



Weekly Market Recap

The week in review

- U.S. Flash PMI came in at 57.6
- Initial claims rose by 194k

The week ahead

- Federal Reserve meeting
- U.S. GDP
- ECB and BoJ meeting

Thought of the week

Fixed income investors have faced a challenging 2026. Resilient economic growth, elevated inflation and shifting expectations for Federal Reserve policy have pushed yields higher, weighing on bond prices. The Bloomberg U.S. Aggregate Bond Index declined 2.9% through September, even as its yield to worst rose from 4.3% at the start of the year to 5.6%. However, the same rise in yields that has hurt short-term performance has created a more attractive opportunity for long-term investors.

As this week's chart illustrates, starting yields have historically been a powerful predictor of future fixed income returns. Since 1976, starting yields have explained 89% of the variation in subsequent five-year annualized returns for the Bloomberg U.S. Aggregate. At this week's yield of 5.3%, this historical relationship suggests annualized returns of approximately 5.43% over the next five years. Reinforcing this outlook, J.P. Morgan's newly released 2027 Long-Term Capital Market Assumptions project annualized global aggregate bond returns of 5.3% over the next 10–15 years, the highest forecast in two decades.

Looking ahead, next week's Federal Reserve meeting could generate further volatility in rates as investors reassess the path of monetary policy. However, despite this year's rise in yields, longer-term inflation expectations remain relatively anchored, with 10-year breakeven inflation increasing by around 10bps year-to-date. While uncertainty remains around the direction of rates, today's elevated yields may not persist indefinitely, creating an attractive opportunity for long-term investors. Maintaining a diversified allocation to high-quality fixed income can offer compelling return potential, steady income and an important source of portfolio diversification.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	7624	-0.46	-0.31	12.40	14.46	87.98
Dow Jones 30	52215	0.42	2.62	9.99	13.52	67.07
Russell 2000	6899	2.01	-0.71	12.90	13.19	73.49
Russell 1000 Growth	3186	-1.52	-4.47	1.55	1.77	83.82
Russell 1000 Value	1563	0.67	3.89	23.90	27.73	86.68
MSCI EAFE	3074	-1.51	-1.58	9.05	12.85	71.85
MSCI EM	1578	-2.61	-7.37	14.60	16.96	86.35
NASDAQ	25955	-0.71	-3.36	12.19	13.81	103.43

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.33	0.54	1.87	-1.10	-1.11	16.58
U.S. Corporates	5.87	0.34	1.68	-1.49	-1.76	19.72
Municipals (10yr)	4.11	1.28	3.62	-1.60	-1.14	12.35
High Yield	8.59	-0.11	-0.20	-0.09	1.17	27.91

Key Rates	Levels (%)					
	10/23/26	10/16/26	9/30/26	12/31/25	10/23/25	10/23/23
2-yr U.S. Treasuries	4.69	4.74	4.88	3.47	3.48	5.05
10-yr U.S. Treasuries	5.00	5.09	5.29	4.18	4.01	4.86
30-yr U.S. Treasuries	5.33	5.43	5.64	4.84	4.58	5.01
10-yr German Bund	3.36	3.42	3.58	2.86	2.58	2.88
SOFR	3.90	3.88	3.90	3.87	4.24	5.30
3-mo. EURIBOR	2.67	2.64	2.62	2.03	2.07	3.96
6-mo. CD rate	1.93	1.92	1.89	1.88	1.90	2.18
30-yr fixed mortgage	7.43	7.51	7.23	6.25	6.34	7.98
Prime Rate	7.00	7.00	7.00	6.75	7.25	8.50

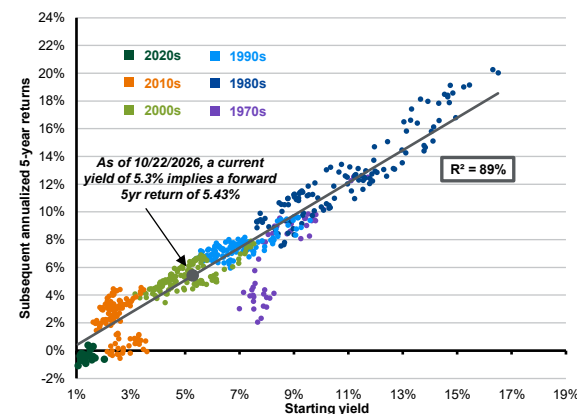
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
18.56	5.19	1.04	65652
18.58	5.45	1.54	25998
21.62	1.99	1.24	2865
20.51	11.12	0.43	32392
17.22	3.31	1.58	37525
14.30	2.21	2.67	21134
8.70	2.10	2.02	11369
20.73	6.74	0.50	45470

Levels			
Currencies	10/23/26	12/31/25	10/23/25
\$ per €	1.12	1.17	1.16
\$ per £	1.34	1.35	1.33
¥ per \$	156.76	156.75	152.62

Levels			
Commod.	10/23/26	12/31/25	10/23/25
Oil (WTI)	103.17	57.26	62.44
Gasoline	4.28	2.81	3.02
Natural Gas	2.64	4.00	3.34
Gold	4013	4368	4144
Silver	53.90	71.99	49.11
Copper	14415	12504	10797
Corn	4.46	4.37	4.16
BBG Idx	372.91	276.25	269.62

Chart of the Week

Yield to worst and subsequent 5-year annualized returns
Bloomberg U.S. Aggregate Total Return Index



Style Returns

	V	B	G
L	0.7	-0.5	-1.5
M	1.5	0.9	-0.9
S	2.1	2.0	1.9
	V	B	G
L	23.9	12.4	1.5
M	20.8	14.8	-2.6
S	19.0	12.9	7.2

S&P 500 Sector Returns

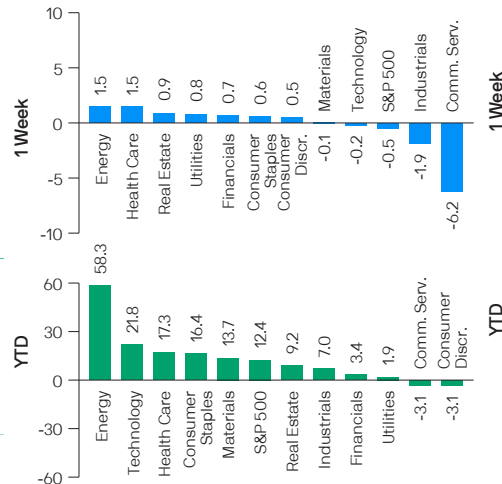


Chart of the Week: Source: Bloomberg, FactSet, J.P. Morgan Asset Management. Returns are 60-month annualized total returns, measured monthly, beginning 1/31/1976. R² represents the percent of total variation in total returns that can be explained by yields at the start of each period. Past performance is no guarantee of future results.

Thought of the week: Source: Bloomberg, FactSet, Federal Reserve of St. Louis, J.P. Morgan Asset Management. Returns are 60-month annualized total returns, measured monthly, beginning 1/31/1976. R² represents the percent of total variation in total returns that can be explained by yields at the start of each period. Past performance is no guarantee of future results.

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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