WEEKLY MARKET COMMENTARY

November 2, 2026

WEEK IN REVIEW

This week's economic data painted a mixed picture of the U.S. economy, with housing and consumer confidence showing signs of resilience, while spending and manufacturing data were more subdued. Inflation remained elevated, keeping monetary policy at the center of investor attention.

Housing data were generally steady, with some signs of stronger-than-expected demand. Tuesday's building permits were steady, totaling 1.398 million, roughly in line with expectations of 1.400 million and slightly below the prior month's 1.403 million reading. New home sales provided a more positive signal, coming in at 676,000 compared with expectations of 651,000. The report showed new home sales declined just 0.6% month-over-month, significantly less than the 4.5% decline anticipated. Following August's stronger-than-expected report, the latest data further suggests housing demand has remained relatively resilient despite higher borrowing costs.

Consumer data was less consistent. The Conference Board Consumer Confidence Index rose to 91.7 in October, well above expectations of 81.2 and reversing some of the weakness seen in recent months. Meanwhile, September personal spending rose 0.5%, below expectations and notably slower than the prior month's 0.9% increase. Importantly, the reports cover different periods, making direct comparison difficult. Markets may therefore remain cautious until subsequent spending data show whether October's improvement in sentiment translates into stronger consumer activity.

Elsewhere, preliminary core durable goods orders increased 0.5%, below the 0.6% consensus estimate but ahead of the prior month's 0.3% increase, pointing to modest improvement in manufacturing activity. On the policy front, the Federal Reserve left interest rates unchanged at 3.75% to 4.00% in a divided decision, with two policymakers favoring a 25-basis point increase. The Federal Open Market Committee (FOMC) continued to characterize inflation as elevated while describing economic activity as strong.

On the inflation front, September core and headline Personal Consumption Expenditures (PCE) inflation came in at 0.3% and 0.5% month over month, respectively. Year over year, core PCE remained at 3.1%, while headline PCE stood at 3.6%, leaving both above the Fed's 2% objective. Despite persistent inflation, Treasury auction yields for 2-, 5-, and 7-year notes came in below their prior month levels. While yields reflect numerous factors, the decline provided an interesting counterpoint to the Fed's cautious stance and persistent inflation data.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	-0.56%	-0.87%	2.19%	11.77%
Dow Jones 30	-0.83%	1.76%	-0.47%	9.08%
NASDAQ	-1.99%	-5.28%	1.40%	9.95%
Russell 1000 Growth	-1.70%	-6.09%	0.32%	-0.17%
Russell 1000 Value	0.48%	4.38%	3.64%	24.50%
Russell 2000	1.30%	0.58%	-4.25%	14.37%
Wilshire 5000	-0.44%	-0.62%	1.76%	11.75%
MSCI EAFE Index	1.06%	-0.44%	-0.38%	12.39%
MSCI Emerging Market Index	-0.28%	-7.44%	-0.13%	14.24%
VIX	-0.15%	18.85%	13.63%	29.90%
FTSE NAREIT All Equity REITs	1.19%	4.72%	-4.48%	13.02%
S&P U.S. Aggregate Bond Index	0.53%	2.25%	-0.02%	-0.11%
Interest Rates	**10/30/2026**	**10/23/2026**	**10/16/2026**	**10/9/2026**
3-month T-bill Yield (%)	4.07	4.14	4.17	4.16
10-year Treasury Yield (%)	4.91	5.00	5.08	5.24
10Y-2Y Treasury Spread (%)	0.34	0.31	0.37	0.46
30-year Fixed Mortgage Rate (%)	7.36	7.43	7.51	7.48
Commodities				
WTI Crude ($/bl)	104.06	109.72	108.21	98.73
Gold ($/Troy Oz)	3,913.25	4,013.30	4,189.20	4,186.30
Bitcoin	77,172.72	81,035.33	81,477.21	82,538.43

Weekly Indicators	10/30/2026	10/23/2026	10/16/2026	10/9/2026
Employment				
Initial Unemployment Claims (000's)	-	194.00	195.00	200.00

Quarterly Data	9/30/2026	6/30/2026	3/31/2026	12/31/2025
Output				
Real GDP Growth (%q/q, saar)	3.40	2.20	2.50	0.20
Private Consumption (%q/q, saar)	3.80	3.80	0.70	1.90

Monthly Indicators	10/30/2026	9/30/2026	8/31/2026	7/31/2026
Consumption				
Consumer Expenditures (%m/m, sa)	-	0.51	0.87	0.23
Retail Sales (%m/m, sa)	-	0.72	1.28	-0.55
Personal Savings Rate (%)	-	3.80	4.00	4.50
Labor				
Civilian Unemployment Rate (%)	-	4.20	4.10	4.10
Nonfarm Employment (Chg, 000's)	-	29	133	-10
Real Average Hourly Earnings (%y/y)	-	-0.42	-0.05	-0.02
JOLTS Job Openings (000's)	-	-	7079	7335
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	-	0.65	0.40	0.07
Core CPI (%m/m, sa)	-	0.33	0.29	0.22
Producer Price Index (PPI) (%m/m, sa)	-	1.34	0.47	0.15
Core PPI (%m/m, sa)	-	0.27	0.39	0.20
Personal Consumption Expenditures (PCE) (%m/m, sa)	-	0.49	0.32	0.06
Core PCE (%m/m, sa)	-	0.32	0.26	0.14
Output and Capacity				
Industrial Production (%m/m, sa)	-	0.66	0.06	0.23
Mfg New Orders (%m/m, sa)	-	-	0.10	0.77
Durable New Orders (%m/m, sa)	-	1.84	0.12	0.87
Durable Inventories (%m/m, sa)	-	0.31	0.51	0.47
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	91.70	84.20	88.60	90.20
ISM Manufacturing Report (%)	-	54.50	54.60	55.60
ISM Non-Manufacturing Report (%)	-	54.90	55.40	54.10
Leading Economic Index (%m/m)	-	0.00	-0.10	0.30
Housing and Construction				
Building Permits (Mil. of Units, saar)	-	1.40	1.40	1.43
Housing Starts (Mil. of Units, saar)	-	1.22	1.29	1.37
New Home Sales (Mil. of Units, saar)	-	0.68	0.68	0.65

WEEK AHEAD

Next week will be a busy one for economic data, with several reports providing updates on business activity, inflation pressures, and the labor market.

Markets will receive October manufacturing data on Monday with the release of the S&P Global Manufacturing Purchasing Managers' Index (PMI) and Institute for Supply Management (ISM) Manufacturing Index, followed by their services counterparts on Wednesday. Beyond the headline readings, investors will likely pay particular attention to the prices and employment components for signs of changing inflationary pressures or labor market weakness. The services reports may be especially important given the sector's larger contribution to overall economic activity.

Employment will remain a major focus throughout the week. September's Job Openings and Labor Turnover Survey (JOLTS) on Tuesday will provide additional insight into labor supply and demand, while Friday's employment report will include nonfarm payrolls, the unemployment rate, U6 unemployment, and labor force participation. A meaningful surprise in either direction could challenge the Federal Reserve's recent characterization of economic activity as strong and influence expectations surrounding its next policy decision. Inflation will also remain in focus. Preliminary University of Michigan inflation expectations are due Friday, providing another view of inflation pressures alongside the ISM price indexes. Third-quarter nonfarm productivity and unit labor costs will offer additional context. Productivity growth can allow wages to rise without creating the same degree of inflationary pressure, while unit labor costs provide insight into how labor expenses are evolving relative to output.

DISCLOSURES AND DEFINITIONS

Economic Indicators:

1. CPI: Consumer Price Index measures the average change in prices paid by consumers for goods and services over time. Source: Bureau of Labor Statistics.
2. Core CPI: Core Consumer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
3. PPI: Producer Price Index measures the average change in selling prices received by domestic producers for their output. Source: Bureau of Labor Statistics.
4. Core PPI: Core Producer Price Index excludes food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Labor Statistics.
5. PCE: Personal Consumption Expenditures measure the average change in prices paid by consumers for goods and services. Source: Bureau of Economic Analysis.
6. Core PCE: Core Personal Consumption Expenditures exclude food and energy prices to provide a clearer picture of long-term inflation trends. Source: Bureau of Economic Analysis.
7. Industrial Production: Measures the output of the industrial sector, including manufacturing, mining, and utilities. Source: Federal Reserve.
8. Mfg New Orders: Measures the value of new orders placed with manufacturers for durable and non-durable goods. Source: Census Bureau.
9. Durable New Orders: Measures the value of new orders placed with manufacturers of durable goods. Source: Census Bureau.
10. Durable Inventories: Measures the value of inventories held by manufacturers for durable goods. Source: Census Bureau.
11. Consumer Confidence (CB, 1985=100): Measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Source: Conference Board.
12. ISM Manufacturing Report: Measures the economic health of the manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
13. ISM Non-Manufacturing Report: Measures the economic health of the non-manufacturing sector based on surveys of purchasing managers. Source: Institute for Supply Management.
14. Leading Economic Index: Measures overall economic activity and predicts future economic trends. Source: Conference Board.
15. Building Permits (Mil. of Units, saar): Measures the number of new residential building permits issued. Source: Census Bureau.
16. Housing Starts (Mil. of Units, saar): Measures the number of new residential construction projects that have begun. Source: Census Bureau.
17. New Home Sales (Mil. of Units, saar): Measures the number of newly constructed homes sold. Source: Census Bureau.
18. SA: Seasonally adjusted.
19. SAAR: Seasonally adjusted annual rate.

Market Indices & Indicators:

1. S&P 500: A market-capitalization-weighted index of 500 leading publicly traded companies in the U.S., widely regarded as one of the best gauges of large U.S. stocks and the stock market overall.
2. Dow Jones 30: Also known as the Dow Jones Industrial Average, it tracks the share price performance of 30 large, publicly traded U.S. companies, serving as a barometer of the stock market and economy.
3. NASDAQ: The world›s first electronic stock exchange, primarily listing technology giants and operating 29 markets globally.
4. Russell 1000 Growth: Measures the performance of large-cap growth segment of the U.S. equity universe, including companies with higher price-to-book ratios and growth metrics.
5. Russell 1000 Value: Measures the performance of large-cap value segment of the U.S. equity universe, including companies with lower price-to-book ratios and growth metrics.
6. Russell 2000: A market index composed of 2,000 small-cap companies, widely used as a benchmark for small-cap mutual funds.
7. Wilshire 5000: A market-capitalization-weighted index capturing the performance of all American stocks actively traded in the U.S., representing the broadest measure of the U.S. stock market.
8. MSCI EAFE Index: An equity index capturing large and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada.
9. MSCI Emerging Market Index: Captures large and mid-cap representation across emerging markets countries, covering approximately 85% of the free float-adjusted market capitalization in each country.
10. VIX: The CBOE Volatility Index measures the market's expectations for volatility over the coming 30 days, often referred to as the «fear gauge.»
11. FTSE NAREIT All Equity REITs: Measures the performance of all publicly traded equity real estate investment trusts (REITs) listed in the U.S., excluding mortgage REITs.
12. S&P U.S. Aggregate Bond Index: Represents the performance of the U.S. investment-grade bond market, including government, corporate, mortgage-backed, and asset-backed securities.

13. 3-Month T-bill Yield (%): The yield on U.S. Treasury bills with a maturity of three months, reflecting short-term interest rates.
14. 10-Year Treasury Yield (%): The yield on U.S. Treasury bonds with a maturity of ten years, reflecting long-term interest rates.
15. 10Y-2Y Treasury Spread (%): The difference between the yields on 10-year and 2-year U.S. Treasury bonds, often used as an indicator of economic expectations.
16. WTI Crude ($/bl): The price per barrel of West Texas Intermediate crude oil, a benchmark for U.S. oil prices.
17. Gold ($/Troy Oz): The price per troy ounce of gold, a standard measure for gold prices.
18. Bitcoin: A decentralized digital currency without a central bank or single administrator, which can be sent from user to user on the peer-to-peer bitcoin network.

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The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange.

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