LADENBURG
AN OSAIC COMPANY

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MARKET VIEW WEEKLY

Ladenburg Asset Management

ECONOMIC REVIEW[1]

- Housing starts declined 5.2% month over month to an annualized pace of 1.22 million units, a four-month low and one of the weakest readings since the pandemic.
    - Single-family starts fell to a one-year low, while building permits dropped to their lowest level since early 2023, suggesting continued weakness in future construction amid elevated mortgage rates and affordability challenges.
- Pending home sales plunged 7.3% month over month (MoM) to an index rating of 66.0, the lowest level since records began in 2001, as elevated mortgage rates continued to weigh on housing demand.
    - Contract signings declined across all four regions, led by West (-9.2%) and South (-8.2%) MoM, while nationwide pending sales fell 11.3% year over year, reflecting continued hesitation amid elevated borrowing.
- The Conference Board's Leading Economic Indicator (LEI) was unchanged at 99.6 in September after a modest August decline, suggesting stabilization in forward-looking economic conditions.
    - The index rose 0.6% over the past six months, reversing a 1.1% decline in the preceding six months, an encouraging sign for economic growth.
- The University of Michigan's consumer sentiment index edged lower to 48.0 in October from 48.1 in September, reaching a five-month low as elevated prices, higher interest rates, and sluggish hiring weighed on confidence.
    - One-year inflation expectations rose to 4.7% from 4.6%, while longer-term expectations reached 3.5%, both the highest since May. Buying conditions for durable goods deteriorated to a record low.

How does the most recent economic data impact you?

- Housing remains a weak spot in the economy, although the stabilization in LEI suggests housing challenges may be isolated and not indicative of broader economic weakness.
- Rising consumer inflation expectations remain a concern, however softer housing activity could provide some relief to inflationary pressures over time.
- Mixed economic signals reinforce the importance of incoming data for the Federal Reserve (Fed), as persistent inflation concerns may limit the potential for near-term interest rate relief.

A LOOK FORWARD[1]

- This week investors will focus on the Fed’s interest rate decision, third-quarter Gross Domestic Product (GDP), Personal Consumption Expenditures (PCE) inflation, durable goods orders, consumer confidence and the Employment Cost Index (ECI).

How does this week’s slate of economic data impact you?

- Third-quarter GDP is expected to show continued economic resilience, while durable goods orders and consumer confidence will provide insight into business investment and household sentiment.
- September's PCE and the third-quarter ECI will offer insights into underlying price and wage pressures, helping assess whether inflation is moving sustainably towards the Fed's 2% target.
- The Fed is widely expected to hold rates steady, with investors focused on its outlook for future policy decisions. Inflation could reinforce expectations for higher interest rates, affecting Treasury yields and equity valuations.

MARKET UPDATE[2]

Market Index Returns as of 10/23/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-0.46%	-0.31%	12.40%	13.56%	23.11%	12.49%
NASDAQ	-0.71%	-3.36%	12.19%	12.52%	26.31%	12.28%
Dow Jones Industrial Average	0.42%	2.62%	9.99%	12.37%	18.41%	9.97%
Russell Mid-Cap	0.92%	2.65%	14.81%	14.22%	19.74%	7.27%
Russell 2000 (Small Cap)	2.01%	-0.71%	12.90%	11.80%	19.83%	5.36%
MSCI EAFE (International)	-1.52%	-1.59%	8.57%	12.02%	19.11%	8.42%
MSCI Emerging Markets	-2.62%	-7.38%	14.28%	15.90%	22.33%	6.60%
Bloomberg U.S. Agg Bond	0.54%	1.87%	-1.10%	-1.20%	5.13%	-0.16%
Bloomberg High Yield Corp.	-0.11%	-0.20%	-0.09%	0.97%	8.42%	3.62%
Bloomberg Global Agg	0.29%	1.10%	-1.59%	-1.56%	4.49%	-1.60%

OBSERVATIONS

- Major U.S. equities finished the week mixed as continued pressure on technology stocks weighed on broader markets amid heightened volatility. The Nasdaq experienced its largest daily decline since June on Thursday, falling 2.6%, and finished the week approximately 6% below its recent record high.
    - The Nasdaq declined -0.71%, and the S&P 500 fell -0.46%, while the Dow Jones gained +0.42%, reflecting a rotation away from technology stocks.
- Small-cap stocks outperformed large-cap stocks, with the Russell 2000 gaining +2.01% and mid-cap stocks advancing +0.92%. The strength of smaller companies suggests a broadening of market participation despite continued uncertainty surrounding the direction of interest rates.
- International equities underperformed U.S. markets, with developed international equities declining -1.52%, and emerging markets falling -2.62%. Emerging markets experienced the largest losses among major equity indices.
- Fixed income markets mostly rebounded as Treasury yields retreated from recent highs, with the 10-year Treasury yield briefly falling below 5% for the first time in nearly a month after peaking near 5.34% earlier in October.
    - The U.S. Aggregate Bond index gained +0.54%, while international bonds advanced +0.29%. High yield bonds declined -0.11%.

BY THE NUMBERS

Grand Theft Auto VI: The $1 Billion Sick Day: The highly anticipated release of Grand Theft Auto VI on November 19, 2026, could cost the US economy an estimated $1 billion in lost productivity. About 1.5 million American workers are expected to skip work, potentially reducing national productivity by an estimated 2% that day. The estimate assumes an average annual economic output of approximately $70,000 per worker, with employees aged 18 to 30 expected to account for most absences. Technology companies could face the greatest disruption, as some businesses already prepare for employee absences and operational delays. Meanwhile, publisher Take-Two Interactive anticipates more than $1 billion in operating cash flow this fiscal year, highlighting the game's economic significance. Ease in as it launches threatens to temporarily disrupt workplace productivity.[3]

College Tuition: Fewer Students, Bigger Discounts: The University of Vermont (UVM) and Middlebury College are expanding tuition discounts as universities compete for students amid demographic challenges. UVM reported a 14.5% decline in first-year enrollment, contributing to an initially projected $12 million budget shortfall that the university later closed through cost reductions. To attract students, UVM will offer tuition discounts exceeding 35%, saving eligible out-of-state students more than $18,000 annually on its typical $46,600 tuition. Middlebury, where annual tuition is about $72,900, is expanding free tuition eligibility to families earning up to $175,000, up from $65,000. While Middlebury's enrollment has remained stable, both institutions are responding to increased competition for students, suggesting the cost of higher education may become more negotiable.[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.

Conference Board Consumer Confidence Index: The Consumer Confidence Survey® reflects prevailing business conditions and likely developments for the months ahead. This monthly report details consumer attitudes, buying intentions, vacation plans, and consumer expectations for inflation, stock prices, and interest rates. The Present Situation index is a sub-index that gauges consumer sentiment about current business and labor market conditions. The Expectations index is a sub-index that assesses consumers' 6-month outlook on business, employment, and income**.**

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

Durable Goods Orders: This concept 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.

Employment Cost Index (ECI): The Employment Cost Index measures changes in employers' labor costs, including wages, salaries, and benefits, while accounting for shifts in employment across occupations and industries to provide a consistent measure of compensation pressures over time.

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

GDP: 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 expenditure approach measures total final expenditures (at purchasers' prices), including exports less imports. This concept is adjusted for inflation.

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

PCE (headline and core): PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

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.

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[1] Data obtained from Bloomberg as of 10/23/26.
[2] Data obtained from Morningstar as of 10/23/26.
[3] Grand Theft Auto IV: The $1 Billion Sick Day | audacy.com
[4] College Tuition: Fewer Students, Bigger Discounts | vtdigger.org