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Investment Institute

Looking Ahead

October 9, 2026

Market sets new highs on tech optimism

The S&P 500 Index reached a record high this week on optimism surrounding Information Technology (tech) earnings despite concerns about artificial-intelligence-related investment spending. Brent crude oil and diesel prices retreated after President Trump indicated the U.S. would refrain from military action against Iran before the November midterm elections. U.S. Treasury long-term rates pulled back from decade-highs as the yield curve flattened. Economic data was mixed, with services purchasing managers' indexes (PMIs) still showing growth, inflation pressures remaining elevated, and the U.S. trade deficit widening. Labor markets remained resilient as initial jobless claims fell to their lowest level since July. Looking ahead, investors will closely watch the Consumer Price Index (CPI) and Producer Price Index (PPI) reports for an updated read on inflation while data on retail sales, small business optimism, industrial production, and existing home sales should provide further insight into economic conditions.

S&P 500 Index performance: week of October 5 – October 9



Sources: Bloomberg, Wells Fargo Investment Institute. Data from October 5, 2026, through October 9, 2026, at 12:00 p.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment. M/M = month over month

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Week in review: October 5 – October 9

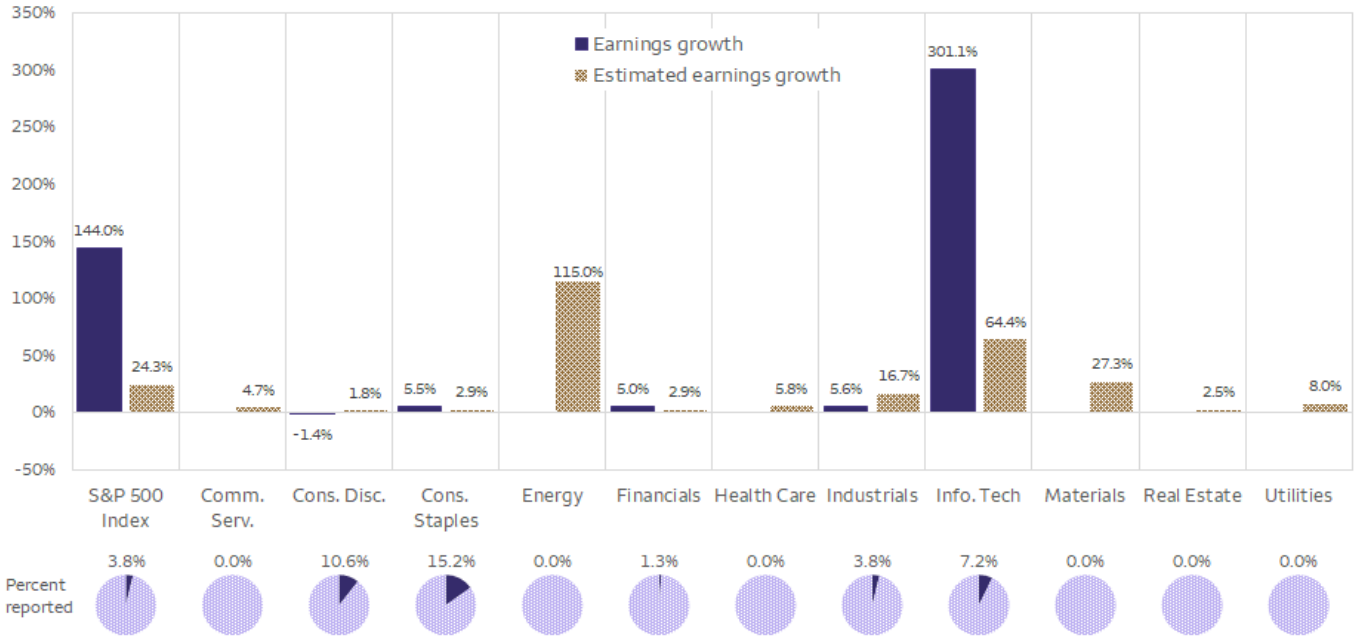
Economic news

- Initial jobless claims were reported slightly lower at 197k from 199k from the revised week prior. Continuing jobless claims rose 1% to 1.7 million for unemployed workers.
  - Initial claims remained below 200k for a fourth consecutive week, staying near their lowest levels since the 1960s, despite a nearly 12,000 increase before seasonal adjustments.
- The University of Michigan Consumer Sentiment Index for October preliminarily fell to a five-month low of 46.3, down from 48.1 in September.
  - Sentiment was driven lower by deteriorating household durable goods buying conditions, while consumers' assessments of their financial situations remained stable.
- The Institute for Supply Management Services PMI eased to 54.9 in September, slightly below expectations. Still, the index remained in expansion territory for a 27th straight month, signaling continued growth in the service sector.
  - Inflation remains a concern, with the prices paid component rising to 74, its highest level since July 2022. Meanwhile, the employment component rose to 50.1, returning to expansion after two months of contraction.
- In August, the U.S. trade balance widened to 105.6 billion from 92.8 billion a month prior, exceeding expectations of a widening to 102.1 billion. The widening was driven by a $17.2 billion increase in imports to a record $420.8 billion, led by industrial supplies and capital goods. Exports also rose by $4.5 billion to $315.2 billion, supported by gains in industrial supplies and capital goods, though the increase was not enough to offset the surge in imports. Trade in services was largely unchanged.
- Mortgage applications fell 4.2% in the week ended October 2, following a 6.0% decline the prior week, as the average 30-year fixed mortgage rate climbed to 7.49% in the week ended October 2.

Stock market recap

By Friday morning, performance for the major indexes was higher for the week. As of 12:00 p.m. ET, the S&P 500 Index was up by 1.0%, the Nasdaq was higher by 0.5%, while the Dow rose 0.7%.

Third-quarter corporate earnings underway



Sources: Bloomberg, Wells Fargo Investment Institute. Chart shows actual versus projected S&P 500 Index earnings growth by sector. Actual earnings growth as of October 9, 2026, at 8:30 a.m. ET. Bloomberg consensus estimated earnings growth as of September 25, 2026, at 8:30 a.m. ET. **Past performance is no guarantee of future results.** An index is unmanaged and not available for direct investment.

Looking ahead to next week: October 12 – 16

U.S.

- The focus of the week will be on September inflation data, with the CPI, PPI, and Import Price Index scheduled for release on Wednesday, Thursday, and Friday, respectively.
- Other potentially market-moving reports include September's retail sales, Thursday, and the month's industrial production the following day.
- The Federal Reserve's (Fed) Beige Book survey of regional economic conditions will hit the tape at midweek, along with measures of October's service activity from the Philadelphia and New York regional Fed banks.
- Other key releases include September's small business optimism, home sales, and the federal budget balance.

Asia

- In China, the focus will be on September's CPI, PPI, money supply, and trade balance.
- From Japan, look for August core machine orders, capacity utilization and finalized industrial production, along with September's PPI, department store sales, and money supply.
- Australian releases include September's labor market data, business confidence, and the Westpac leading index.
- South Korea will release September's unemployment rate and October's early export and import data.
- Thailand will host the International Monetary Fund (IMF) and the World Bank meetings, with the release of the IMF's updated World Economic Outlook report.

Europe

- In Europe, the focus will be on finalized September CPI readings along with the eurozone's August industrial production and trade balance.
- In the U.K., investors will look for August's monthly gross domestic product, industrial production, Index of Services, and trade balance.
- Rounding out the docket are Germany's August current account balance and September wholesale price index.

Scheduled economic releases for week of October 12, 2026

Date	Time	Country	Release	For	Consensus	Prior
Monday, 10/12	6:30 AM	India	CPI YoY	September	5.57%	4.82%
Monday, 10/12	7:50 PM	Japan	PPI YoY	September	7.6%	7.6%
Tuesday, 10/13	6:00 AM	U.S.	NFIB Small Business Optimism	September	98.0	98.7
Tuesday, 10/13	10:00 AM	U.S.	Existing Home Sales	September	3.96m	3.98m
Tuesday, 10/13	9:30 PM	China	CPI YoY	September	1.0%	0.8%
Tuesday, 10/13	9:30 PM	China	PPI YoY	September	4.5%	3.8%
Wednesday, 10/14	8:30 AM	Canada	Building Permits MoM	August		-17.3%
Wednesday, 10/14	8:30 AM	U.S.	CPI YoY	September	3.6%	3.4%
Wednesday, 10/14	8:30 AM	U.S.	Core CPI YoY	September	2.5%	2.4%
Wednesday, 10/14	8:30 PM	Australia	Unemployment Rate	September	4.6%	4.6%
Thursday, 10/15	2:00 AM	U.K.	Industrial Production YoY	August	0.7%	0.6%
Thursday, 10/15	5:00 AM	Eurozone	Industrial Production WDA YoY	August	-0.1%	0.0%
Thursday, 10/15	8:00 AM	Brazil	Retail Sales YoY	August		1.2%
Thursday, 10/15	8:30 AM	U.S.	Retail Sales Advance MoM	September	0.3%	1.1%
Thursday, 10/15	8:30 AM	U.S.	PPI Final Demand YoY	September	5.3%	5.4%
Thursday, 10/15	8:30 AM	U.S.	PPI Ex Food and Energy YoY	September	4.4%	4.6%
Thursday, 10/15	7:00 PM	South Korea	Unemployment rate SA	September	2.7%	2.7%
Friday, 10/16	9:15 AM	U.S.	Industrial Production MoM	September	0.40%	0.02%
Sunday, 10/18	10:00 PM	China	Industrial Production YoY	September	5.4%	5.2%

Source: Bloomberg. Data as of October 9, 2026, as of 12:00 P.M. ET. Times in table are in Eastern Time. YoY = year-over-year. MoM = month-over-month. SA = seasonally adjusted.

Scheduled earnings releases for week of October 12, 2026

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
WFC	Wells Fargo & Company	Tuesday, 10/13	10:00 AM	$22.31	$1.85	$1.66
C	Citigroup Inc.	Tuesday, 10/13	11:00 AM	$23.72	$2.65	$1.86
UNH	UnitedHealth Group Incorporated	Tuesday, 10/13	8:00 AM	$111.31	$4.12	$2.92
DPZ	Domino's Pizza, Inc.	Tuesday, 10/13	8:30 AM	$1.17	$4.36	$4.08
JNJ	Johnson & Johnson	Tuesday, 10/13	8:30 AM	$25.38	$2.54	$2.80
JPM	JPMorgan Chase & Co.	Tuesday, 10/13	8:30 AM	$51.23	$5.93	$5.07
GS	Goldman Sachs Group, Inc.	Tuesday, 10/13	9:30 AM	$16.84	$13.07	$12.25
FAST	Fastenal Company	Wednesday, 10/14	10:00 AM	$2.44	$0.34	$0.29
STT	State Street Corporation	Wednesday, 10/14	11:00 AM	$4.03	$3.68	$2.78
BLK	BlackRock, Inc.	Wednesday, 10/14	7:30 AM	$7.43	$14.32	$11.55
BAC	Bank of America Corp	Wednesday, 10/14	8:30 AM	$30.58	$1.10	$1.06
ASML	ASML Holding NV Sponsored ADR	Wednesday, 10/14	9:00 AM	$13.17	$12.15	$6.38
MS	Morgan Stanley	Wednesday, 10/14	9:30 AM	$19.96	$2.94	$2.80
PNC	PNC Financial Services Group, Inc.	Thursday, 10/15	10:00 AM	$6.61	$4.91	$4.35
BK	Bank of New York Mellon Corp	Thursday, 10/15	11:00 AM	$5.55	$2.27	$1.88
PLD	Prologis, Inc.	Thursday, 10/15	12:00 PM	$2.18	$1.57	$0.82
TSM	Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Thursday, 10/15	2:00 AM	$45.48	$4.42	$2.85
IBKR	Interactive Brokers Group, Inc. Class A	Thursday, 10/15	4:30 PM	$1.86	$0.67	$0.57
JBHT	J.B. Hunt Transport Services, Inc.	Thursday, 10/15	5:00 PM	$3.59	$1.82	$1.76
SCHW	Charles Schwab Corp	Thursday, 10/15	8:30 AM	$7.20	$1.66	$1.31
MRSH	Marsh & McLennan Companies, Inc.	Thursday, 10/15	8:30 AM	$6.65	$1.97	$1.85
USB	U.S. Bancorp	Thursday, 10/15	9:00 AM	$8.00	$1.32	$1.22
RF	Regions Financial Corporation	Friday, 10/16	10:00 AM	$1.99	$0.66	$0.63
MTB	M&T Bank Corporation	Friday, 10/16	8:00 AM	$2.53	$4.93	$4.82
TFC	Truist Financial Corporation	Friday, 10/16	8:00 AM	$5.35	$1.14	$1.04
CFG	Citizens Financial Group, Inc.	Friday, 10/16	9:00 AM	$2.34	$1.39	$1.05
TRV	Travelers Companies, Inc.	Friday, 10/16	9:00 AM	$11.31	$7.25	$8.14

Source: FactSet. Data as of October 9, 2026, as of 8:30 A.M. ET. Times shown in table are in Eastern Time. EPS = earnings per share.

Risk Considerations

Different investments offer different levels of potential return and market risk. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. **Foreign investing** has additional risks including those associated with currency fluctuation, political and economic instability, and different accounting standards. These risks are heightened in emerging markets. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. Although **Treasuries** are considered free from credit risk, they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate. **Real estate** has special risks including the possible illiquidity of underlying properties, credit risk, interest rate fluctuations and the impact of varied economic condition.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

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Definitions

An index is unmanaged and not available for direct investment.

The S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

The Consumer Price Index (CPI) is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

Small business optimism tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

Existing home sales tracks the sales of previously owned homes during the reference period.

Capital goods orders track the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Import price indexes track changes in the prices of goods produced abroad and sold domestically (imports).

The budget balance (or budget statement) is the difference between government revenues and government expenditures.

The money supply (or money stock) measures the total amount of money in circulation in a country or group of countries in a monetary union.

Business confidence tracks the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

Core machine orders tracks the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Capacity utilization tracks the extent to which the installed productive capacity of a country is being used in the production of goods and services.

Department store sales tracks the resale of new and used goods to the general public, for personal or household consumption. Specifically these data measure sales at department stores.

The Westpac Leading Index includes economic variables that tend to move before changes in the overall economy.

Export price indexes track changes in the prices of goods produced domestically and sold abroad (exports).

Gross domestic product (GDP) measures the final market value of all goods and services produced within a country. It is the most frequently used indicator of economic activity. The GDP by industry approach (or output-based GDP) is the sum of the gross value added (output less intermediate consumption) of all industry and services sectors of the economy (at basic prices), plus all taxes less subsidies on products. This concept is adjusted for inflation.

The Index of Services shows the monthly movements in the gross value added of the service industries.

Retail sales (also referred to as retail trade) tracks the resale of new and used goods to the general public, for personal or household consumption. This concept is based on the value of goods sold.

Consumer confidence (or consumer sentiment) tracks sentiment among households or consumers.

The international trade balance (or foreign trade) measures the difference between the movement of merchandise trade and/or services leaving a country (exports) and entering a country (imports). This measure tracks the value of the merchandise trade balance.

The Institute for Supply Management (ISM) Manufacturing Index and Services Index track the general state of the economy as it relates to businesses. It can include broad economy-wide conditions or specific economic conditions of a particular industry.

Durable goods orders track the value of new orders received during the reference period. Orders are typically based on a legal agreement between two parties in which the producer will deliver goods or services to the purchaser at a future date.

Continuing claims tracks the total number of people who have filed jobless claims with the appropriate government labor office; typically, in order to receive unemployment benefits.

Mortgage applications data tracks the volume of mortgage loan applications that have been submitted to lenders.

The current account is part of the balance of payments. It tracks all transactions, excluding financial transactions, that involve economic values and occur between residents of a country and nonresidents. Major components include trade in goods, trade in services, income, and current transfers. The balance of payments is a record of a country's overall international transactions with the rest of the world (i.e., transactions between residents of a country and nonresidents). The balance of payments is divided into current, capital, and financial accounts.

The Producer Price Index (PPI) is a measure of the change in the price of goods as they leave their place of production (i.e. prices received by domestic producers for their outputs either on the domestic or foreign market).

Industrial production measures the output of industrial establishments in the following industries: mining and quarrying, manufacturing and public utilities (electricity, gas and water supply). Production is based on the volume of the output.

Wholesale price indices are a measure of the change in prices received by wholesalers.

Initial jobless claims track the number of people who have filed jobless claims for the first time during the specified period with the appropriate government labor office. This number represents an inflow of people receiving unemployment benefits.

Jobless (or unemployment) claims tracks the total number of people who have filed jobless claims with the appropriate government labor office; typically, in order to receive unemployment benefits.

The unemployment (or jobless) rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed). These figures generally come from a household labor force survey.

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