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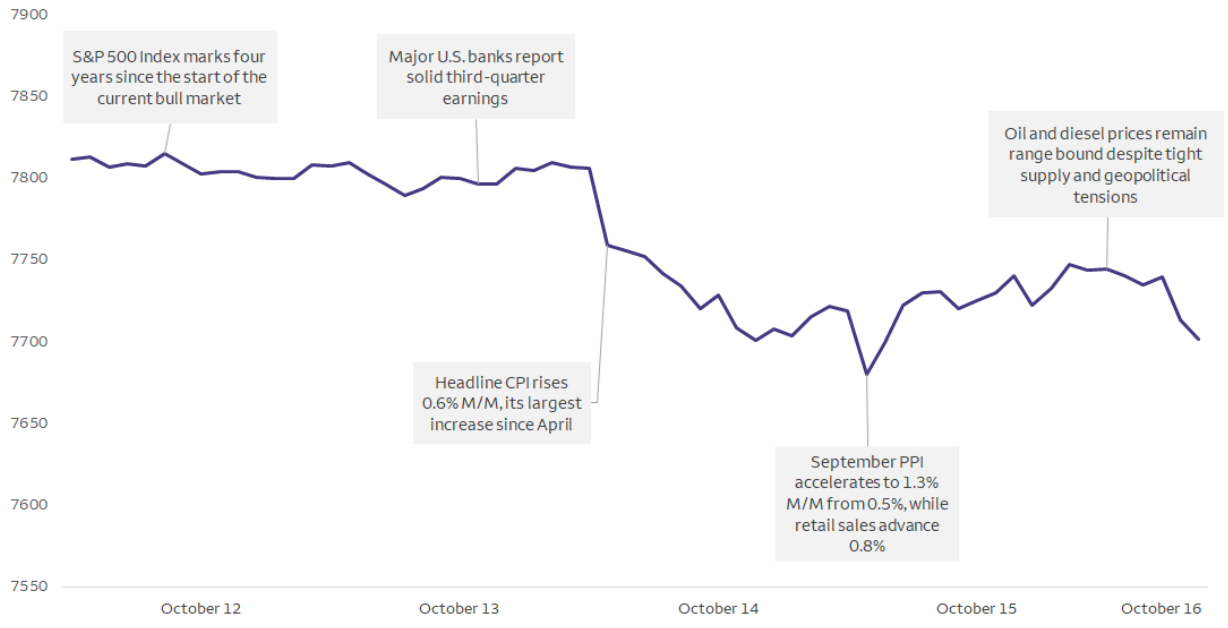
Looking Ahead

October 16, 2026

Markets waver as inflation pressures rise

Equity markets are on track for a mixed finish to the week, with the S&P 500 Index and Nasdaq Composite Index lower and the Dow Jones Industrial Average higher. While Brent crude oil and diesel price movements were less volatile this week, they remain elevated amid ongoing conflict and attacks in and around the Strait of Hormuz. Meanwhile, the U.S. Treasury yield curve continues to flatten as short-term rates rise and long-term rates pull back. On the economic front, inflation pressures intensified, while consumer spending remained resilient and manufacturing output increased. Small-business optimism weakened amid rising cost concerns, and existing home sales improved modestly despite persistent affordability pressures. Looking ahead, investors will be watching the S&P Global U.S. Purchasing Managers' Indexes (PMIs) and the leading index for further signs of strength or weakness in the economy. Housing starts, building permits, and pending home sales will also provide an updated look at the housing market.

S&P 500 Index performance: week of October 12 – October 16



Sources: Bloomberg, Wells Fargo Investment Institute. Data from October 12, 2026, through October 16, 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. CPI = Consumer Price Index. PPI = Producer Price Index.

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Week in review: October 12 – October 16

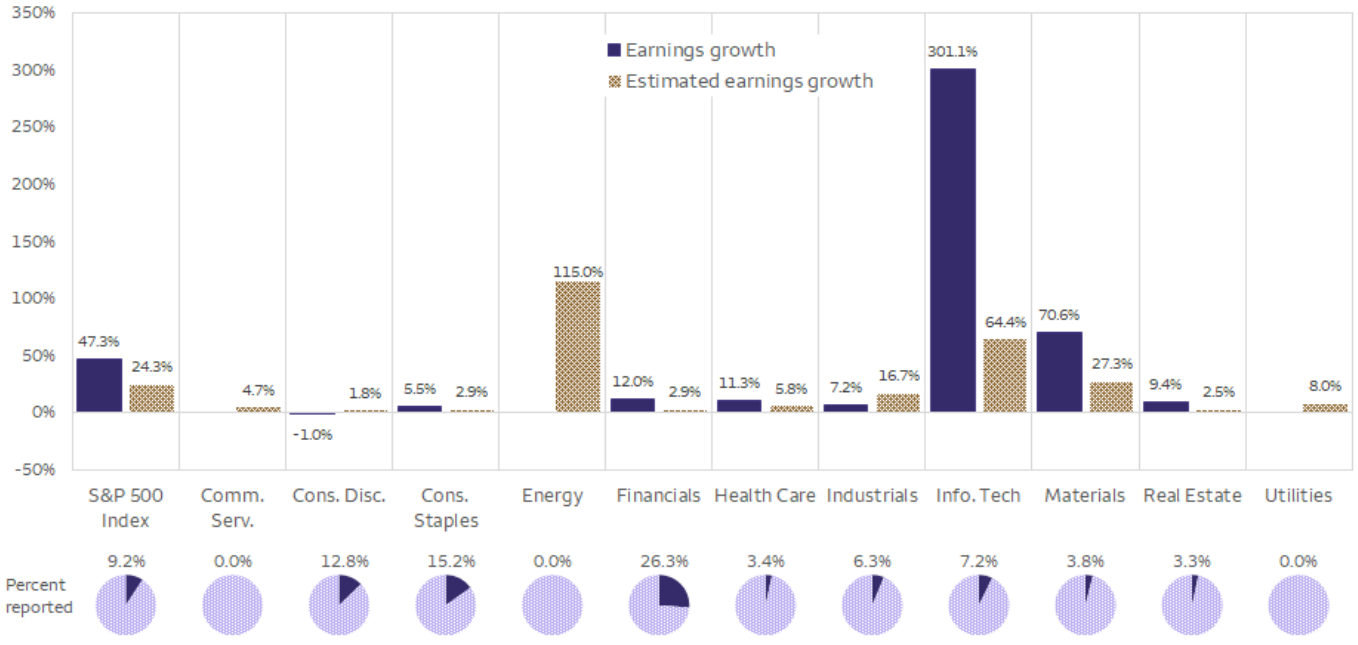
Economic news

- The headline Consumer Price Index (CPI) accelerated in September, rising 3.7% year-over-year (Y/Y) and 0.6% month-over-month (M/M), largely driven by higher fuel costs. Core CPI, which excludes food and energy, rose 2.6% Y/Y and 0.3% M/M. The monthly increase in headline CPI was the largest in five months.
    - Price increases were broad-based across CPI components. Gasoline prices rose 9.1% M/M, while medical care services and owners' equivalent rent, the largest CPI component, each increased 0.3% M/M. Prices also rose for recreation, used cars and trucks, education, airline fares, medical care, and apparel.
- The September Producer Price Index (PPI) rose 1.3% M/M, the fastest pace since March 2022 and 6.3% Y/Y, exceeding expectations of 0.6% M/M and 5.4% Y/Y. Core PPI also surprised to the upside, rising 0.7% M/M and 5.0% Y/Y versus expectations of 0.3% M/M and 4.4% Y/Y. Notable price increases were seen in energy prices (10.8% M/M), transportation and warehousing (3.4% M/M), and food prices (1.2% M/M).
- September retail sales rose 0.8% M/M, well above the 0.3% M/M consensus estimate, after a revised 1.3% gain in August. However, underlying spending was more modest, with sales excluding autos and gas stations up just 0.2% M/M.
- Small business optimism fell 0.8 points in September to 97.9, below expectations of 98.2. Rising costs continued to weigh on sentiment, with the share of firms citing inflation as their most important problem rising 4 points to 20% and nearly one-third planning to raise selling prices. Uncertainty also increased, while expectations for better business conditions and plans to expand declined.
- September existing home sales rose 1.5% M/M to an annualized rate of 3.99 million, slightly above expectations. However, the pickup may be difficult to sustain as affordability pressures persist, with the median home price up 1.3% Y/Y to $417,500 and the 30-year mortgage rate reaching 7.5%. Inventory also rose 1.9% to 1.6 million homes.
- September industrial production rose 0.7% M/M, the largest increase since April, and beat expectations of a 0.4% M/M increase.

Stock market recap

By Friday morning, performance for the major indexes was mixed for the week. As of 12:00 p.m. ET, the S&P 500 Index dipped 1.4% and the Nasdaq declined by 3.7%. Meanwhile, the Dow rose 1.1%.

Third-quarter corporate earnings season kicks off



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 16, 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 19 – 23

U.S.

- The data highlights for the week will be a first look at S&P Global's October PMIs for the manufacturing and service sectors, along with the finalized October consumer sentiment report from the University of Michigan.
- Also on tap, watch for October homebuilder sentiment and September pending home sales and housing starts
- Rounding out the docket is September's leading index, along with October business activity updates from the Philadelphia and Kansas City regional Federal Reserve banks.
- Investors will also be watching for U.S. trade policy developments, in addition to shipping through the Strait of Hormuz and the Red Sea.

Asia

- In China, watch for third-quarter gross domestic product (GDP), September industrial production, retail sales, fixed-asset investment, the jobless rate, and home prices.
- From Japan, look for October preliminary manufacturing and service PMIs, along with August's Tertiary (services) Index and September's CPI, department store sales, trade balance, and finalized machine tool orders.
- Elsewhere in the region, investors will watch the Bank of Korea's policy meeting, South Korea's September PPI, and Australia's preliminary manufacturing and service PMIs for October.

Europe

- Across Europe, investors will get a first look at October PMIs, along with the eurozone's preliminary consumer confidence and ZEW expectations for economic growth.
- From the U.K., watch for October consumer confidence and house prices, along with September CPI, Retail Price Index, PPI, retail sales, and jobless claims.
- Other British releases include August's unemployment rate, weekly earnings, and employment change.
- Elsewhere, Germany's September PPI and October ZEW index of current conditions will be released, along with France's October manufacturing confidence.

Scheduled economic releases for week of October 19th, 2026

Date	Time	Country	Release	For	Consensus	Prior
Monday, 10/19	8:30 AM	Canada	CPI YoY	September	3.2%	3.0%
Tuesday, 10/20	5:00 AM	Germany	ZEW Survey Expectations	October	30.0	34.7
Tuesday, 10/20	5:00 AM	Germany	ZEW Survey Current Situation	October	-44.5	-47.1
Tuesday, 10/20	8:30 AM	U.S.	Housing Starts	September	1,305k	1,275k
Tuesday, 10/20	8:30 AM	U.S.	Building Permits	September Prelim	1,385k	1,403k
Tuesday, 10/20	10:00 AM	U.S.	Pending Home Sales NSA YoY	September		-4.87%
Wednesday, 10/21	2:00 AM	U.K.	CPI YoY	September	3.4%	3.1%
Wednesday, 10/21	9:00 PM	South Korea	BOK Base Rate	October 22	3.0%	3.0%
Thursday, 10/22	10:00 AM	U.S.	Leading Index	September	-0.1%	-0.1%
Thursday, 10/22	7:30 PM	Japan	Natl CPI YoY	September	2.1%	1.9%
Thursday, 10/22	8:30 PM	Japan	S&P Global Japan PMI Composite	October Prelim		52.3
Friday, 10/23	3:15 AM	France	S&P Global France Composite PMI	October Prelim	50.3	51.1
Friday, 10/23	3:30 AM	Germany	S&P Global/BME Germany Manufacturing PMI	October Prelim	53.5	53.9
Friday, 10/23	4:00 AM	Eurozone	S&P Global Eurozone Composite PMI	October Prelim	52.6	53.1
Friday, 10/23	4:30 AM	U.K.	S&P Global UK Composite PMI	October Prelim	52	52
Friday, 10/23	8:00 AM	Brazil	IBGE Inflation IPCA-15 YoY	October		4.47%
Friday, 10/23	9:45 AM	U.S.	S&P Global US Manufacturing PMI	October Prelim	55.5	55.9
Friday, 10/23	9:45 AM	U.S.	S&P Global US Services PMI	October Prelim	58.0	58.8
Friday, 10/23	9:45 AM	U.S.	S&P Global US Composite PMI	October Prelim	57.6	58.4

Source: Bloomberg. Data as of October 16, 2026, as of 12:00 P.M. ET. Times in table are in Eastern Time.

Scheduled earnings releases for week of October 19th, 2026

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
STLD	Steel Dynamics, Inc.	Monday, 10/19	11:00 AM	$6.43	$5.47	$2.74
WRB	W. R. Berkley Corporation	Monday, 10/19	5:00 PM	$3.82	$1.15	$1.10
FITB	Fifth Third Bancorp	Monday, 10/19	9:00 AM	$3.34	$0.83	$0.91
UAL	United Airlines Holdings, Inc.	Tuesday, 10/20	10:30 AM	$17.88	$2.58	$2.78
MSCI	MSCI Inc. Class A	Tuesday, 10/20	11:00 AM	$0.89	$5.02	$4.47
NFLX	Netflix, Inc.	Tuesday, 10/20	4:45 PM	$12.87	$0.82	$0.59
COF	Capital One Financial Corp	Tuesday, 10/20	5:00 PM	$16.25	$5.50	$5.95
GE	GE Aerospace	Tuesday, 10/20	7:30 AM	$12.88	$2.01	$1.66
KEY	KeyCorp	Tuesday, 10/20	8:00 AM	$2.05	$0.46	$0.41
SYF	Synchrony Financial	Tuesday, 10/20	8:00 AM	$3.81	$2.42	$2.86
CB	Chubb Limited	Tuesday, 10/20	8:30 AM	$15.71	$6.79	$7.49
EFX	Equifax Inc.	Tuesday, 10/20	8:30 AM	$1.69	$2.20	$2.04
GM	General Motors Company	Tuesday, 10/20	8:30 AM	$48.83	$3.69	$2.80
GPC	Genuine Parts Company	Tuesday, 10/20	8:30 AM	$6.49	$2.04	$1.98
HAS	Hasbro, Inc.	Tuesday, 10/20	8:30 AM	$1.48	$1.86	$1.68
RTX	RTX Corporation	Tuesday, 10/20	8:30 AM	$24.11	$1.78	$1.70
MMM	3M Company	Tuesday, 10/20	9:00 AM	$6.61	$2.39	$2.19
ADC	Agree Realty Corporation	Tuesday, 10/20	9:00 AM	$0.21	$1.15	$0.45
HAL	Halliburton Company	Tuesday, 10/20	9:00 AM	$5.58	$0.58	$0.58
NOC	Northrop Grumman Corp.	Tuesday, 10/20	9:30 AM	$11.14	$7.18	$7.67
ISRG	Intuitive Surgical, Inc.	Tuesday, 10/20		$2.91	$2.65	$2.40
LUV	Southwest Airlines Co.	Wednesday, 10/21	10:00 AM	$8.25	$0.57	$0.11
GL	Globe Life Inc.	Wednesday, 10/21	11:00 AM	$1.56	$4.91	$4.81
TDY	Teledyne Technologies Incorporated	Wednesday, 10/21	11:00 AM	$1.65	$6.16	$5.57
CSX	CSX Corporation	Wednesday, 10/21	4:30 PM	$3.96	$0.53	$0.44
KMI	Kinder Morgan Inc Class P	Wednesday, 10/21	4:30 PM	$4.38	$0.32	$0.29
LVS	Las Vegas Sands Corp.	Wednesday, 10/21	4:30 PM	$3.38	$0.73	$0.78
META	Meta Platforms Inc Class A	Wednesday, 10/21	4:30 PM	$63.31	$6.59	$1.05
TXN	Texas Instruments Incorporated	Wednesday, 10/21	4:30 PM	$5.92	$2.42	$1.48
CCI	Crown Castle Inc.	Wednesday, 10/21	4:45 PM	$1.01	$1.21	$0.74
IBM	International Business Machines Corporation	Wednesday, 10/21	5:00 PM	$16.82	$2.86	$2.65
LRCX	Lam Research Corporation	Wednesday, 10/21	5:00 PM	$8.13	$2.18	$1.26
SAP	SAP SE Sponsored ADR	Wednesday, 10/21	5:00 PM	$11.40	$2.04	$1.85
TSLA	Tesla, Inc.	Wednesday, 10/21	5:30 PM	$27.94	$0.45	$0.50
TMO	Thermo Fisher Scientific Inc.	Wednesday, 10/21	7:00 AM	$11.95	$6.40	$5.79
DHR	Danaher Corporation	Wednesday, 10/21	8:00 AM	$6.56	$1.92	$1.89
MOH	Molina Healthcare, Inc.	Wednesday, 10/21	8:00 AM	$10.85	$0.79	$1.84
T	AT&T Inc	Wednesday, 10/21	8:30 AM	$31.69	$0.60	$0.54
CME	CME Group Inc. Class A	Wednesday, 10/21	8:30 AM	$1.71	$2.98	$2.68
ELV	Elevance Health, Inc.	Wednesday, 10/21	8:30 AM	$49.29	$4.70	$6.03
ROL	Rollins, Inc.	Wednesday, 10/21	8:30 AM	$1.11	$0.35	$0.34
URI	United Rentals, Inc.	Wednesday, 10/21	8:30 AM	$4.71	$13.97	$11.70
WAB	Westinghouse Air Brake Technologies Corporation	Wednesday, 10/21	8:30 AM	$3.20	$2.73	$2.32

Ticker	Company	Report date	Call time	Revenue est. (billions)	EPS est.	EPS year ago
ABT	Abbott Laboratories	Wednesday, 10/21	9:00 AM	$12.99	$1.42	$1.30
MCO	Moody's Corporation	Wednesday, 10/21	9:00 AM	$2.08	$4.25	$3.92
NEE	NextEra Energy, Inc.	Wednesday, 10/21	9:00 AM	$8.87	$1.18	$1.13
NTRS	Northern Trust Corporation	Wednesday, 10/21	9:00 AM	$2.26	$2.87	$2.29
PKG	Packaging Corporation of America	Wednesday, 10/21	9:00 AM	$2.61	$2.93	$2.73
PM	Philip Morris International Inc.	Wednesday, 10/21	9:00 AM	$11.32	$2.30	$2.24
NSC	Norfolk Southern Corporation	Thursday, 10/22	10:00 AM	$3.47	$3.47	$3.30
SNA	Snap-on Incorporated	Thursday, 10/22	10:00 AM	$1.24	$4.93	$5.02
TSCO	Tractor Supply Company	Thursday, 10/22	10:00 AM	$3.81	$0.40	$0.49
VLO	Valero Energy Corporation	Thursday, 10/22	10:00 AM	$43.36	$20.90	$3.66
FSV	FirstService Corp	Thursday, 10/22	11:00 AM	$1.50	-	$1.76
PCG	PG&E Corporation	Thursday, 10/22	11:00 AM	$6.82	$0.42	$0.50
POOL	Pool Corporation	Thursday, 10/22	11:00 AM	$1.48	$3.36	$3.39
DECK	Deckers Outdoor Corporation	Thursday, 10/22	4:30 PM	$1.51	$1.79	$1.82
VRSN	VeriSign, Inc.	Thursday, 10/22	4:30 PM	$0.44	$2.46	$2.27
WDC	Western Digital Corporation	Thursday, 10/22	4:30 PM	$4.14	$4.08	$1.78
NEM	Newmont Corporation	Thursday, 10/22	5:30 PM	$6.30	$1.95	$1.71
ALLE	Allegion Public Limited Company	Thursday, 10/22	8:00 AM	$1.14	$2.50	$2.30
DOW	Dow, Inc.	Thursday, 10/22	8:00 AM	$11.21	$0.61	-$0.19
NDAQ	Nasdaq, Inc.	Thursday, 10/22	8:00 AM	$1.47	$1.02	$0.88
ROP	Roper Technologies, Inc.	Thursday, 10/22	8:00 AM	$2.17	$5.79	$5.14
SPOT	Spotify Technology SA	Thursday, 10/22	8:00 AM	$5.58	$3.15	$3.77
CBRE	CBRE Group, Inc. Class A	Thursday, 10/22	8:30 AM	$11.79	-	$1.61
CMCSA	Comcast Corporation Class A	Thursday, 10/22	8:30 AM	$29.20	$0.99	$1.05
HON	Honeywell International Inc.	Thursday, 10/22	8:30 AM	$5.01	$2.17	$2.79
LMT	Lockheed Martin Corporation	Thursday, 10/22	8:30 AM	$20.48	$7.52	$6.95
PG	Procter & Gamble Company	Thursday, 10/22	8:30 AM	$22.80	$1.88	$1.99
PHM	PulteGroup, Inc.	Thursday, 10/22	8:30 AM	$4.15	$2.65	$2.96
DGX	Quest Diagnostics Incorporated	Thursday, 10/22	8:30 AM	$3.05	$2.87	$2.60
UNP	Union Pacific Corporation	Thursday, 10/22	8:45 AM	$7.14	$3.47	$3.08
BX	Blackstone Inc.	Thursday, 10/22	9:00 AM	$3.33	$1.28	$1.52
HBAN	Huntington Bancshares Incorporated	Thursday, 10/22	9:00 AM	$2.82	$0.35	$0.41
DOV	Dover Corporation	Thursday, 10/22	9:30 AM	$2.22	$2.85	$2.62
NVR	NVR, Inc.	Thursday, 10/22		$2.57	$102.77	$112.33
AXP	American Express Company	Friday, 10/23	8:30 AM	$20.12	$4.58	$4.14
SLB	SLB Limited	Friday, 10/23	9:30 AM	$9.27	$0.62	$0.69

Source: FactSet. Data as of October 16, 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.

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.

Purchasing Managers' Indexes (PMIs) track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

Conference Board Leading Index of economic indicators includes economic variables that tend to move before changes in the overall economy. These indicators give a sense of the future state of an economy.

Building permits (or building approvals) track the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

Pending home sales tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

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.

Personal spending or consumer/household spending (also referred to as consumption) tracks consumer expenditures on goods and services. This concept is not adjusted for inflation.

Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

Fixed asset investment tracks investment in or capital expenditures on fixed assets such as buildings, plant, equipment, machinery, etc.

House/home prices track changes in residential property prices.

Machine tool orders tracks trends in machine tool orders placed with major manufacturers.

The German ZEW index of current conditions (or business conditions) 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.

The ZEW survey of expectations for economic growth concept 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.

The retail price index is a measure of inflation that tracks changes in retail prices paid by households for a market basket of goods and services.

Employment change (labor force survey) measures the number of employed people as tracked by a household labor force survey.

Manufacturing confidence tracks business sentiment within the industry sector.

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.

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.

Homebuilder sentiment tracks sentiment among participants in the housing industry.

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 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.

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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