Weekly Market Recap

August 17, 2026

	Price	Price Returns	
Index	**Close**	**Week**	**YTD**
S&P 500® Index	7,786	0.4%	13.7%
Dow Jones Industrial Average	53,732	-0.6%	11.8%
NASDAQ	26,729	0.1%	15.0%
Russell 2000® Index	3,068	1.1%	23.6%
International Equities[1]	108.64	0.1%	13.1%
Emerging Markets Equities[2]	66.61	1.5%	21.8%
Ten-Year Treasury Yield	4.69%	-0.1%	-3.2%
Bonds[3]	$97.48	-0.1%	-2.4%
Oil WTI[4] ($/bbl[5])	$82.40	5.4%	43.5%

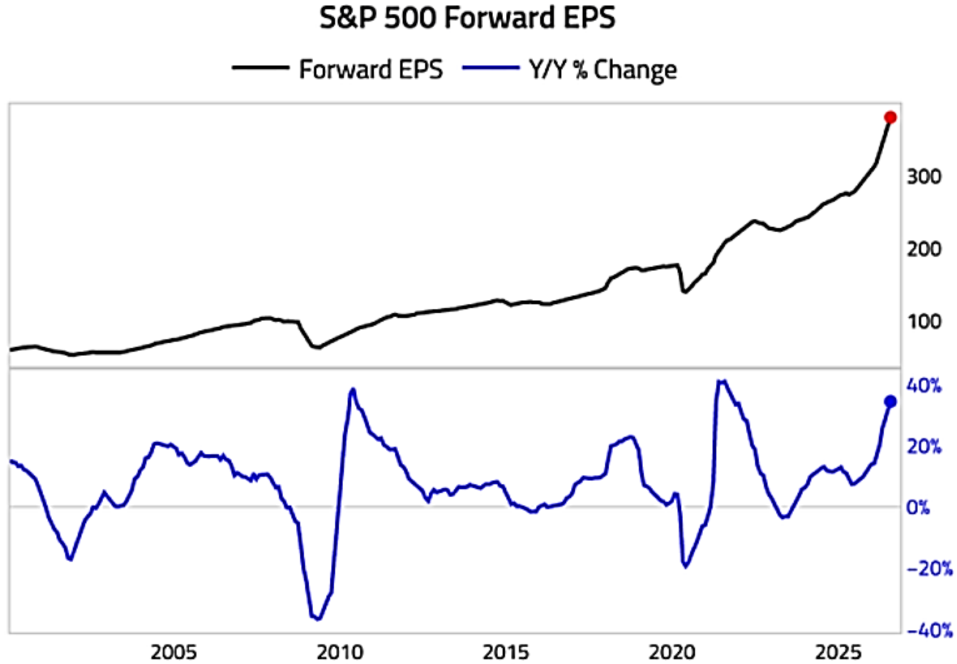
[1]International Equities are represented by iShares Core MSCI ETF. [2]Emerging Markets Equities are represented by iShares MSCI Emerging Markets ETF. [3]Bonds are represented by the iShares U.S. Aggregate Bond ETF [4]WTI = West Texas Intermediate [5]bbl = Barrel. Sources: Bloomberg L.P.; FactSet.

U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rose +0.4% as the July Consumer Price Index (CPI) was in-line with market analysts' expectations, which appeared to take the pressure off the Federal Reserve (Fed) to potentially hike rates in the Fall. Futures markets are pricing at a 28% probable chance that the Fed will hike interest rates at the September meeting, which is down from 44% a week ago. Semiconductors and artificial intelligence (AI) infrastructure stocks appeared to benefit from NVIDIA announcing $500B in financing from major asset managers, while the Financial Times and other media reports suggested Anthropic may pursue an initial public offering (IPO) later in 2026 with an estimated $2T valuation. News on progress of a diplomatic resolution for the U.S.-Iran conflict continued while the price of Oil (WTI) rose +5.4% in volatile trading. The U.S. 10-year Treasury yield rose to 4.69% from 4.64%. Gold rose +0.9% and silver rose +2.5%.

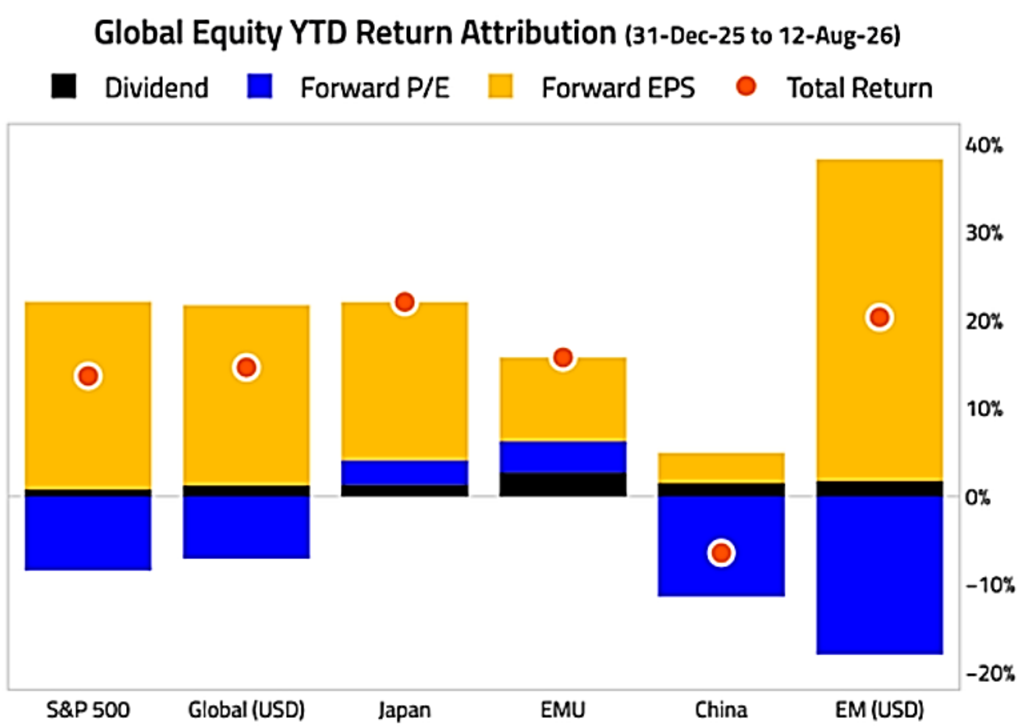
- S&P 500 Index Sector Returns:
  - Energy (+7.3%) rose, as the price of oil rose +5.4%.
  - Utilities (+1.5%), consumer staples (+1.0%), and healthcare (+1.0%) outperformed, as investors tend to favor more defensive stocks.
  - Real Estate (+0.7%) rose, led by offices and cell towers.
  - Industrials (+0.7%) rose, led by AI infrastructure and aerospace and defense stocks.
  - Financials (+0.9%) rose, led by asset managers, fin-tech and banks.
  - Tech (+0.2%) rose, led by AI semiconductors and software stocks.
  - Materials (-0.9%) fell, led lower by precious metals miners and chemical companies.
  - Communication services (-1.0%) fell, led lower by internet search and social media stocks.
  - Consumer discretionary (-2.0%) fell, led lower by Amazon and home improvement retailers.

- Earnings growth (forward earnings per share) continues to rise, which may be driving the strength of U.S. equities.



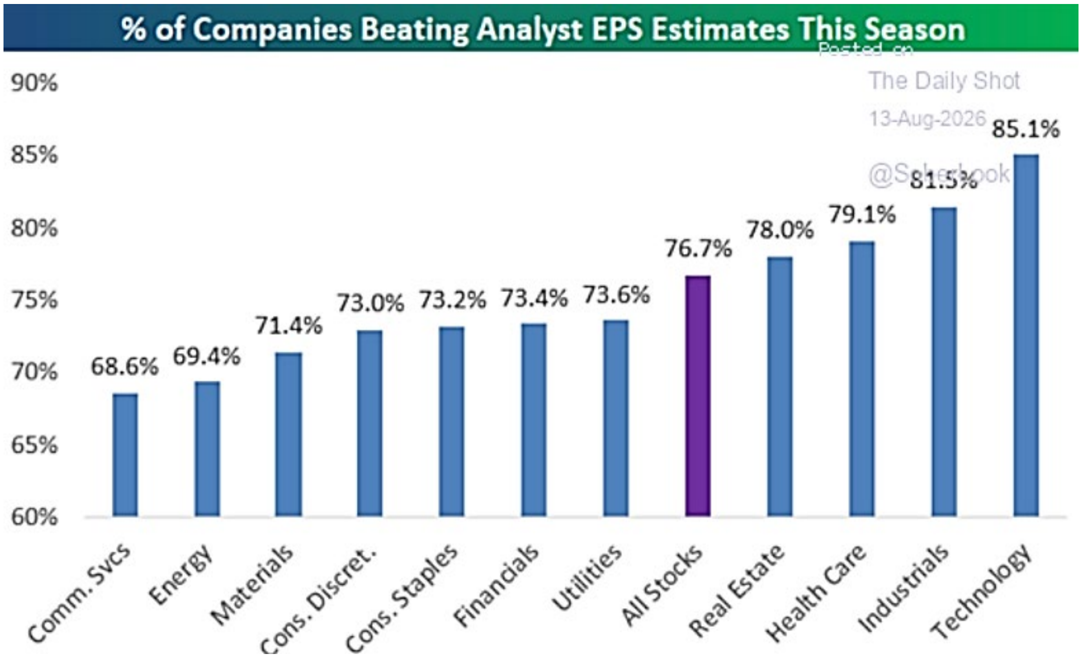
EPS= earnings per share. Y/Y= year-over-year. Sources: FactSet; Edward Jones.

- Thus far in 2026, S&P 500 returns have primarily been driven by earnings growth, while valuations have contracted (forward price-to-earnings (P/E) has compressed).



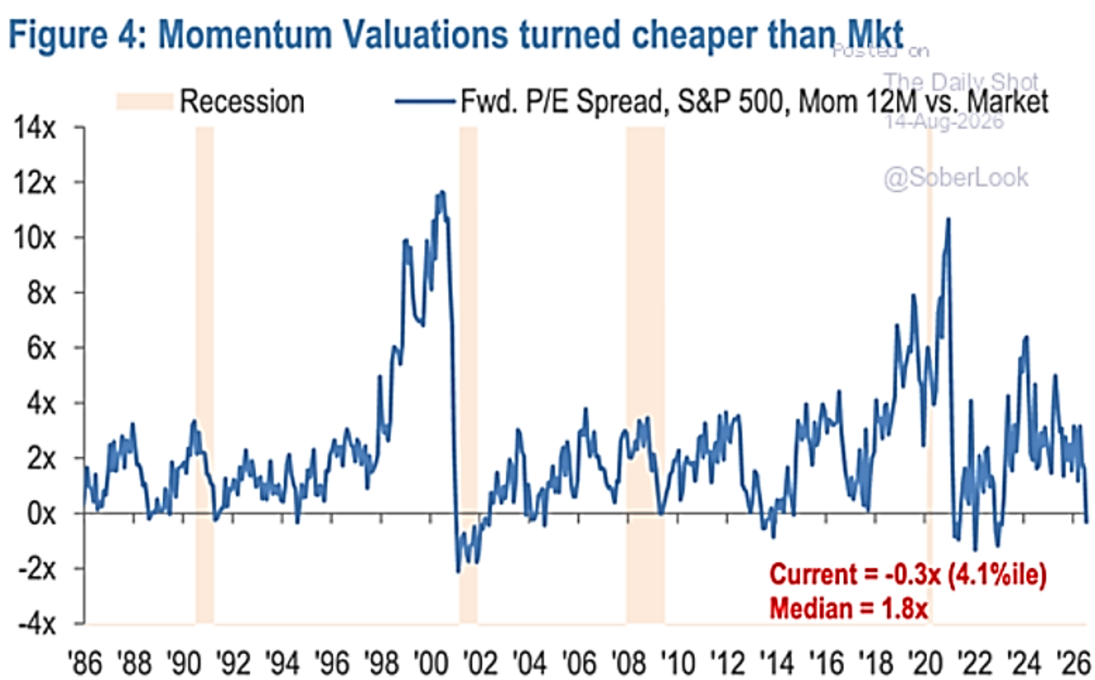
YTD= year-to-date. EMU= economic and monetary union. EM= emerging markets.
Sources: The Daily Shot; Bloomberg L.P.

- The percentage of S&P 500 Index companies beating analysts' EPS estimates is 76.7% with technology, industrials, health care, and real estate sectors having a higher percentage of companies ahead of estimates.



Sources: Bespoke; Bloomberg L.P.; The Daily Shot. Data as of 08.13.2026.

- Valuations (P/E ratio) for momentum stocks are now below the S&P 500 Index.



Mom= momentum. M= month. Sources: The Daily Shot; J.P. Morgan.

All data is as of 08.14.2026 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.

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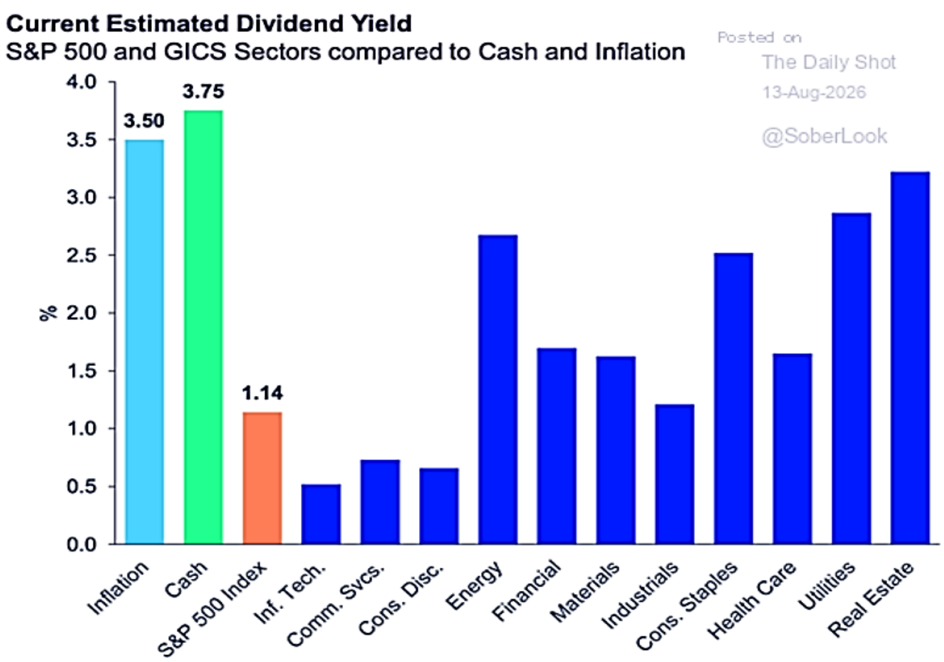
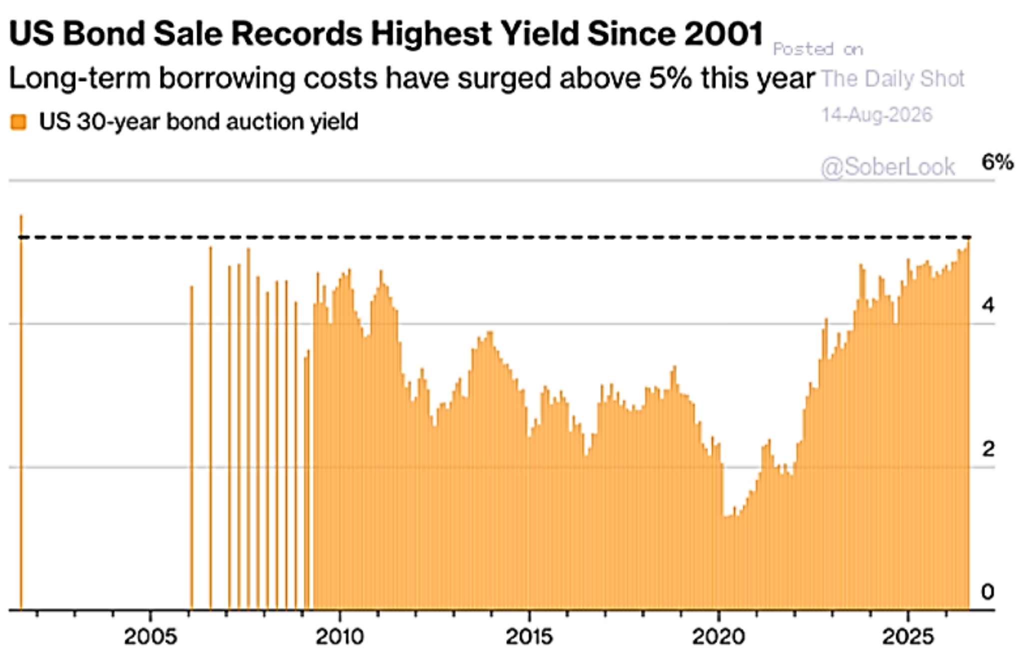
Fixed Income Markets

- Cash yield remains above the yield of nearly all U.S. equity sectors. However, if inflation normalizes and the Fed starts to cut interest rates again in 2027 and/or 2028 then real estate, utilities, energy and consumer staples sector's yields may become more attractive relative to money market yields.



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

- The Treasury sold $25B of 30-year Treasuries at a 5.22% yield, which is the highest yield since 2001.



Sources: S&P Global Ratings; The Daily Shot.

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International Markets Summary

- European markets (STOXX 600 Index) fell -0.4% as uncertainty surrounding the U.S.-Iran conflict and energy costs weighed on sentiment for local equities.
- The Chinese stock market (Shanghai Composite A share) fell -0.3% on weakness from precious metals stocks, partially offset by strength from optical component companies on strong forecasts from U.S. AI firms.
- Japanese equities (Nikkei 225 Index) rose +4.7% on strong earnings and guidance from AI-oriented technology stocks including memory/semiconductor companies, partially benefitting from the weakening value of the Japanese Yen (which generally benefits Japanese exporters).

This Week:

- The volume of corporate earnings reports will be moderate this week.
- Economic data:
  - Monday: Empire Manufacturing, National Association of Home Builders Housing Market Index, Treasury International Capital Flows;
  - Tuesday: Building Permits, Import/Export Prices, Housing Starts, Capacity Utilization, Industrial Production, Pending Home Sales, American Petroleum Institute Crude Inventories;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Federal Open Market Committee Minutes, Department of Energy Crude Inventories;
  - Thursday: Weekly Jobless Claims, Philadelphia Fed Index, Leading Indicators, Energy Information Administration Natural Gas Inventories;
  - Friday: Purchasing Managers Index (PMI) Manufacturing Preliminary, PMI Services Preliminary.

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

Whitney Stewart, CFA®
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 **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 **Composite Index of Leading Indicators**, or Leading Economic Index (LEI), is a monthly index published by The Conference Board that combines ten economic components to predict the direction of the U.S. economy. 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. A **money market fund** is a type of mutual fund that invests in short-term, high-quality debt securities, cash, and cash equivalents. They are designed to be a relatively low-risk investment, often used by investors to store cash or as an alternative to bank savings vehicles. 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. **Earnings per Share (EPS)** is a common measure of profitability per share of a company's common stock. (Technical definitions are sourced from Corporate Finance Institute.). **Forward EPS** is an estimate of a company's profit allocated to each share of common stock over a future period, typically the next 12 months. **Treasury International Capital 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 **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. The **Philadelphia Fed Index** (formally the Manufacturing Business Outlook Survey) is a monthly economic indicator published by the Federal Reserve Bank of Philadelphia. **Forward price-to-earnings (P/E)** helps estimate future earnings relative to current stock prices. An **initial public offering (IPO)** refers to the first time a company offers its shares of capital stock to the general public in a registered offering. A **futures market** is a public financial exchange where people buy and sell standardized contracts to trade an asset at a set price on a specific future date. The **price-to-earnings (P/E) ratio** compares a company's share price with its earnings per share (EPS). **Momentum stocks** are shares of companies experiencing strong, rapid price movement in one direction, usually upward, on heavy trading volume. The **Empire State Manufacturing Index** is a monthly survey that measures the business conditions and manufacturing activity in New York State,

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