

MARKET WEEKLY

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The Private Bank



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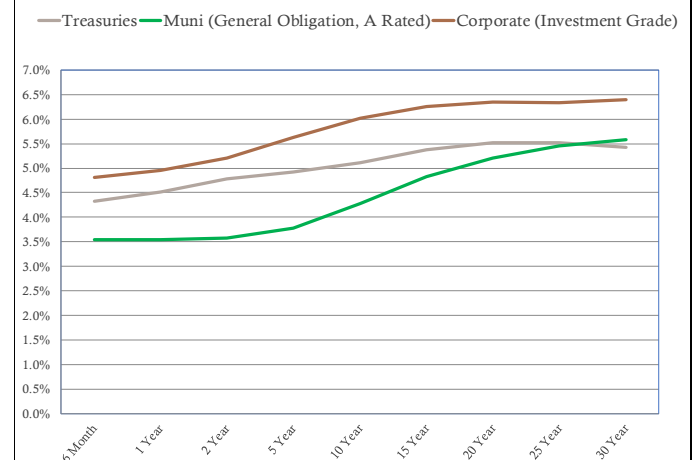
U.S. equity leadership favored value and broader participation, with equal-weighted stocks ahead of the broader index and large caps outperforming small caps. Consumer Staples and Energy led, while Technology trailed. Developed international markets proved more resilient than emerging markets. Fixed income favored longer maturities, municipals, and investment-grade credit over high yield, alongside a generally upward-sloping Treasury curve. Elsewhere, oil led commodities, while REITs stood out among alternatives.

September inflation exceeded expectations, with consumer prices rising 3.7% from a year earlier versus 3.0% wage growth, extending a multi-month erosion of purchasing power. Lower-income households remained especially exposed because necessities absorb more of their budgets. Economic expansion extended across sectors, despite the heavy concentration of recent equity market gains. Third-quarter S&P 500 earnings growth is currently tracking at 29.6% year over year per FactSet, with management guidance remaining broadly constructive relative to recent quarters.

Higher inflation strengthened the case for another Fed increase to restrain demand, but Chair Kevin Warsh avoided signaling October's decision — consistent with his stated aversion to forward guidance — and markets interpreted his silence as pointing toward a hold. Governor Christopher Waller noted that higher Treasury yields were cooling housing and automobile demand. Greater reliance on Treasury bills lowered funding costs while increasing exposure to changing rates as debt matured.

Energy and AI investment continued to expose supply and financing constraints. Attacks around Hormuz disrupted commercial shipping, with freight and war-risk insurance lifting delivered oil costs and reinforcing inflation pressures. Diesel inventories remained depleted amid supply shortfalls. AI funding capacity varied: major hyperscalers entered 2026 with substantial cash and established businesses, while Oracle issued considerable debt — including a \$25 billion bond sale earlier this year — to meet future demand. Have a great week!

As of 10/16/26		Total Returns				
Equity Markets	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Dow Jones	52002.41	0.7%	1.1%	-0.5%	8.5%	14.6%
S&P500	7659.44	-1.9%	1.5%	2.5%	10.9%	17.4%
NASDAQ	26140.03	-4.5%	0.6%	1.8%	11.6%	18.5%
Styles	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Large Cap (Russell)		-2.0%	1.3%	2.4%	10.5%	16.7%
Small Cap (Russell)		-3.0%	-4.7%	-6.7%	2.7%	11.3%
Value (Russell)		0.8%	1.6%	3.6%	14.8%	27.5%
Growth (Russell)		-5.0%	0.5%	0.2%	5.8%	6.7%
International (MSCI)		0.2%	-2.4%	-1.3%	1.9%	14.5%
Emerging Markets (MSCI)		-5.9%	-4.6%	-4.3%	2.8%	20.3%
Currency/Commodities	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
US Dollar Index	101.84	-0.4%	1.5%	1.0%	3.6%	3.5%
Gold	4181.10	-0.7%	-4.6%	3.4%	-14.8%	-6.6%
Bitcoin	81,560	-2.4%	7.2%	27.3%	8.4%	-24.4%
Natural Gas	3.116	-3.1%	3.5%	2.0%	-10.7%	-24.3%
Oil	101.41	10.7%	4.3%	33.2%	31.1%	76.0%



		Historical Readings				
Economic Data	Last	Trend	1 Mo	3 Mo	6 Mo	1 Year
Unemployment %	4.2%	-	4.1%	4.2%	4.3%	4.4%
Jobless Claims	199	-	207	209	208	222
GDP Q/Q Annualized	2.2%	-	N/A	2.5%	0.2%	4.0%
Headline CPI Y/Y	3.7%	+	3.4%	3.5%	3.3%	3.0%
Core CPI Y/Y	2.6%	+	2.4%	2.6%	2.6%	3.0%
FHFA Price Index Y/Y	2.6%	+	2.3%	2.1%	2.0%	2.6%
Existing Home Sales Y/Y	-2.2%	+	-2.5%	3.8%	-0.3%	4.4%
NAHB Homebuilder Index	32	-	35	36	38	32
Retail Sales Y/Y	6.3%	+	5.6%	5.9%	3.6%	3.7%
Consumer Confidence	81.9	-	88.6	92.2	92.2	95.6
ISM Manufacturing Index	54.5	-	54.6	53.3	52.7	48.9

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*Figures quoted represent monthly changes (m/m) and are seasonally adjusted