Weekly Market Recap

November 2, 2026

	Price	Price Returns	
Index	**Close**	**Week**	**YTD**
S&P 500® Index	7,580	-0.6%	10.7%
Dow Jones Industrial Average	52,215	0.4%	8.6%
NASDAQ	25,437	-2.0%	9.4%
Russell 2000® Index	2,811	1.3%	13.3%
International Equities[1]	103.37	0.7%	7.6%
Emerging Markets Equities[2]	61.04	-1.6%	11.6%
Ten-Year Treasury Yield	4.93%	0.8%	-4.6%
Bonds[3]	$96.36	0.4%	-3.5%
Oil WTI[4] ($/bbl[5])	$102.95	-0.3%	79.3%

[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) fell -0.6% as weakness in the Magnificent 7 (Mag 7) and a late-week fade in the artificial intelligence (AI) trade appeared to drive U.S. equities lower. However, gainers outnumbered decliners in the S&P, the equal-weight S&P 500 rose +0.8% to beat the cap-weighted S&P 500 index by nearly +1.4%, and the MSCI small cap index extended last week's gains. Google fell -12.6% and Amazon fell -3.6% on their earnings reports, while cybersecurity, tech hardware, managed care, refiners, media and trucking also lagged, and semiconductors slipped -0.8%. Pharma/biotech, engineering & construction, oil services, defense, and restaurants outperformed. Treasuries firmed and the curve steepened, with short-end yields down about -0.09%, even though the 2-, 5- and 7-year Treasury auctions met weak demand. WTI crude rose +0.8% as hopes for U.S.-Iran diplomacy were offset by reports that the U.S. may resume strikes after next week's midterm elections. The dollar gained against the euro but roughly flat on the U.S. Dollar Index, and gold fell -2.7%.

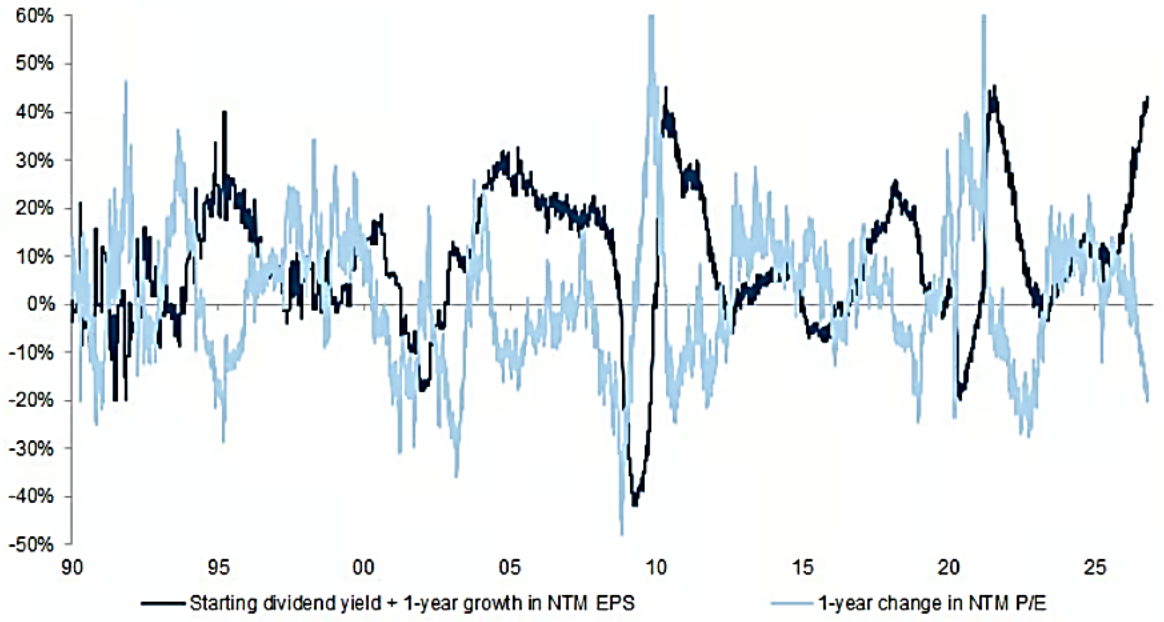
- S&P 500 Index Sector Returns:
  - Healthcare (+3.1%), utilities (+2.0%), and consumer staples (+1.6%) outperformed, as investors tend to favor more defensive stocks.
  - Materials (+2.0%) rose, led by industrial gas and chemical companies.
  - Industrials (+1.7%) rose, led by logistics, airlines, and aerospace and defense stocks.
  - Real Estate (+1.4%) rose, led by public storage and cell towers.
  - Financials (+1.1%) rose, led by fin-tech.
  - Energy (+1.0%) rose, as the price of oil rose +1.7%.
  - Consumer discretionary (+1.0%) rose, led by Tesla, travel stocks, homebuilders and home improvement retailers, partially offset by weakness from Amazon (disappointing earnings).
  - Tech (-1.8%) fell, led lower by AI semiconductor stocks on market analyst concerns of rising rates impacting the financing of the AI infrastructure buildout, as well as select software stocks missing elevated earnings expectations.
  - Communication services (-8.5%) fell, led lower by Alphabet missing higher earnings expectations.

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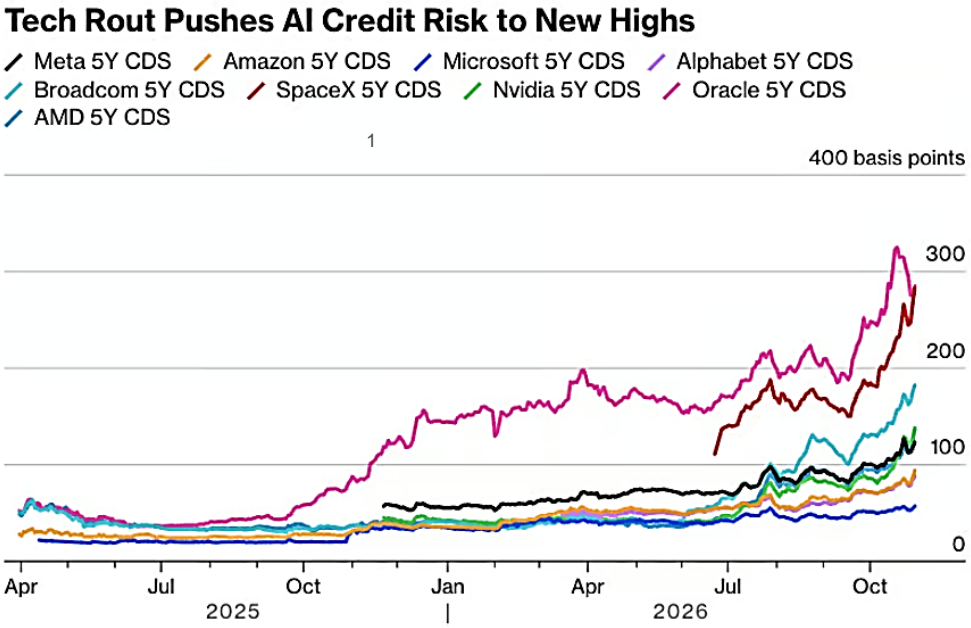
- Global equities appeared to have experienced compression in the price-to-earnings (P/E) 12-month forward in 2026 as the price of stocks did not appear to rise at the same pace as the earnings growth, leading to a 20% decline in P/E ratio.

Exhibit 8: Global equities have de-rated materially with 12m forward P/E ratios down c.20%



M: Month. C: Circa. NTM: Next 12 months. EPS: Earnings per share. Sources: Data Stream; Goldman Sachs; DailyChartBook.

- Investors appear to be concerned about the amount of debt and the credit worthiness of the key AI players, as shown in the chart below, with the increase in the 5-year Credit Default Swap (CDS).

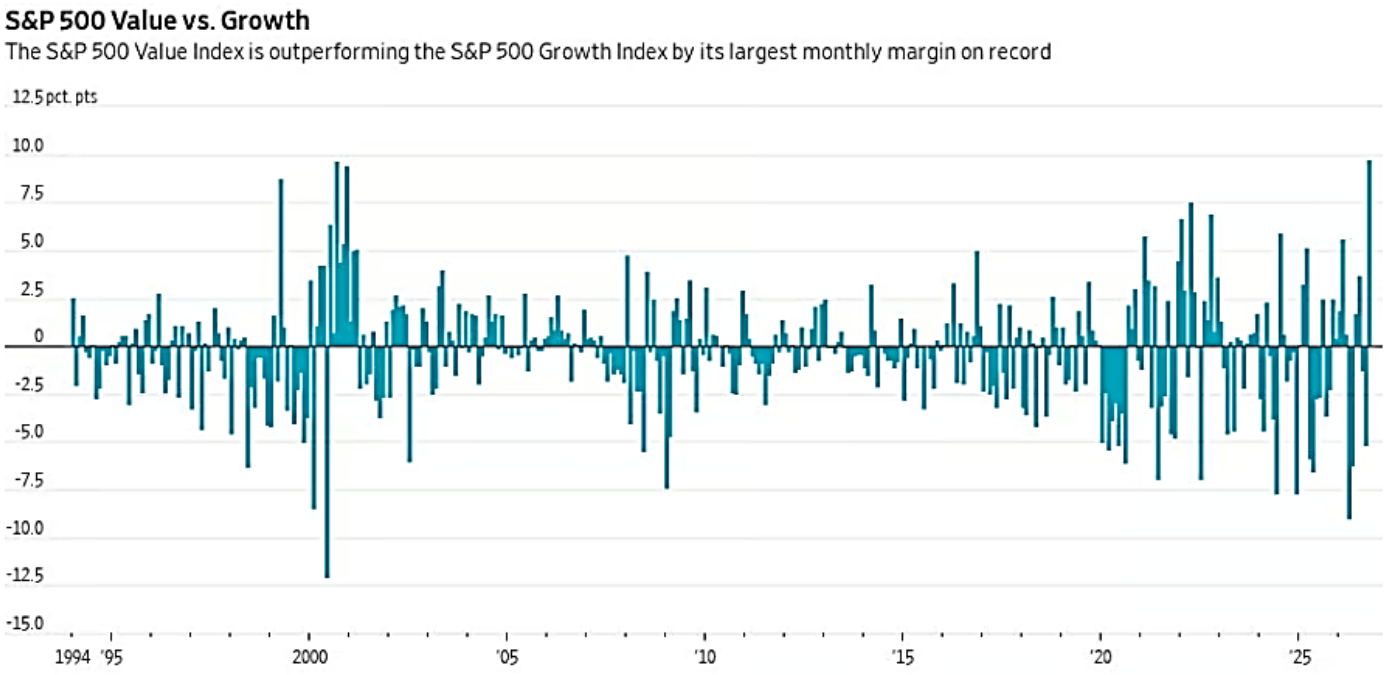


Y: Year. Sources: ICE Data Services; DailyChartbook.

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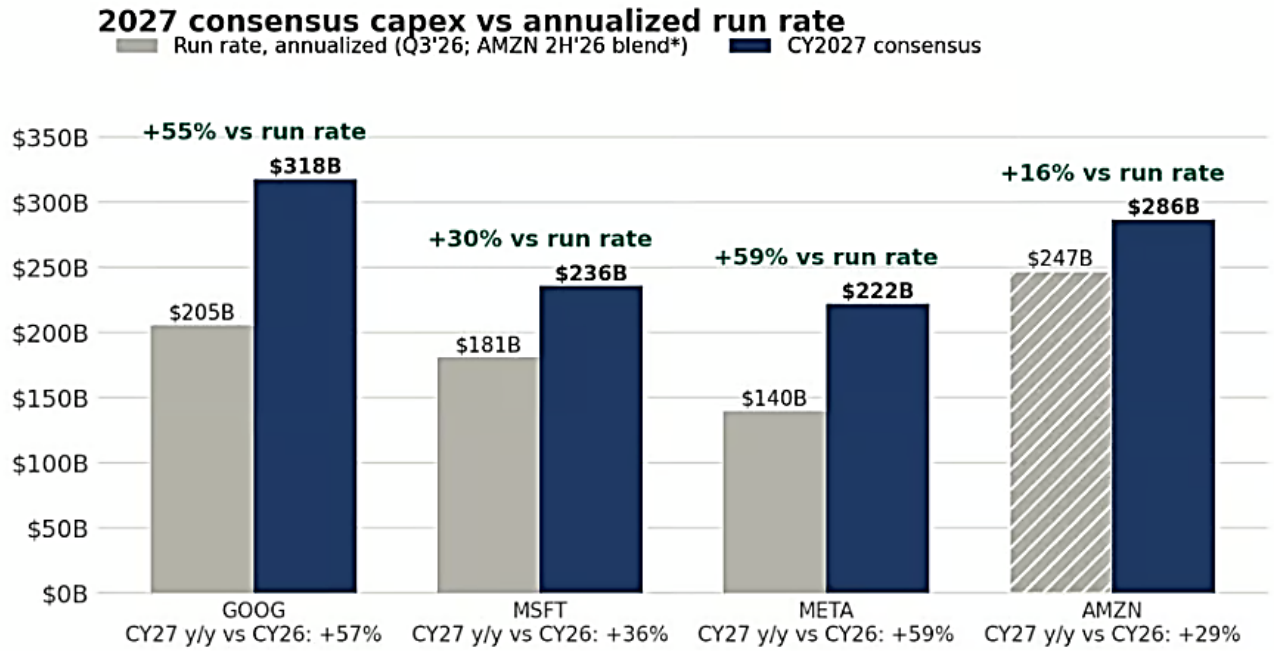
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- The S&P 500 Value Index is outperforming the S&P 500 Growth Index by +9.72 percentage points this month. That's the largest outperformance in a month going back to 1993.



Sources: Dow Jones Marker Data; FactSet; DailyChartBook.

- In 2027, the hyperscalers of Alphabet, Microsoft, Meta Platforms and Amazon are expected to significantly increase AI infrastructure capital expenditures (capex).



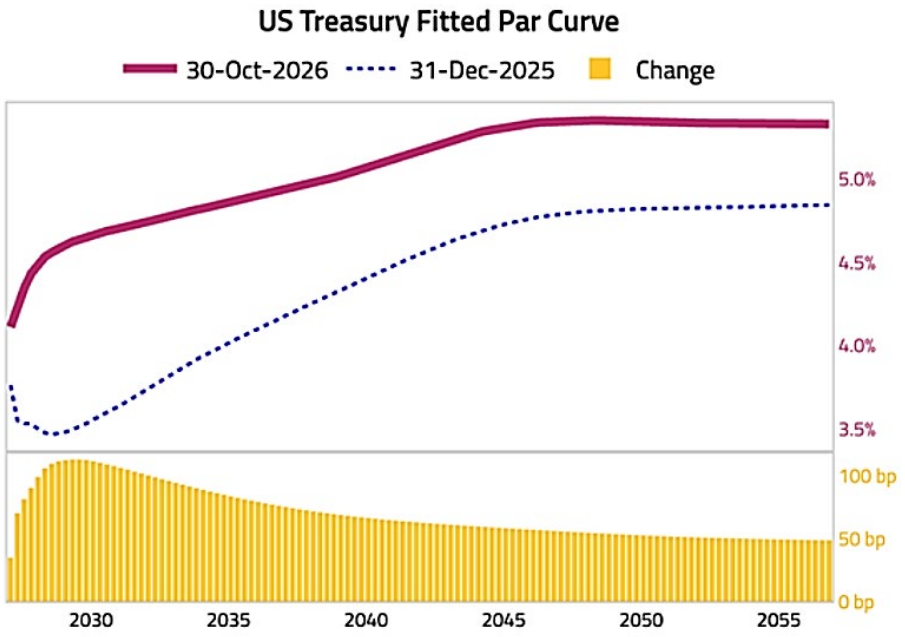
H: Half. CY: Calendar year. Y/Y: Year over year. B: Billions. FY: Fiscal year. GOOG/MSFT/META = Q3'26 capex x4. *AMZN = (q3 cash capex $75.96B + Q4 implied $47.8B) x2: Q4 implied = -$220B FY26 guide less $172.2B YTD (net of proceeds/incentives). The patterned (striped) gray bar represents Amazon's annualized run rate, while the solid gray bars represent the run rates for Google, Microsoft, and Meta.
Sources: Company Reports; Bloomberg L.P.; Dauvin Peterson; 22V Research; DailyChartBook.

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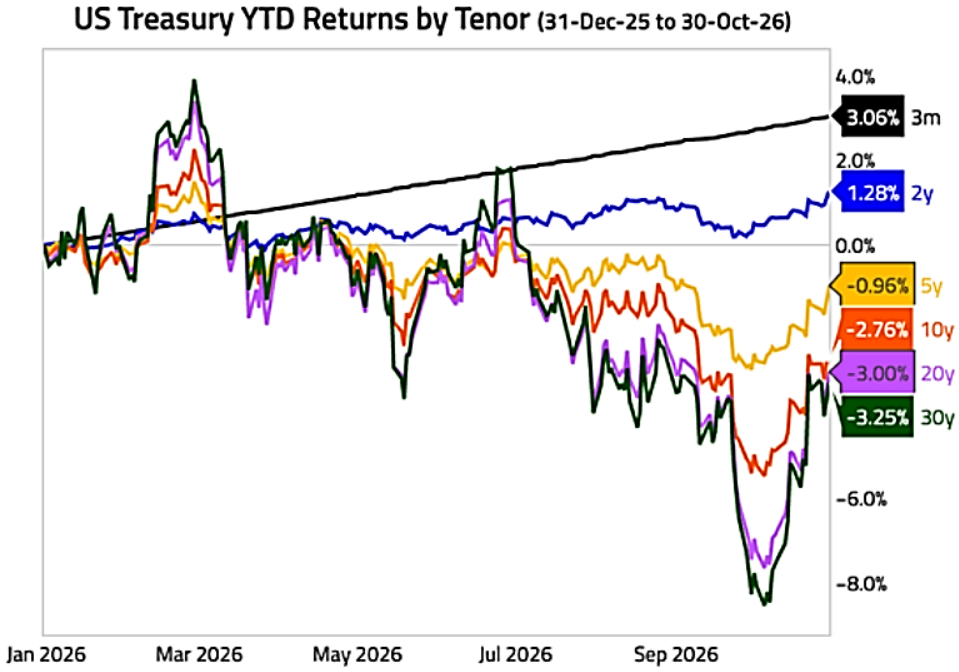
Fixed Income Markets

- U.S. Treasury yield curve has flattened in 2026 as shown in the chart below. The short-end of current yield curve (red line) has risen faster than the long-end when compared to the beginning of 2026 (blue line), with this change shown in yellow bars at bottom of the chart.



Bp: Basis points. Source: Bloomberg L.P.; The Daily Shot.

- As interest rates have increased, the total returns of U.S. Treasury Bonds have underperformed cash/3-month Treasury Bills, as prices for longer maturity bonds have declined.



YTD: Year-to-date. Sources: Bloomberg L.P.; The Daily Shot.

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International Markets Summary

- European markets (STOXX 600 Index) rose +1.73% in local currency terms this week, driven by corporate earnings, developments in the Middle East, and the European Central Bank's decision to hold interest rates steady.
- The Chinese stock market (Shanghai Composite A share) fell -2.5%, as a deepening sell-off in mainland technology shares appeared to have contrasted with a Friday rebound in Hong Kong.
- Japanese equities (Nikkei 225 Index) rose +1.0%, as investor sentiment toward AI shaped the week: Renewed optimism, supported by gains in U.S. technology shares and corporate results, lifted Japanese stocks through midweek before concerns about the sustainability of AI-related capital spending prompted a sharp sell-off on Friday.

This Week:

- The volume of corporate earnings reports will increase this week.
- Economic data:
  - Monday: Purchasing Managers Index (PMI) Manufacturing Final, Construction Spending, Institute of Supply Management (ISM) Manufacturing Index, Quarterly Financing, Rail Carloads, Crop Progress, Weekly World ACD Cargo;
  - Tuesday: Job Openings and Labor Turnover Survey, Durable/Factory Orders, Redbook Chain Store, American Petroleum Institute Crude Inventories, Class 8 Truck Orders, Auto Sales;
  - Wednesday: Mortgage Bankers Association Mortgage Purchase Applications, Automatic Data Processing Employment Report, Trade Balance, PMI Services Final, ISM Non-Manufacturing Index, Department of Energy Crude Inventories, Quarterly Refunding;
  - Thursday: Challenger Job Cuts, Weekly Jobless Claims, Unit Labor Costs (preliminary), Productivity (preliminary), Energy Information Administration Natural Gas Inventories, Drewry Container Index, Dodge Momentum.
  - Friday: Nonfarm Payrolls, Unemployment Rate, Average Weekly Hours/Earnings, Michigan Consumer Sentiment (Preliminary), Consumer Credit.

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 **S&P 500 Equal Weight Index (SPXEW)** gives every company in the S&P 500 an identical weight of roughly 0.2% at each quarterly rebalance, rather than weighting them by market capitalization.
The **capitalization-weighted S&P 500** weights its 503 constituent companies by their free-float market capitalization (share price multiplied by outstanding shares), meaning larger companies have a much greater impact on the index's price movements.
The **S&P 500® Value Index** measures constituents from the S&P 500 that are classified as value stocks based on three factors: the ratios of book value, earnings and sales to price.
The **S&P 500® Growth Index** measures constituents from the S&P 500 that are classified as growth stocks based on three factors: sales growth, the ratio of earnings change to price, and momentum.
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 USA Small Cap Index** is designed to measure the performance of the small cap segment of the US equity market. The index represents approximately 14% of the free float-adjusted market capitalization in the U.S.
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 **U.S. dollar index (USDX)** measures the U.S. dollar's value relative to a basket of six foreign currencies: EUR, JPY, CAD, GBP, SEK, and CHF.
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:

Earnings per Share (EPS) is a common measure of profitability per share of a company's common stock. The price-to-earnings ratio (P/E ratio) compares a company's share price to its earnings per share (EPS). The **Magnificent 7 (Mag 7)** is a group of seven mega-cap, high-performing U.S. technology and growth companies that heavily influence the stock market. A The **price-to-earnings (P/E) ratio** is the proportion of a company's share price to its earnings per share (EPS). **Capital expenditures (capex)** are funds companies use to acquire, upgrade, or maintain physical assets like buildings, technology, or equipment, with the goal of increasing operational scope or future economic benefits. A **basis point (BPS)** is one-hundredth of a percentage point, used to denote changes in interest rates or other financial percentages. Basis points provide a clear and precise method to express small variations in rate or value, preventing ambiguity in financial discussions. A **futures market** is where financial products are bought and sold for delivery at a predetermined date and price in the future. A **hyperscaler** is a large-scale cloud service provider that operates a massive, globally distributed network of data centers to deliver cloud computing, data storage, and networking resources on demand. A **credit default swap (CDS)** is a financial derivative contract that lets an investor transfer or "swap" the risk of a borrower defaulting on a debt (such as a bond or loan) to another party. 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 **ISM Manufacturing Index**, also known as the Purchasing Managers' Index (PMI), is a monthly economic indicator that measures the health of the U.S. manufacturing sector. 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 **job openings and labor turnover survey (JOLTS)** is an economic indicator that tracks U.S. job vacancies, hires, and separations. The **Drewry World Container Index (WCI)** is a weekly benchmark that tracks spot and short-term container freight rates across major East-West shipping routes. The **Dodge Momentum Index (DMI)**, issued monthly by the Dodge Construction Network, is a 12-to-18-month leading indicator of nonresidential building construction spending in the United States. The **Michigan Consumer Sentiment Index (MCSI)** measures consumer confidence through monthly surveys conducted by the University of Michigan. Results include insights on personal finances, business conditions, and future buying decisions. The survey is considered a reliable predictor of broad economic trends and consumer behavior. (Technical definitions are sourced from Investopedia and the Corporate Finance Institute.)

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