WEEKLY MARKET COMMENTARY

August 17, 2026

WEEK IN REVIEW

The week's economic data pointed to a gradually cooling economy, with inflation continuing to moderate while consumer and housing activity showed signs of softness.

On Tuesday, existing home sales fell 1.7% to a 4.06 million annualized pace, slightly better than the 4.05 million consensus estimate. Inventory declined 1.9%, while the median sales price increased 2.0% from a year ago to $434,100. The report reinforced the ongoing pressure from elevated mortgage rates and affordability constraints, although the near-consensus result had limited market impact.

Inflation took center stage on Wednesday, with the Consumer Price Index (CPI) rising 0.1% month-over-month and 3.4% year-over-year, both in line with expectations. Core CPI increased 0.2% for the month and 2.5% from a year earlier, also matching consensus. The lack of an upside inflation surprise was supportive for Treasuries and helped ease concerns that the Fed may need to tighten policy further.

Later on Wednesday, the Treasury's 10-year note auction cleared at 4.683%, the highest auction yield since 2007. This puts 10-year borrowing costs back at levels last seen before the Global Financial Crisis and highlights how restrictive long-term rates remain even as inflation shows signs of moderating. Persistently elevated 10-year yields could continue to keep mortgage rates and corporate borrowing costs high, creating a headwind for housing and other rate-sensitive areas of the economy.

On Thursday, the Producer Price Index (PPI) came in softer than expected. Headline producer prices were unchanged for the month versus a 0.2% increase expected, while the year-over-year rate slowed to 4.7% from 5.5%. Core PPI rose 0.2% versus 0.3% expected. The softer inflation data supported lower Treasury yields and reinforced expectations for a more patient Fed.

Also on Thursday, the Treasury's 30-year bond auction cleared at 5.216%, the highest auction yield since August 2001, marking a roughly 25-year high. The elevated level shows that long-term borrowing costs remain restrictive despite signs of easing inflation.

The week closed on Friday with retail sales falling 0.6% versus expectations for a 0.1% increase. The sizable miss raised concerns about slowing consumer momentum and suggested economic growth may be losing some steam heading into the third quarter.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	0.39%	3.29%	4.09%	14.54%
Dow Jones 30	-0.53%	2.40%	7.76%	12.83%
NASDAQ	0.16%	2.41%	0.50%	15.40%
Russell 1000 Growth	0.52%	1.68%	-0.33%	6.22%
Russell 1000 Value	0.39%	5.03%	10.36%	23.96%
Russell 2000	1.15%	3.57%	7.50%	24.47%
Wilshire 5000	0.49%	3.35%	4.65%	15.09%
MSCI EAFE Index	0.60%	3.17%	7.77%	15.88%
MSCI Emerging Market Index	2.49%	1.81%	-0.41%	23.72%
VIX	-4.36%	-13.64%	-17.44%	-4.68%
FTSE NAREIT All Equity REITs	0.16%	0.60%	4.09%	17.16%
S&P U.S. Aggregate Bond Index	-0.09%	-0.13%	-0.06%	0.10%
Interest Rates	**8/14/2026**	**8/7/2026**	**7/31/2026**	**7/24/2026**
3-month T-bill Yield (%)	3.79	3.80	3.76	3.90
10-year Treasury Yield (%)	4.69	4.64	4.71	4.68
10Y-2Y Treasury Spread (%)	0.52	0.45	0.44	0.35
30-year Fixed Mortgage Rate (%)	6.76	6.78	6.73	6.66
Commodities				
WTI Crude ($/bl)	82.40	79.77	86.16	91.74
Gold ($/Troy Oz)	4,390.70	4,335.55	4,026.60	4,067.30
Bitcoin	62,977.35	64,879.59	62,818.68	64,114.56

Weekly Indicators	8/14/2026	8/7/2026	7/31/2026	7/24/2026
Employment				
Initial Unemployment Claims (000's)	-	209.00	200.00	198.00

Quarterly Data	6/30/2026	3/31/2026	12/31/2025	9/30/2025
Output				
Real GDP Growth (%q/q, saar)	1.50	2.10	0.50	4.40
Private Consumption (%q/q, saar)	3.20	0.50	1.90	3.50

Monthly Indicators	7/31/2026	6/30/2026	5/29/2026	4/30/2026
Consumption				
Consumer Expenditures (%m/m, sa)	-	0.29	0.85	0.54
Retail Sales (%m/m, sa)	-0.75	0.22	0.88	0.62
Personal Savings Rate (%)	-	2.70	2.80	3.00
Labor				
Civilian Unemployment Rate (%)	4.10	4.20	4.30	4.30
Nonfarm Employment (Chg, 000's)	-23	20	63	148
Real Average Hourly Earnings (%y/y)	-0.09	-0.11	-0.61	-0.11
JOLTS Job Openings (000's)	-	7359	7537	7585
Inflation				
Consumer Price Index (CPI) (%m/m, sa)	0.07	-0.42	0.47	0.64
Core CPI (%m/m, sa)	0.22	-0.02	0.21	0.38
Producer Price Index (PPI) (%m/m, sa)	-0.03	-0.11	0.45	1.09
Core PPI (%m/m, sa)	0.13	0.16	0.77	0.70
Personal Consumption Expenditures (PCE) (%m/m, sa)	-	-0.11	0.46	0.41
Core PCE (%m/m, sa)	-	0.13	0.33	0.25
Output and Capacity				
Industrial Production (%m/m, sa)	-	0.08	0.14	0.79
Mfg New Orders (%m/m, sa)	-	-0.35	-1.06	5.25
Durable New Orders (%m/m, sa)	-	0.47	-4.00	8.51
Durable Inventories (%m/m, sa)	-	0.34	0.15	0.32
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	90.80	92.20	90.60	93.80
ISM Manufacturing Report (%)	55.60	53.30	54.00	52.70
ISM Non-Manufacturing Report (%)	54.10	54.00	54.50	53.60
Leading Economic Index (%m/m)	-	-0.20	0.10	0.20
Housing and Construction				
Building Permits (Mil. of Units, saar)	-	1.37	1.41	1.42
Housing Starts (Mil. of Units, saar)	-	1.43	1.20	1.41
New Home Sales (Mil. of Units, saar)	-	0.63	0.62	0.65

WEEK AHEAD

The week ahead will be relatively light on major economic data, with markets focused primarily on the Fed and the labor market.

On Wednesday, the Federal Open Market Committee (FOMC) meeting minutes from the July meeting will be released. The Fed held rates at 3.50%–3.75% at that meeting, and the minutes could provide greater detail on how concerned policymakers remain about inflation and what could drive the Fed's decision at the

September meeting. A more hawkish tone could put upward pressure on Treasury yields, while a more dovish read could support expectations for easier policy.

Also on Wednesday, the U.S. Energy Information Administration will release its weekly crude oil inventory report. Oil inventories have been volatile recently, making the report important for assessing near-term supply conditions and energy prices. A meaningful draw could support crude prices and add to inflation concerns, while a build could ease some pressure on energy prices.

On Thursday, initial jobless claims will provide another update on labor-market conditions. Claims increased to 209,000 last week from 200,000, although they remain relatively low. Another increase could indicate that the labor market is beginning to soften, potentially giving the Fed more flexibility on rates, while continued low claims would point to a still-resilient employment backdrop.

The next Manufacturing and Services Flash Purchasing Managers' Indexes (PMI) will be released the following Thursday. July's composite PMI rose to 53.6 from 51.9, driven largely by stronger services activity while manufacturing momentum slowed. The August reading will help show whether that growth momentum is continuing and whether business price pressures remain elevated.

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.

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.