

MARKET VIEW WEEKLY

Ladenburg Asset Management



ECONOMIC REVIEW¹

- The Treasury Department announced last week that they would be open to purchasing some Treasury bonds with longer maturities in an effort to lower interest rates.
 - This initially caused interest rates to fall, but later in the week rates rose above where they began the week.
- The Federal Reserve's (Fed) Open Market Committee (FOMC) – the group that determines the path of interest rates – released their meeting minutes from their most recent meeting.
 - In the last meeting there were three dissenting votes who wanted to raise interest rates in lieu of keeping them where they were.
 - The meeting indicated wider sentiment in favor of hiking interest rates than previously voiced by the three dissents.
- The Leading Economic Index (LEI), which is a conglomerate of different economic data points that tend to be forward looking indicators of where the economy is headed, rose 0.2% month-over-month (MoM).
 - This index is biased towards manufacturing growth, and this reading was the first time the 6-month growth rate was positive in the last four years, indicating that the manufacturing sector at the least may have some signs of revival.
 - The index also contains financial indicators that point towards viable financial conditions for economic growth.

How does the most recent economic data impact you?

- Market participants are beginning to view the size of the U.S. debt with more scrutiny, as interest rates remain higher for longer, making it more expensive to finance debt.
 - This led to markets not reacting in a meaningful way when the Treasury announced to buy bonds, as they remain more concerned about the long-term financial situation of the United States government.
- The FOMC minutes showed that the Fed remains poised to get inflation back down to the 2% target, and if inflation does not come down naturally they are willing to raise interest rates if needed.
- The increase in LEI is an important step for a resurgence in manufacturing. However, in order for the trend to be durable, we will need to see more jobs come back to the manufacturing sector, something we have not yet seen this year.



A LOOK FORWARD¹

- Investors will remain attentive to Gross Domestic Product (GDP), and the Personal Consumption Expenditures Price Index (PCE), which are both released this week.

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

- GDP should give investors a good sense of growth for the previous quarter. This is the first of two revisions, which comes off of a weaker initial estimate for growth, raising concerns that there may be some weakness in the economy.
- PCE is a gauge of inflation, and the Fed will be watching closely to determine the path of interest rates.



MARKET UPDATE²

Market Index Returns as of 8/21/26	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500	-1.39%	2.48%	12.95%	20.08%	22.09%	13.17%
NASDAQ	-2.02%	-0.06%	13.07%	22.51%	25.53%	13.04%
Dow Jones Industrial Average	-0.78%	2.00%	11.96%	18.67%	17.90%	10.77%
Russell Mid-Cap	-1.23%	2.81%	18.54%	19.63%	18.54%	8.99%
Russell 2000 (Small Cap)	-1.60%	-0.08%	22.48%	29.34%	19.30%	8.32%
MSCI EAFE (International)	-0.54%	4.29%	14.14%	20.23%	19.19%	9.89%
MSCI Emerging Markets	1.24%	0.30%	24.22%	38.35%	23.86%	9.73%
Bloomberg US Agg Bond	-0.10%	-0.96%	-0.34%	2.01%	4.63%	-0.30%
Bloomberg High Yield Corp.	-0.15%	0.48%	2.44%	5.10%	8.91%	4.27%
Bloomberg Global Agg	0.18%	0.17%	-0.04%	1.00%	4.13%	-1.65%



OBSERVATIONS

- Stocks sold off over the course of the week, with the tech-heavy NASDAQ index leading the way down (-2.02%), in spite of strong earnings for this quarter.
 - The S&P 500 also fell (-1.39%), and the Dow Jones fell, but did protect the best on the week (-0.78%), as value stocks outperformed growth.
- Mid and small-cap stocks also sold off and underperformed large-caps broadly, with mid-caps declining -1.23%, and small-cap stocks falling -1.60%.
- Developed and emerging market equities performed well, with developed international equities falling less than domestic equities (-0.54%), while emerging market stocks were the lone bright spot for markets, rising +1.24%.
- Domestic fixed income suffered on the week (-0.10%) as rates rose higher despite news that the Treasury would be buying bonds – a move meant to push interest rates down. High yield bonds also declined on the week (-0.15%).
 - International bonds performed better and ended slightly positive, up +0.18%.



BY THE NUMBERS

Trade War Between The U.S. And Canada Escalates: The U.S. imposed 50% tariffs on \$20 billion worth of Canadian products early Saturday after last-ditch negotiations failed to resolve the latest strain in already tense relations between the historic allies. Canada's leader said it will retaliate beginning Sept. 8. In a call with reporters late Friday, U.S. Trade Representative Jamieson Greer said Canada had declined to finalize the trade deal under the terms that had been agreed to earlier this week. He told Fox News on Saturday that there are "no new planned talks with the Canadians." Canadian Prime Minister Mark Carney said Saturday that "in the coming days, we will release the details of these new tariff measures, which will come into force the Tuesday after Labor Day." The dollar-for-dollar retaliation would target steel, dairy, appliances, agricultural equipment, pulp and paper and electronics.³

Fast-Moving Wildfire Forces Thousands of Evacuations Near Reno, Nevada: A fast-moving, "human-caused" wildfire near Reno, Nevada, has forced thousands to evacuate and injured six, with strong, unpredictable winds complicating firefighting efforts. The Hawk Fire was first reported Saturday morning and quickly was fueled by red-flag wind conditions, Chief Richard Edwards, of Truckee Meadows Fire Protection District, said in a news conference Sunday. As of Sunday evening, the fire had spread to 15,000 acres, with zero containment, and state and county disasters had been declared. At least six people — three civilians and three first responders — were injured, he said. Nearly 90,000 people live in evacuation order or evacuation warning zones in the Washoe County area, along Nevada's border with California.⁴

Economic Definitions

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.

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

Federal Open Market Committee (FOMC): The Federal Open Market Committee is the branch of the Federal Reserve System that sets U.S. monetary policy. It decides interest rates, manages the money supply, and meets eight times a year.

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.

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.

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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Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

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¹ Data obtained from Bloomberg as of 8/21/26.

² Data obtained from Morningstar as of 8/21/26.

³ [U.S. set to impose 50% tariffs on Canada after failed talks; Canada to match them "dollar for dollar" - CBS News](#)

⁴ [Fast-moving wildfire forces thousands of evacuations near Reno, Nevada](#)