WEEKLY MARKET COMMENTARY

August 31, 2026

THE WEEK IN REVIEW

This week's economic data continued to point to an economy that is still expanding, but with inflation remaining above the Federal Reserve's target and the labor market showing few signs of material deterioration.

July Personal Consumption Expenditures (PCE) inflation, the Fed's preferred inflation measure, rose 0.2% month-over-month and held at 3.7% year-over-year, slightly above consensus expectations. Core PCE, which excludes food and energy, also rose 0.2% for the month and remained at 3.3% year-over-year, reinforcing that underlying price pressures remain elevated. The report showed that personal income increased 0.4%, while personal spending increased 0.2%, with services spending offsetting a decline in goods spending. Labor market data showed resiliency. Initial jobless claims fell to 203,000, below the 208,000 consensus estimate, while continuing claims declined to 1.778 million. The data suggest layoffs remain contained, though claims provide a better read on job losses than hiring momentum.

The second estimate of second-quarter gross domestic product (GDP) was unchanged at a 1.5% annualized rate, down from 2.1% in the first quarter. Growth was supported by consumer spending, exports, and investment, while lower government spending and higher imports weighed on the headline figure.

Trade and monetary policy developments also drew investor attention. The U.S.-Canada trade dispute escalated after the U.S. imposed 50% tariffs on $20 billion worth of Canadian goods, prompting Canada to announce retaliatory tariffs that would match the U.S. measures dollar for dollar.

At Jackson Hole, Fed Chair Kevin Warsh reiterated that inflation remains above the Fed's 2% objective and argued for a "quieter" Fed with less routine forward guidance. Taken together, the week's data and policy developments left investors weighing resilient labor conditions and still-positive growth against persistent inflation and a less predictable policy backdrop.

ECONOMIC AND CAPITAL MARKETS DASHBOARD

Broad Market Indices	1-week	1-month	3-month	YTD
Stock Market (Total Return)				
S&P 500	0.50%	3.91%	2.24%	13.51%
Dow Jones 30	0.55%	1.67%	6.11%	12.58%
NASDAQ	0.85%	6.19%	-1.77%	14.03%
Russell 1000 Growth	0.31%	5.45%	-3.30%	4.10%
Russell 1000 Value	0.40%	2.54%	8.90%	23.84%
Russell 2000	-1.49%	0.74%	1.53%	20.65%
Wilshire 5000	0.25%	3.74%	2.34%	13.84%
MSCI EAFE Index	0.55%	2.40%	5.79%	15.19%
MSCI Emerging Market Index	-0.32%	6.64%	-0.90%	23.99%
VIX	-4.63%	-20.76%	-8.32%	-3.48%
FTSE NAREIT All Equity REITs	-1.22%	-4.06%	0.93%	15.31%
S&P U.S. Aggregate Bond Index	0.13%	-0.07%	-0.34%	0.12%
Interest Rates	**8/28/26**	**8/21/26**	**8/14/26**	**8/7/26**
3-month T-bill Yield (%)	3.83	3.80	3.79	3.80
10-year Treasury Yield (%)	4.73	4.73	4.69	4.64
10Y-2Y Treasury Spread (%)	0.37	0.50	0.52	0.45
30-year Fixed Mortgage Rate (%)	6.71	6.72	6.76	6.78
Commodities				
WTI Crude ($/bl)	83.61	87.21	83.99	79.77
Gold ($/Troy Oz)	4,562.75	4,582.10	4,390.70	4,335.55
Bitcoin	77,841.57	78,180.58	62,977.35	64,879.59

Weekly Indicators	8/28/2026	8/21/2026	8/14/2026	8/7/2026
Employment				
Initial Unemployment Claims (000's)	-	203.00	207.00	212.00

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)	3.40	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)	0.16	0.35	0.85	0.62
Retail Sales (%m/m, sa)	-0.75	0.22	0.88	0.62
Personal Savings Rate (%)	3.00	2.60	2.80	2.90
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)	0.16	-0.09	0.48	0.42
Core PCE (%m/m, sa)	0.25	0.15	0.36	0.26
Output and Capacity				
Industrial Production (%m/m, sa)	0.20	0.27	-0.01	0.75
Mfg New Orders (%m/m, sa)	-	-0.35	-1.06	5.25
Durable New Orders (%m/m, sa)	1.07	0.54	-4.00	8.51
Durable Inventories (%m/m, sa)	0.36	0.36	0.15	0.32
Survey Data and Composite Indicators				
Consumer Confidence (CB, 1985=100)	90.20	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	0.20
Housing and Construction				
Building Permits (Mil. of Units, saar)	1.43	1.37	1.41	1.42
Housing Starts (Mil. of Units, saar)	1.24	1.42	1.18	1.41
New Home Sales (Mil. of Units, saar)	0.61	0.68	0.63	0.64

THE WEEK AHEAD

Next week's economic calendar will give investors a more complete read on whether the current mix of resilient activity and elevated inflation is beginning to shift.

Labor market data will be the primary focus. The Job Openings and Labor Turnover Survey (JOLTS) report is scheduled for Tuesday and will provide an update on job openings, hiring, and quits, while Friday's employment report will include nonfarm payrolls, the unemployment rate, labor force participation, and wage growth. Given the recent disconnect between low layoffs and softer hiring, investors will be focused not only on the headline payroll number, but also on revisions and wage trends.

Business activity data will also be important. The ISM Manufacturing Purchasing Managers' Index (PMI) is expected early in the week, followed by the ISM Services PMI later in the week. The services reading may carry particular weight because services continue to represent the larger share of U.S. economic activity and have been a key source of consumer spending strength. Investors will also watch the employment and prices components of both reports for signs of either cooling demand or renewed inflation pressure.

With the next Federal Open Market Committee (FOMC) meeting scheduled for September 15–16, incoming labor, inflation, and activity data will remain central to market expectations for the path of interest rates.

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.