



Weekly Market Recap

The week in review

- Headline and core CPI rose 3.7%/2.6% y/y
- PPI rose 6.3% y/y
- Existing-home sales in U.S. rose 1.5% m/m

The week ahead

- Housing starts
- PMIs

Thought of the week

Third-quarter earnings are expected to deliver another impressive headline, with S&P 500 aggregate net income growing 35% from a year ago, nearly three times its 10-year average. However, beneath the surface, the pace of growth varies considerably across the market.

As this week's chart shows, earnings are expected to grow 13% after excluding the Technology and Energy sectors and three AI-related companies: Amazon in Consumer Discretionary and Alphabet and Meta in Communication Services. While that is well above the 8% average of the past decade, the widening gap highlights where the acceleration is coming from. Together, the excluded sectors and companies are expected to contribute nearly 77% of the increase in S&P 500 earnings this quarter.

Slower does not mean weak. In fact, analysts became more optimistic as the quarter progressed. Third-quarter earnings estimates increased 1.4% between June and September, compared with an average decline of more than 2% in a typical quarter. A record 72 companies also entered reporting season with guidance above consensus, suggesting the optimism is coming from companies as well as analysts.

For investors, the distinction between breadth and acceleration is important. Earnings growth has broadened well beyond a handful of companies, providing a healthier foundation for the market. However, the acceleration in profits remains concentrated in areas benefiting most from the AI investment cycle and stronger energy earnings. With valuations elevated, continued market gains may require both sides of the earnings story to hold: exceptional growth from the leaders and durable, above-trend growth from everyone else.

Please see important disclosures on next page.

Weekly Data Center

		Index Returns (%)				
Equities	Level	1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	7659	-1.94	0.15	12.91	16.89	82.11
Dow Jones 30	52002	0.67	2.19	9.53	14.99	61.31
Russell 2000	6763	-3.04	-2.67	10.67	11.66	62.18
Russell 1000 Growth	3235	-5.04	-3.00	3.12	5.10	79.75
Russell 1000 Value	1553	0.88	3.20	23.08	28.91	78.69
MSCI EAFE	3122	1.44	-0.07	10.72	14.60	69.76
MSCI EM	1621	-5.14	-4.89	17.68	20.33	85.60
NASDAQ	26140	-4.48	-2.68	12.98	16.55	96.58

Fixed Income	Yield	1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.39	0.88	1.32	-1.63	-1.67	14.98
U.S. Corporates	5.89	0.86	1.33	-1.82	-2.03	18.10
Municipals (10yr)	4.31	1.29	2.31	-2.84	-1.99	9.95
High Yield	8.54	-0.33	-0.09	0.01	1.38	26.94

		Levels (%)				
Key Rates	10/16/26	10/9/26	9/30/26	12/31/25	10/16/25	10/16/23
2-yr U.S. Treasuries	4.74	4.80	4.88	3.47	3.41	5.09
10-yr U.S. Treasuries	5.09	5.24	5.29	4.18	3.99	4.71
30-yr U.S. Treasuries	5.43	5.60	5.64	4.84	4.58	4.87
10-yr German Bund	3.42	3.49	3.58	2.86	2.58	2.79
SOFR	3.89	3.87	3.90	3.87	4.30	5.31
3-mo. EURIBOR	2.64	2.63	2.62	2.03	2.00	3.98
6-mo. CD rate	1.92	1.90	1.89	1.88	1.89	2.20
30-yr fixed mortgage	7.51	7.48	7.23	6.25	6.39	7.92
Prime Rate	7.00	7.00	7.00	6.75	7.25	8.50

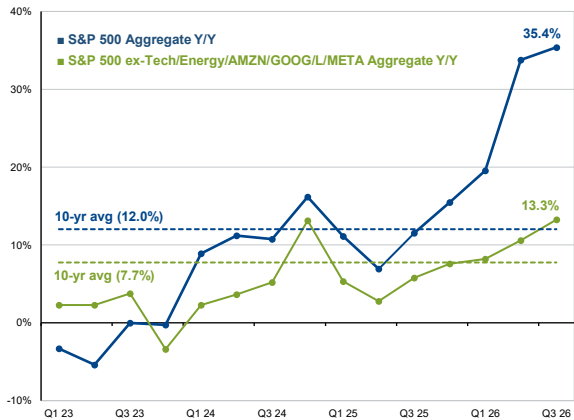
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
18.75	5.21	1.03	65960
18.57	5.39	1.54	26186
22.19	1.97	1.25	2815
20.94	11.24	0.41	32893
17.22	3.29	1.57	37282
14.54	2.24	2.67	21461
8.99	2.15	2.02	11677
21.05	6.79	0.49	45789

Levels			
Currencies	10/16/26	12/31/25	10/16/25
\$ per €	1.13	1.17	1.17
\$ per £	1.34	1.35	1.34
¥ per \$	157.93	156.75	150.77

Levels			
Commod.	10/16/26	12/31/25	10/16/25
Oil (WTI)	97.92	57.26	58.29
Gasoline	4.33	2.81	3.06
Natural Gas	3.23	4.00	2.82
Gold	4189	4368	4262
Silver	57.71	71.99	53.02
Copper	14595	12504	10495
Corn	4.64	4.37	4.08
BBG Idx	374.52	276.25	265.57

Chart of the Week

Earnings growth is broad, but acceleration is concentrated.
Year-over-year growth in aggregate S&P 500 net income for each quarter



Style Returns

	V	B	G
L	0.9	-1.9	-5.0
M	0.6	-1.2	-6.3
S	-1.0	-3.0	-5.0

	V	B	G
L	23.1	12.9	3.1
M	19.0	13.8	-1.7
S	16.6	10.7	5.2

S&P 500 Sector Returns

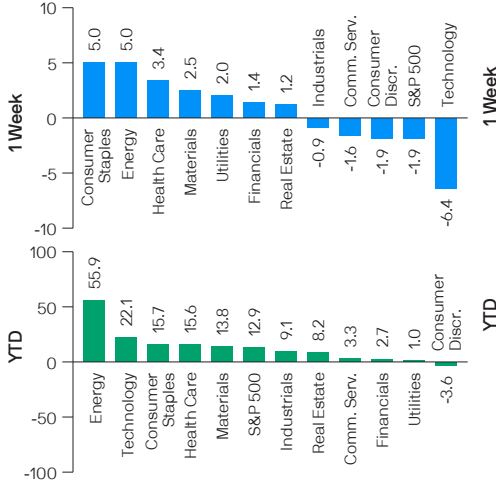




Chart of the Week: Source: FactSet, J.P. Morgan Asset Management.
Thought of the week: Source: FactSet, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing. Index: MSCI – EM; provided by: MSCI – gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share

information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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