NOVEMBER 17, 2025

Weekly Wire

Early Thoughts On 2026…The Presidential Cycle Meets The AI Build Out & Animal Spirits

By Tim Holland, CFA

- Thanksgiving is about a week away, and the Christmas decorations are up in our local CVS, so it seems like a good time to share some early thoughts on where the economy and markets might be headed in 2026. But first, a quick look back on 2025…even with the recent weakness, it's been a very good year for US risk assets, with the S&P 500 up 15% and the Nasdaq up 18% as stocks have rallied on better than expected economic and earnings growth, while bonds have also caught a bid, with the Bloomberg Aggregate Bond and Bloomberg US Corporate High Yield Total Return Indexes up 4% and 7% as inflation has moved sideways and the Fed cut rates twice (data as of 11/13/25). And as we think about where we go from here, we see, not surprisingly, reasons for both concern and optimism.

- On the negative side of the ledger, US stocks and bonds are richly priced; trade policy is still up in the air (the Supreme Court is considering the constitutionality of the Trump Administration's tariffs and we haven't solved for trade with Canada / Mexico / China) while the fate of the Fed and monetary policy is unclear (President Trump is seeking to remove Fed Governor Cook, Chairman Powell leaves the Fed come May and additional rate cuts are uncertain); the labor market by all accounts has softened meaningfully (though we have not gotten a jobs report since August, due to the shutdown); the AI buildout has Wall Street enthused but worried about a bubble; we have the mid-term elections to contend with and year two of the Presidential Cycle tends to be the weakest for markets (see chart).

- On the positive side of the ledger, the S&P 500 is expected to grow earnings 13% in 2026; the Atlanta Fed estimates the US economy is growing at 4%; consumer net worth is a record $177 trillion; if we are in an AI bubble, it could be early days as the AI build out picks up steam (one Wall Street bank sees $2.8 trillion in AI cap-ex from 2025 through 2028); the OBBBA will incent companies to invest in productive assets; the bull market is three years old while the typical bull market runs just shy of five years; there is ample cash that could come into the market, with more than $7 trillion in US money market funds, and we are seeing cash being put to work on Wall Street as animal spirits revive and deal activity picks up, with Electronic Arts poised to go private in the largest leveraged buyout in history.

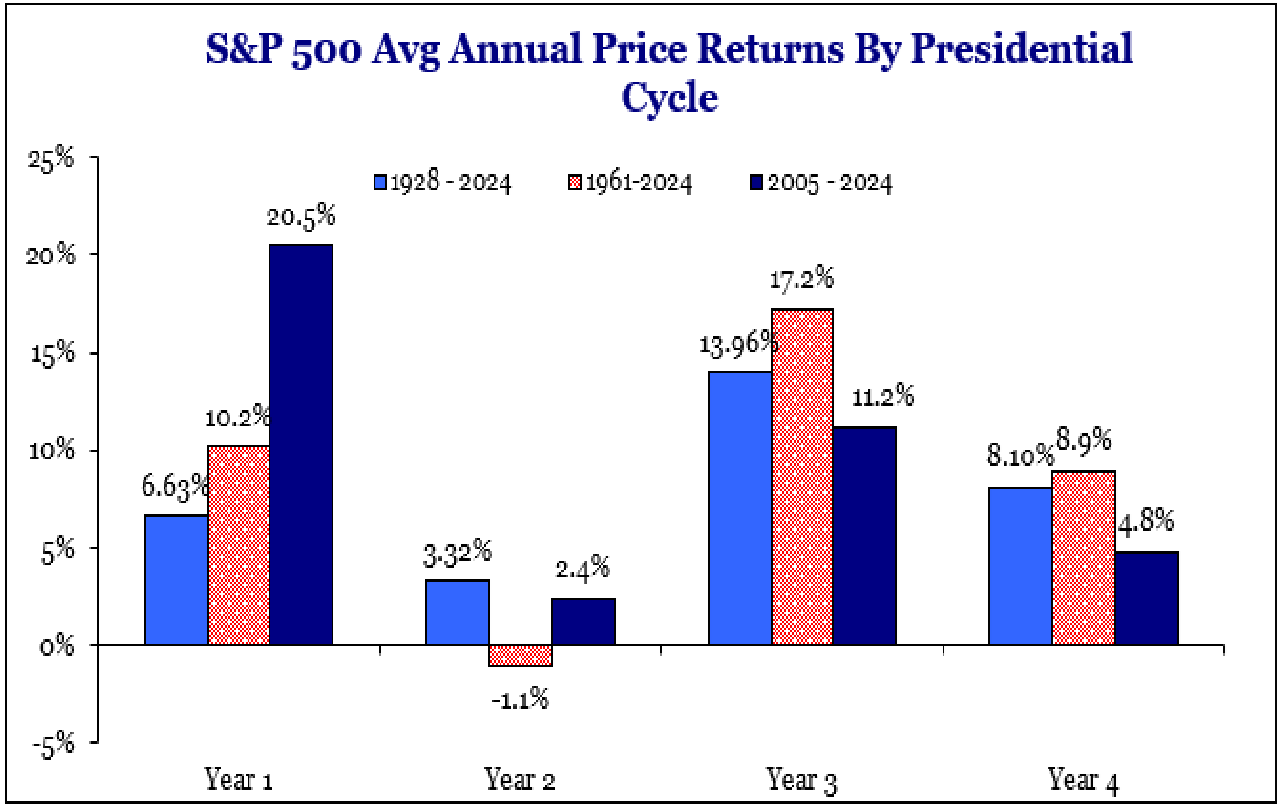
- Our crystal ball remains cracked, but when we weigh the positives and negatives, we remain optimistic on the economy and cautiously optimistic on the markets.

NOVEMBER 17, 2025

Weekly Wire

Early Thoughts On 2026…The Presidential Cycle Meets The AI Build Out & Animal Spirits

By Tim Holland, CFA



Source: Strategas, November 2025

Weekly Wire

Early Thoughts On 2026…The Presidential Cycle Meets The AI Build Out & Animal Spirits

By Ben Vaske, BFA™

Looking Back to Last Week

After 43 days, the longest government shutdown in U.S. history came to an end on Wednesday. Markets welcomed the resolution but remained volatile as optimism early in the week was followed by a sharp Thursday selloff driven by valuation concerns in large technology names. The push and pull left major indexes roughly unchanged on the week.

President Trump also announced tariff reductions on dozens of imported food items, including beef, coffee, and bananas, as part of an effort to ease cost-of-living pressures. International equities extended their lead over U.S. markets, helped by a half-percent decline in the dollar.

Sector performance was mixed. Health Care was a standout, boosted by several new government–pharma agreements, while technology weakened late in the week, pulling the NASDAQ slightly into negative territory. Bond markets struggled as rates rose, with investment-grade debt down modestly.

Meanwhile, investors continued to digest what the end of the shutdown means for policy and growth. Consumer and investor sentiment remain very weak, primarily driven by shutdown concerns, though shutdowns generally do not have any notable impact on the markets or economy in the long run, historically speaking.

NOVEMBER 17, 2025

Weekly Wire

Early Thoughts On 2026…The Presidential Cycle Meets The AI Build Out & Animal Spirits

By Ben Vaske, BFA™

Looking Ahead to This Week

Attention now turns to corporate earnings and the resumption of economic data releases. Nvidia's earnings report after Wednesday's close is expected to dominate headlines and could create mid-week market volatility depending on results. Earnings reports from Walmart and Target later in the week should provide further insight into the health of the US consumer and affordability trends.

With government offices reopening, the September employment report (originally scheduled for October 3rd) will be published Thursday, though it will likely exclude the unemployment rate because that survey was not conducted during the shutdown. Several Federal Reserve officials are also speaking at events this week, where investors will watch for guidance on whether further rate cuts are on the table.

The Federal Reserve's next meeting is scheduled for December 10. According to the CME FedWatch Tool, markets currently price only a 46% chance of a 25-basis-point rate cut, down sharply from 65% a week ago. The Atlanta Fed's GDPNow model still estimates Q3 GDP at 4.0%.

NOVEMBER 17, 2025

Weekly Wire

Stocks, Bonds, Alternatives, & Real Assets as of November 14, 2025

Security Name	Risk Score	1 Week	1 Month	QTD	YTD	1 Year	3 Year Ann.
Global Equities (60% US, 40% Intl)	100	0.48%	1.84%	1.23%	20.87%	19.59%	19.34%
S&P 500 Total Return	102	0.12%	1.44%	0.81%	15.77%	14.67%	21.14%
Dow Jones Industrial Average	97	0.41%	2.00%	1.77%	12.42%	9.65%	14.21%
NASDAQ 100 Total Return	122	-0.18%	1.79%	1.39%	19.75%	20.56%	29.84%
TV Benchmark	107	0.12%	1.74%	1.32%	15.98%	14.96%	21.73%
Morningstar US Large Cap	102	0.22%	1.87%	1.28%	17.76%	17.35%	23.76%
Morningstar US Mid Cap	113	-0.79%	-1.15%	-1.79%	8.16%	4.61%	12.23%
Morningstar US Small Cap	125	-1.19%	-1.47%	-1.22%	7.47%	3.20%	11.31%
Morningstar US Value	98	0.87%	1.62%	1.18%	13.89%	9.47%	12.98%
Morningstar US Growth	126	-0.78%	-1.81%	-2.27%	13.23%	11.83%	22.18%
MSCI ACWI Ex USA	98	1.26%	2.91%	2.26%	29.51%	28.19%	17.44%
MSCI EAFE	101	1.66%	2.87%	2.09%	28.34%	27.17%	17.46%
MSCI EM	98	0.31%	3.58%	3.06%	32.14%	31.36%	17.19%
Bloomberg US Agg Bond Index	27	-0.24%	-0.44%	0.41%	6.57%	6.45%	4.93%
Bloomberg High Yield Corp Bond Index	41	0.05%	0.28%	-0.09%	7.13%	7.21%	9.78%
Bloomberg Commodity Index	70	1.74%	3.81%	4.77%	14.59%	18.60%	2.65%
Wilshire Liquid Alternative Index	25	0.19%	0.63%	0.59%	6.31%	4.40%	5.61%
MSCI US REIT	104	-1.30%	0.33%	-1.36%	3.29%	-0.35%	8.03%
US Dollar	10	-0.58%	-0.11%	1.41%	-8.60%	-6.88%	-2.29%
Bloomberg US Treasury Bill 1-3mo	1	0.07%	0.36%	0.51%	3.78%	4.41%	4.92%

Source: Morningstar.
The TV Benchmark represents an average of the S&P 500, Dow Jones IA, and NASDAQ 100 return indexes
The Orion Risk Score represents risk relative to the global equity market.

Interest Rates as of November 14, 2025

Rate	This Week	1 Week
13-Wk Treasury Yield	3.79%	0.03%
10-Yr Treasury Yield	4.15%	0.06%
Bloomberg US Agg Yield	4.40%	0.05%
Avg Money Mkt Yield	3.77%	-0.06%
Avg 30-Yr Mortgage Rate	6.26%	0.07%

Sources: Yahoo Finance, S&P Global, Crane Data, BankRate

Key Economic Data Last Week

Data Point	Expectation	Actual
*Consumer Price Index (CPI) YoY	3.1%	DELAYED
*Core CPI YoY	3.1%	DELAYED
*U.S. Retail Sales	-0.2%	DELAYED
*Producer Price Index (PPI) YoY	--	DELAYED
Core PPI YoY	--	DELAYED
*Business Inventories	0.2%	DELAYED

Source: MarketWatch, First Trust

Key Economic Data This Week

Data Point	Expectation	Release Date
Housing Starts	--	11/19/25
U.S. Trade Deficit	-$61.0B	11/19/25
U.S. Employment Report	--	11/20/25
Existing Home Sales	4.08M	11/20/25
U.S. Leading Economic Indicators	--	11/20/25
Consumer Sentiment	51.0	11/21/25

Source: MarketWatch

We hope you have a great week. If there's anything we can do to help you, please feel free to reach out to ben.vaske@orion.com or opsresearch@orion.com.

3144-R-25321

Weekly Wire

The views expressed herein are exclusively those of Orion Portfolio Solutions, LLC d/b/a Brinker Capital Investments, a registered Investment Advisor, and are not meant as investment advice and are subject to change. Information contained herein is derived from sources we believe to be reliable, however, we do not represent that this information is complete or accurate and it should not be relied upon as such. This information is prepared for general information only. It does not have regard to the specific investment objectives, financial situation, and the particular needs of any specific person.

An index is an unmanaged group of assets considered to be representative of a select segment or segments of the market in general, as determined by the index manager for the purposes of managing a specific index. You cannot invest directly in an index.

The CFA® is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To learn more about the CFA charter, visit www.cfainstitute.org.

Think2perform's Behavioral Financial Advice program integrates traditional finance practices with psychology and neuroscience to improve emotional competency and decision-making behavior that increases effective usage of the financial plan with clients. To obtain the Behavioral Financial Advisor (BFA) designation, participants must complete a self-directed course, which takes 20-30 hours to complete, and includes a mix of interactive exercises, videos and case studies. To learn more about the BFA, visit https://www.think2perform.com.

Wealth management services provided by Orion Portfolio Solutions, LLC ("OPS"), a registered investment advisor. Orion OCIO services provided by TownSquare Capital, LLC ("TSC"), a registered investment advisors. OPS and TSC are affiliates and wholly owned subsidiaries of Orion Advisor Solutions, Inc.