

MARKET WEEKLY

PlainsCapital Bank
The Private Bank



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U.S. markets favored small-cap growth stocks, with the equal-weighted S&P 500 ahead of the standard index. Healthcare's strength contrasted with weakness in technology and communications. Overseas, developed international markets surpassed emerging markets. High-yield bonds and municipals outperformed investment-grade corporate debt, while longer maturities outpaced shorter debt. Longer-term Treasuries offered higher yields than short-term issues. Oil fared better than precious metals; listed private equity topped alternatives.

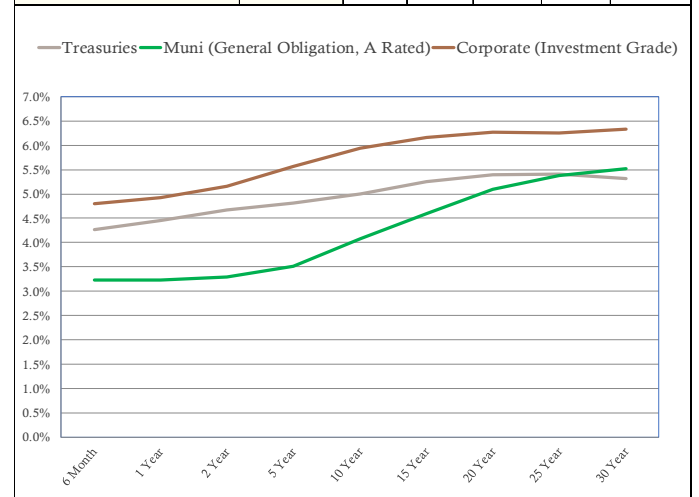
Business investment and consumer spending supported faster U.S. growth, with an initial estimate showing third-quarter real GDP expanding at a 3.4% annualized pace after 2.2% in the second quarter. Earnings estimates showed broad gains, though Nvidia and Micron accounted for 34% of projected third-quarter S&P 500 profit growth. The Fed said job gains kept pace with the workforce; inflation remained elevated, and persistently high price levels weighed on household confidence.

The Fed paused rate increases to assess whether energy costs and AI investment were spreading inflation. Two officials favored another increase, while the committee reaffirmed its 2% inflation goal. Chair Warsh avoided signaling future rate moves to preserve flexibility and outlined plans for fewer annual rate decisions, reserving some meetings for strategy discussions. Reduced foreign central-bank Treasury purchases increased reliance on buyers demanding higher yields.

Planned AI stock offerings highlighted competition for capital, while investors scrutinized free cash flow and banks monitored data-center lending. The Iran conflict restricted liquefied natural gas shipments through the Strait of Hormuz, intensifying competition between European and Asian buyers. Europe approached winter with unusually low inventories and gas prices at their highest since late 2022, underscoring the conflict's effects on energy affordability.

Have a great week!

As of 10/30/26		Total Returns				
Equity Markets	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Dow Jones	51770.31	-0.8%	1.8%	1.8%	8.0%	11.7%
S&P500	7580.07	-0.6%	-0.9%	5.8%	8.8%	13.3%
NASDAQ	25437.00	-2.0%	-5.3%	7.3%	6.4%	9.9%
Styles	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
Large Cap (Russell)		-0.5%	-0.6%	5.6%	8.8%	13.1%
Small Cap (Russell)		1.2%	0.5%	-1.3%	5.0%	16.6%
Value (Russell)		0.5%	4.3%	4.7%	15.4%	29.5%
Growth (Russell)		-1.5%	-5.8%	6.1%	2.0%	-0.4%
International (MSCI)		1.3%	-0.3%	0.8%	5.3%	13.3%
Emerging Markets (MSCI)		0.9%	-6.5%	2.7%	-0.2%	15.1%
Currency/Commodities	Closing	1 Week	1 Mo	3 Mo	6 Mo	1 Year
US Dollar Index	101.88	0.1%	0.5%	2.1%	3.9%	2.4%
Gold	3898.90	-2.8%	-6.9%	-6.4%	-17.7%	-7.1%
Bitcoin	76,762	-4.5%	-8.2%	18.6%	0.4%	-28.6%
Natural Gas	2.898	-5.4%	-14.4%	-22.2%	-31.6%	-38.1%
Oil	104.12	-0.3%	16.4%	35.2%	28.3%	71.5%



		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	194	-	198	198	190	221
GDP Q/Q Annualized	3.4%	+	N/A	2.2%	2.5%	3.9%
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	2.4%	-	2.5%	2.4%	1.9%	2.7%
Existing Home Sales Y/Y	-2.2%	+	-2.5%	3.8%	-0.3%	4.4%
NAHB Homebuilder Index	29	-	32	34	34	37
Retail Sales Y/Y	6.3%	+	5.6%	5.9%	3.6%	3.7%
Consumer Confidence	91.7	+	84.2	90.2	93.8	95.5
ISM Manufacturing Index	54.5	-	54.6	53.3	52.7	48.9

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