LADENBURG
AN OSAIC COMPANY

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MARKET VIEW WEEKLY

Ladenburg Asset Management

ECONOMIC REVIEW[1]

- Existing home sales rose 1.5% in September to an annualized rate of 3.99 million sales, although this remains 2.2% below where existing home sales were this time last year.
    - Despite the modest rebound, housing activity remains subdued as elevated mortgage rates and record-high home prices continue to weigh on affordability and discourage potential buyers.
- The Consumer Price Index (CPI) rose 0.6% for the month, above expectations, pushing the annual inflation rate to 3.7%, up from 3.4% in August.
    - Energy prices were the primary driver, rising 5.2%, with gasoline prices alone jumping 9.1% and accounting for more than half of the monthly headline increase.
    - Core CPI, which excludes food and energy, increased 0.3%, bringing the year-over-year (YoY) rate to 2.6%, up from 2.4% in August.
- The Producer Price Index (PPI) jumped 1.3% for the month, well above expectations of 0.6%, pushing the annual rate to 6.3%, its highest level since December 2022.
    - Core PPI, excluding food and energy, increased 0.7%, also exceeding expectations, bringing the annual rate to 5.0%.
- Retail sales climbed 0.8% in September, exceeding expectations of 0.3%, following an upwardly revised 1.3% gain in August. Sales were up 6.3% compared to a year ago.
    - Excluding gas stations, sales increased just 0.2%, suggesting underlying consumer spending was lower than the headline figure indicates.

How does the most recent economic data impact you?

- This week's inflation data came in hotter than expected, with rising energy costs continuing to drive prices higher. With inflation moving further away from the Fed's 2% target, the case for additional rate hikes has strengthened.
- Retail sales continued to show consumer resilience, although much of the increase was driven by higher gasoline prices. With inflation putting pressure on purchasing power, it will be important to monitor whether consumer spending begins to slow, especially ahead of the holiday season.
- Existing home sales rebounded modestly in September, but elevated mortgage rates and record-high home prices continue to weigh on affordability and housing demand.

A LOOK FORWARD[1]

- This week investors will be primarily focused on consumer sentiment data as well as building permits and housing starts.

How does this week's economic data slate impact you?

- With inflation elevated, it will be important to monitor whether long-term expectations remain anchored and how consumers perceive the broader economic outlook.

MARKET UPDATE[2]

Market Index Returns as of 10/16/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-1.94%	0.15%	12.91%	16.28%	22.12%	12.97%
NASDAQ	-4.48%	-2.68%	12.98%	15.94%	25.37%	12.72%
Dow Jones Industrial Average	0.67%	2.19%	9.53%	14.40%	17.26%	10.12%
Russell Mid-Cap	-1.19%	1.72%	13.77%	15.43%	17.52%	7.51%
Russell 2000 (Small Cap)	-3.04%	-2.67%	10.67%	12.34%	17.06%	5.18%
MSCI EAFE (International)	1.43%	-0.08%	10.25%	15.16%	18.55%	8.89%
MSCI Emerging Markets	-5.15%	-4.89%	17.35%	21.45%	22.09%	7.33%
Bloomberg U.S. Agg Bond	0.88%	1.32%	-1.63%	-1.56%	5.00%	-0.34%
Bloomberg High Yield Corp.	-0.33%	-0.09%	0.01%	1.47%	8.40%	3.62%
Bloomberg Global Agg	0.89%	0.81%	-1.88%	-2.03%	4.41%	-1.68%

OBSERVATIONS

- Major U.S. equity indices finished the week mixed, as a sharp selloff in technology and AI-related stocks weighed on markets. Concerns surrounding elevated AI spending, financing costs, and hotter-than-expected inflation contributed to the increased volatility.
    - The NASDAQ led declines for the week (-4.48%), and the S&P 500 pulled back (-1.95%), but the Dow Jones managed to finish higher (+0.67%) as investors rotated toward more defensive sectors.
- Small-cap stocks underperformed large caps, falling -3.05% as the likelihood of another interest rate hike in October increased. Interest rate hikes tend to affect smaller, more indebted companies more significantly.
- Developed international equities were the strongest performer for the week, posting a return of 1.43%, while emerging markets declined 5.15% due to the correction in the technology sector.
- Fixed income markets benefited from falling Treasury yields as investors sought safety amid the equity market selloff, despite stronger-than-expected inflation readings.
    - The U.S. Aggregate Bond Index increased 0.88%, with international bonds following suit, rising 0.89%. Lower-rated, high-yield bonds declined 0.33%.

BY THE NUMBERS

Elon Musk Pledges to Give Every U.S. Child a Share of SpaceX: Elon Musk announced plans to give one share of SpaceX stock to every child in the United States in 2027, potentially providing millions of young Americans with direct ownership in the aerospace company. With approximately 72 million children under the age of 18 in the U.S. and SpaceX shares recently valued at $146.03, the proposed initiative could represent roughly $10.5 billion in stock distributions. The announcement follows a similar initiative from artificial intelligence company Anthropic, which pledged 5% of its shares toward charitable efforts aimed at addressing the societal impacts of AI. Unlike traditional charitable initiatives, Musk's proposal would distribute shares directly to individuals, allowing children to potentially benefit from future appreciation in SpaceX's valuation. Details surrounding eligibility and implementation have yet to be finalized.[3]

Rays One Win Away From Historic World Series Matchup: The Tampa Bay Rays are one victory away from reaching the World Series after defeating the Cleveland Guardians 3-1 on Sunday, taking a 3-2 lead in the American League Championship Series. After falling behind 2-1 in the series, Tampa Bay has won two consecutive games and now returns home with an opportunity to secure its third World Series appearance in franchise history. A victory would set up a matchup against the Milwaukee Brewers, marking the first World Series since 1980 featuring two franchises that have never won a championship. With Milwaukee already securing its spot, a Tampa Bay victory would guarantee a first-time World Series champion.[4]

Economic Definitions

Building Permits: This concept tracks 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.

CPI (headline and core): Consumer prices (CPI) are 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.

Existing Home Sales: This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

Federal Reserve (Fed): The Federal Reserve System is the central banking system of the United States of America.

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

Producer Prices - PPI (headline and core): Producer prices (output) are 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).

Retail 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.

University of Michigan Consumer Sentiment Index: Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households. Target Audience: representative sample of US households (excluding Alaska and Hawaii). Surveys of Consumers collects data on consumer attitudes and expectations summarized in the Consumer Sentiment, in order to determine the changes in consumers' willingness to buy and to predict their subsequent discretionary expenditures. This Index is comprised of measures of attitudes toward personal finances, general business conditions, and market conditions or prices. Components of the Index of Consumer Sentiment are included in the Leading Indicator Composite Index. Unit: Index (Q1 1966=100).

Index Definitions

S&P 500: The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

NASDAQ: 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 index was developed with a base level of 100 as of February 5, 1971.

NASDAQ-100: The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

Dow Jones Industrial Average: 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.

Russell Mid-Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell 2000: The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

MSCI EAFE: The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

MSCI EM: The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Bloomberg US Agg Bond: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg High Yield Corp: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg's EM country's definition, are excluded.

Bloomberg Global Agg: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Municipal Bond Index: The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Disclosures

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[1] Data obtained from Bloomberg as of 10/16/26.
[2] Data obtained from Morningstar as of 10/16/26.
[3] Musk vows to give each US child a SpaceX share
[4] Rays on the verge of ensuring ultra-rare World Series phenomenon