days of Losses

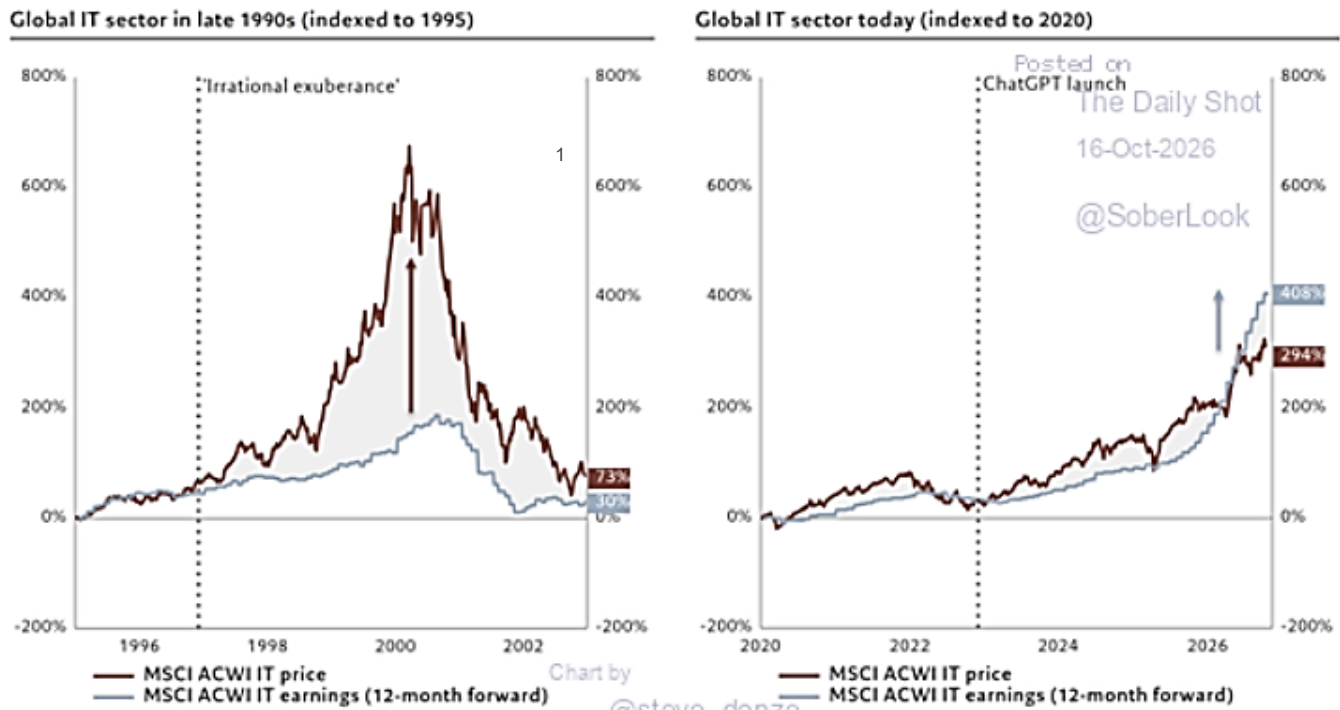


The VanEck Semiconductor ETF (SMH) tracks the performance of the largest U.S.-listed semiconductor companies. Data is as of 10.15.2026.  
Sources: Carson Investment Research; FactSet; Daily Chart Book.

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# Weekly Market Recap

- Unlike the dot-com bubble, when global technology stocks rallied far ahead of earnings, the current tech rally has appeared to be supported by stronger earnings growth.

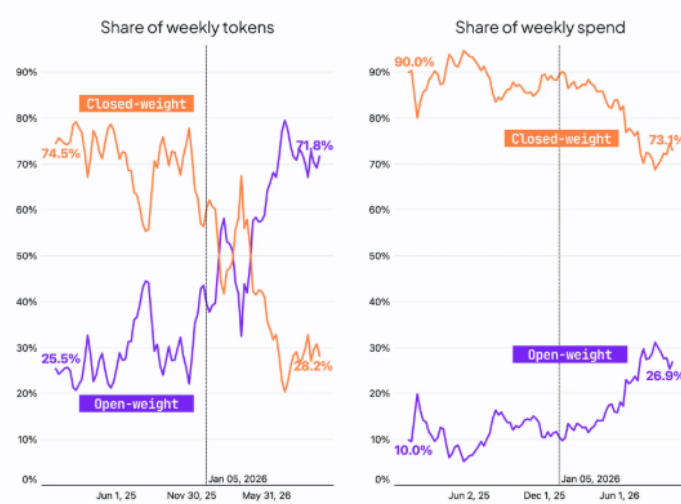


The MSCI All Country World Index (ACWI) is a stock market index that tracks large- and mid-cap equity performance across both developed and emerging markets. Sources: Steve Doneze (Pictet Asset Management); The Daily Shot.

- Open-weight models (models are publicly available for download with low/no fees) reached 72% of AI tokens utilized and 27% of AI spent on tokens, while closed-weight models (users pay for access & utilization of models) lost market share of weekly AI tokens utilized and AI revenue.

## Open-weight models took 72% of tokens and 27% of spend last week

Weekly share by model type across OpenRouter | Jan 5, 2025 - Oct 12, 2026

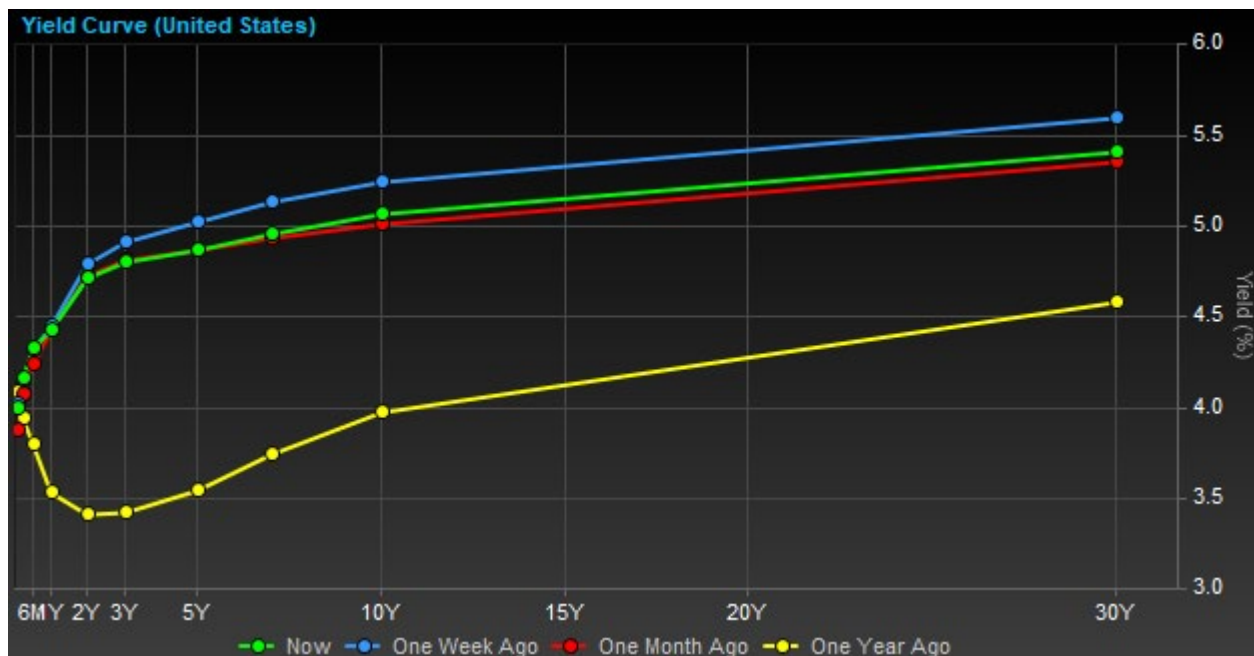


AI tokens are the basic data units that AI models process. Tokens are also the units that determine costs and usage limits for AI services. Sources: TheCompoundNews; Bloomberg L.P.; The Daily Shot.

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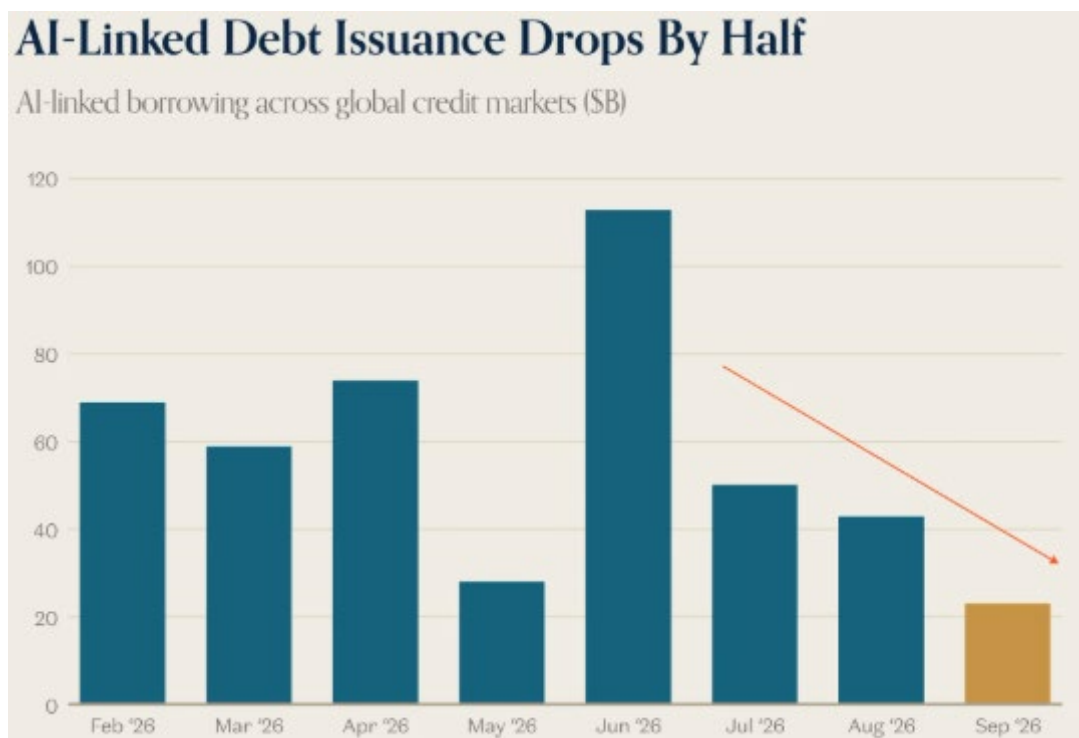
## Fixed Income Markets

- U.S. 10-year Treasury yield fell this week, but remains elevated from one year ago.



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

- AI-linked debt issuance is expected to drop by 50% in 3Q26 relative to 2Q26.



Sources: The FT (10.10.2026); Morgan Stanley; Daily Chartbook.

## International Markets Summary

- European markets (STOXX 600 Index) rose +2.1%, as mixed earnings reports and AI selloff concerns appeared to rotate investor support towards defensive/value equities, while European semiconductors underperformed.
- The Chinese stock market (Shanghai Composite A share) fell -2.6%, as AI-oriented and Tech/growth stocks declined along with global markets.
- Japanese equities (Nikkei 225 Index) fell -5.4%, led lower by AI-oriented stocks along with global markets.

## This Week:

- The volume of corporate earnings reports will increase this week.
- Economic data:
  - Monday: National Association of Home Builders Housing Market Index, 1- and 5-year loan prime rates;
  - Tuesday: Building Permits, Housing Starts, Pending Home Sales, American Petroleum Institute Crude Inventories, Redbook Chain Store, Automatic Data Processing Weekly Employment;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Department of Energy Crude Inventories;
  - Thursday: Leading Indicators, Weekly Jobless Claims, Energy Information Administration Natural Gas Inventories, European Automobile Manufacturers' Association (ACEA) Auto Registrations, American Trucking Associations Tonnage;
  - Friday: Purchasing Managers Index (PMI) Manufacturing Preliminary, PMI Services Preliminary, Michigan Consumer Sentiment (Final), Energy Information Administration Electric Power Monthly.

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 **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. **Core CPI (Consumer Price Index)** is a measure of inflation that tracks the change in prices for most goods and services while excluding food and energy prices. The **producer price index (PPI)** is a monthly measure of change in the prices received by domestic producers. An **IPO (Initial Public Offering)** is the process where a private company sells shares of stock to the general public for the first time. A **futures market** is where financial products are bought and sold for delivery at a predetermined date and price in the future. The **dot-com bubble** was a historic stock market bubble and period of extreme financial speculation that occurred between 1995 and 2000, centered around the rapid commercialization and adoption of the Internet. 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 **Services PMI** (Purchasing Managers' Index) is a key economic indicator that measures business activity in the services sector. It provides a forward-looking perspective on the health of the economy, specifically within the service industry. The **NAHB/Wells Fargo Housing Market Index (HMI)** is a monthly survey measuring builder confidence in the single-family home market. The **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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