

SUMMARY

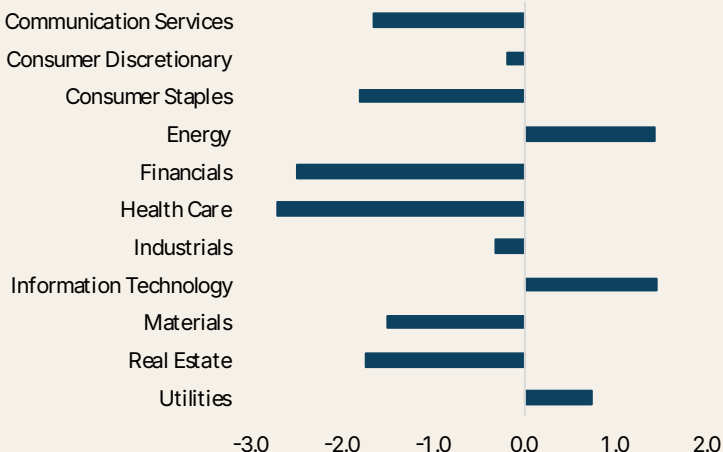
US stocks were mixed again this week, with tech holding up while the rest of the market drifted lower. The Nasdaq edged up 0.46%, but the S&P 500 slipped 0.25%, the Dow fell 1.25%, and the Russell 1000 Value dropped 1.03%; the small-cap Russell 2000 was roughly flat, down 0.11%. Information Technology (up 1.45%) and Energy (up 1.42%) were the top performers, with Utilities also higher, while Health Care (down 2.70%), Financials (down 2.48%) and Consumer Staples (down 1.81%) fell the most. Overseas, foreign markets were weak. EAFE fell 1.48%, with heavy losses in Spain, France and the UK, offset only partly by a 1.01% gain in Japan. EM slipped 1.34%, as a strong week for Brazil and South Korea was outweighed by sharp declines in South Africa, Mexico and China.

In Treasuries, the curve steepened. The 2-year yield eased 3 basis points to 4.82% as a soft jobs report revived expectations for rate cuts, while the 10-year rose 11 basis points to 5.27% and the 30-year added 13 basis points to 5.62%. In other markets, gold fell 143.62 to 4,141.19 an ounce and crude eased 1.30 to 91.11 a barrel. The VIX rose 0.44 to 15.31. In currencies, the trade-weighted US\$ gained 0.95% to 101.93, while Bitcoin was little changed, up about 0.7% to end near 84,400.

The week brought a notably softer read on the labor market. September payrolls rose just 29k, well short of the 90k forecast, and the prior two months were revised down by a combined 60k; the unemployment rate ticked up to 4.2% and wage growth cooled to 0.1% on the month. The signs of cooling were broad, with job openings falling to 7.08 million and Conference Board consumer confidence tumbling to 81.9 from 89.4. On inflation, the news was better: core PCE, the Fed's preferred gauge, rose a milder 0.2% in August, bringing the annual rate down to 3.0%. Second-quarter GDP was also revised up, to 2.2%. Next week is lighter. The minutes from the Fed's September meeting on Wednesday will be parsed for how split officials were after last month's rate hike, and the ISM services index on Monday is the other main release. We also get the trade balance, consumer credit and the preliminary University of Michigan sentiment reading on Friday.

Index	Level	Total Return (%)	
		1 Week	YTD
S&P 500	7,722.72	-0.25	13.79
DJIA	51,176.96	-1.25	7.76
NASDAQ	27,190.86	0.46	17.52
MSCI EAFE	3,095.35	-1.48	9.84
MSCI EM	1,708.91	-1.34	23.81
Bloomberg USAgg	2,281.68	-0.60	-2.86
	Level	Value Change	
		1 Week	YTD
US2 Year Yield	4.82	-0.03	1.35
US10 Year Yield	5.27	0.11	1.10
US30 Year Yield	5.62	0.13	0.78
VIX Index	15.31	0.44	0.36
Gold Spot Price	4,141.19	-143.62	(178.18)
WTI Crude Oil Spot	91.11	-1.30	34.19

Week Total Return (%)



Weekly Data Releases

Data	As of Date	Value	1Y Ago	% Change
US Cons Expenditures on Goods	08/31/26	6,949,625	6,532,082	6.39%
US Current Transfer Receipts	08/31/26	5,198,216	4,980,347	4.37%
US Income Receipts on Assets	08/31/26	4,705,129	4,549,172	3.43%
US Proprietors' Income	08/31/26	2,139,178	2,035,128	5.11%
US Real Disp Income per Capita	08/31/26	53,674	53,113	1.06%
US GDP	06/30/26	32,563,030	30,630,174	6.31%
US Real GDP	06/30/26	24,408,011	23,884,563	2.19%
US Fixed Investment	06/30/26	18.20%	18.00%	1.11%
US Change in Private Inventories	06/30/26	-95,762	-44,596	114.73%
US Exports	06/30/26	11.70%	10.70%	9.35%

The Week Ahead

Monday (10/5)

S&P Global US Services PMI
ISM Services Index

Tuesday (10/6)

Trade Balance

Wednesday (10/7)

MBA Mortgage Applications

Thursday (10/8)

Initial Jobless Claims
Wholesale Inventories MoM

Friday (10/9)

U. of Mich. Sentiment

Please see important disclosures on last page.

Source: Bloomberg, YCharts, Modelist

HOW WE'RE TALKING ABOUT MARKETS

1

The Fed Gets More Room to Wait

September payrolls rose just 29,000, well below expectations, while unemployment moved higher and core PCE inflation showed signs of moderating. The combination weakens the case for another immediate Fed hike. The important distinction is that slower hiring does not yet look recessionary. If growth remains intact while inflation cools, markets could get the rare combination of a Fed pause without a meaningful earnings slowdown.

2

Long-Term Rates Are Becoming the Market's Hurdle Rate

The 10-year Treasury briefly reached 5.34%, its highest level since 2002, as investors wrestled with inflation, strong nominal growth and heavy government borrowing. Higher yields do not automatically derail equities, particularly when profits are growing, but they raise the bar for expensive assets. Going forward, we are watching whether earnings growth can continue to outrun the increasing discount rate, particularly within high-valuation growth stocks.

3

Oil Is Still an Inflation Wild Card

Energy markets remain tied closely to Middle East developments, with crude above \$90 and supply concerns keeping inflation risk elevated. The G7's coordinated release of 100 million barrels of emergency oil and diesel reserves helped ease prices late in the week, but it is a temporary supply response rather than a permanent solution. Persistent energy pressure could complicate Fed policy and squeeze consumer spending even as underlying inflation improves.

S&P 500 Top & Bottom Performing Stocks for the Week

Top10

Ticker	Name	Price	Total Return
CCL	Carnival Corp Ltd	25.07	15.8%
LITE	Lumentum Holdings Inc	1,045.78	15.3%
SNPS	Synopsys Inc	490.54	15.1%
RCL	Royal Caribbean Cruises Ltd	269.99	14.4%
COHR	Coherent Corp	319.19	13.9%
ACN	Accenture PLC	212.30	12.9%
TER	Teradyne Inc	415.79	12.7%
NTAP	NetApp Inc	215.05	12.5%
AMAT	Applied Materials Inc	529.30	11.3%
P	Everpure Inc	134.13	11.2%

Bottom10

Ticker	Name	Price	Total Return
FICO	Fair Isaac Corp	661.75	-23.4%
CTVA	Corteva Inc	12.57	-15.4%
APP	AppLovin Corp	281.31	-13.7%
GPN	Global Payments Inc	80.29	-9.4%
WDC	Western Digital Corp	462.56	-9.1%
IP	International Paper Co	32.52	-8.7%
QCOM	QUALCOMM Inc	182.09	-8.5%
MOS	Mosaic Co/The	21.55	-8.4%
FIS	Fidelity National Information Services Inc	33.10	-8.4%
SW	Smurfit Westrock PLC	43.04	-8.3%

Please see important disclosures on next page.

Source: Bloomberg, YCharts, T. Rowe Price, Reuters, Modelist

Equity Data

StyleBox	1 Week	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Dividend Yield	P/E Ratio	P/B Ratio
Russell 1000	-0.22	1.02	13.43	13.71	23.88	11.71	15.37	1.12	26.40	5.37
Russell 1000 Value	-1.03	0.61	19.95	23.97	21.73	10.92	11.64	1.76	20.91	3.41
Russell 1000 Growth	0.66	1.46	7.86	5.25	25.46	12.11	18.61	0.47	36.69	13.77
Russell Midcap	0.02	1.50	13.53	14.65	19.80	7.11	11.68	1.67	20.95	3.13
Russell 2000	-0.11	1.30	15.35	15.77	21.09	5.73	10.50	1.86	87.40	2.45
S&P 500 Sector										
Communications	-1.64	-0.33	4.14	9.66	30.14	12.18	13.43	0.70	24.06	4.85
Consumer Disc.	-0.19	1.23	-4.66	-6.21	15.69	3.70	12.51	0.70	29.10	7.11
Consumer Staples	-1.81	-0.03	5.95	8.47	10.55	6.62	8.08	2.60	22.16	6.73
Energy	1.42	2.13	43.26	47.12	17.64	21.29	10.66	2.55	17.65	2.59
Financials	-2.48	0.18	-1.25	3.67	20.08	7.67	12.57	1.84	15.64	2.32
Health Care	-2.70	-1.32	8.70	17.20	12.00	6.21	11.43	1.60	24.82	5.36
Industrials	-0.32	1.79	10.49	10.92	21.63	11.88	13.16	1.21	29.48	7.18
Information Tech	1.45	1.84	30.74	24.81	37.44	22.05	26.19	0.47	36.65	14.36
Materials	-1.51	0.58	9.45	16.55	11.07	5.03	9.96	1.69	22.39	3.16
Real Estate	-1.73	-0.25	5.05	4.79	11.70	0.68	6.71	3.52	41.22	3.04
Utilities	0.75	0.99	-4.72	-7.99	13.52	6.79	8.35	3.19	17.37	2.03

Fixed Income Data

Bloomberg Index	1 Week	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Yield to Worst	Modified Duration	Credit Rating
US Aggregate	-0.60	0.05	-2.86	-2.40	4.63	-0.62	1.22	5.56	5.87	AA2/AA3
US Universal	-0.62	0.02	-2.60	-2.08	5.07	-0.24	1.57	5.77	5.69	
Multiverse	-0.54	-0.13	-2.61	-2.07	4.46	-1.57	0.52	4.66	6.09	
UST-Bills: 1-3 M	0.08	0.05	2.80	3.47	4.45	3.81	2.44	4.07	0.23	AA1/AA1
Short Treasury	0.11	0.05	2.68	3.37	4.42	3.65	2.43	4.24	0.48	AA1/AA1
USTreasury	-0.46	0.03	-2.74	-2.46	3.61	-1.03	0.69	5.12	5.67	AA1/AA1
US Long Treasury	-1.69	-0.11	-7.72	-8.93	2.63	-7.62	-1.72	5.66	13.72	AA1/AA1
USTIPS	-0.43	0.01	-2.11	-2.32	4.01	-0.22	2.19	5.27	6.50	AA1/AA1
Municipal Bond	0.45	1.02	-3.20	-2.89	3.53	0.05	1.72	4.63	7.47	AA2/AA3
US Corporate	-0.70	-0.01	-3.13	-2.69	5.64	-0.52	2.12	6.05	6.60	A3/BAA1
US Corp HY	-0.65	0.04	0.14	1.29	8.47	3.65	5.01	8.29	3.59	BA3/B1
Global-Aggregate	-0.51	-0.11	-2.78	-2.29	4.19	-1.84	0.32	4.43	6.19	
EM USD Aggregate	-1.20	-0.35	-1.86	-1.20	8.44	1.42	2.79	6.95	5.80	BAA2/BAA3
U.S. Convertibles	-0.22	0.95	16.01	11.78	18.57	5.45	12.09			

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