AUGUST 21, 2026

WEEKLY HEADINGS

Larry Adam, *Chief Investment Officer*
Follow Larry on Linkedin or on X

The Pendulum Swings Back To Macro. For the past five weeks, markets have been focused on a steady stream of corporate earnings, supported by upbeat management commentary and another quarter of strong results. But with 2Q26 earnings season nearing its end, investors' attention is shifting back to the macro backdrop. The good news: the economy, while slowing modestly, remains resilient, and the S&P 500 continues to hover near record highs. The challenge: government bond yields around the world have climbed to multi-year highs, and the persistence of the move is becoming harder to ignore. With the national debt surpassing $40 trillion, the AI spending boom fueling a surge in corporate bond issuance, and markets testing the new Fed chair's inflation-fighting resolve, investors are increasingly asking how much further yields can rise. Below, we explain why the recent rise in yields may be creating opportunity rather than signaling a bond market crisis.

KEY TAKEAWAYS

Warsh Has An Opportunity To Provide Greater Clarity At Jackson Hole

Growth Remains Resilient, But The Tailwinds Are Likely To Fade

While Inflation Remains Elevated, The Outlook Is Expected To Improve

Higher Yields, Better Opportunity? | Bond yields have drawn much attention lately, and for good reason. The 30-year Treasury yield climbed above 5.3% this week, its highest level since 2007, while the 10-year Treasury yield reached its highest level since January 2025. Although the nation's fiscal challenges and growing competition for capital as mega-cap tech companies tap the bond market to fund the AI buildout are legitimate concerns, the path of yields will ultimately depend on where the two key drivers—growth and inflation—head in the months ahead.

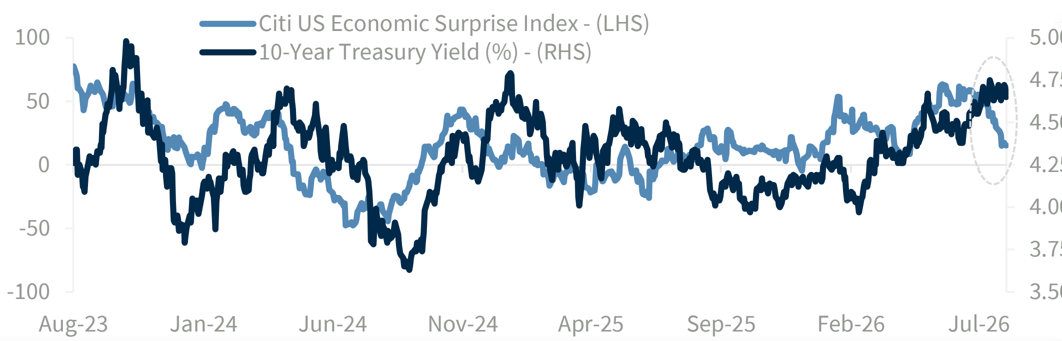
- **The Market Is Testing Warsh**—History suggests markets often test new Fed chairs early in their tenure. Sometimes the challenge comes from equities, as both Greenspan (Black Monday) and Powell (Volmageddon) faced bouts of market volatility that tested the Fed's response. Other times, it comes from bonds. Volcker, for example, faced a test of his inflation-fighting credibility and ultimately raised rates as high as 20% to restore price stability. Today, part of the rise in long-term Treasury yields reflects uncertainty around the Fed's evolving policy framework and Chair Warsh's ambiguity during his first two post-FOMC press conferences. That makes next week's Jackson Hole speech an important opportunity to provide greater clarity on the Fed's reaction function. While Warsh is *unlikely* to offer near-term rate guidance given his desire to move away from forward guidance, more transparency around the framework could help steady markets.
- **Tailwinds To Growth Will Fade**—Despite higher energy prices and subdued sentiment, the US economy has shown remarkable resilience this year, supported by larger than expected tax refunds and robust AI-related investment. As a result, *nominal* GDP growth has accelerated to 6.5% YoY, its fastest pace since 3Q23, helping push the 10-year *real* yield to roughly 2.4%, near its highest level since 2008. Looking ahead, however, these tailwinds are likely to fade. With much of the tax-cut benefit front-loaded into 1H26, fiscal support should diminish in 2H26 as the personal savings rate remains near multi-year lows. Higher real yields should also act as a natural brake on activity, helping cool growth without Fed intervention. Early signs of moderation are already emerging. The Citi US Economic Surprise Index has fallen to a four-month low, accompanied by recent downside surprises in employment growth and retail sales. Meanwhile, rate-sensitive areas such as housing continue to face pressure from elevated borrowing costs. While we still expect positive growth in 2026 (RJ GDP estimate: +2.3%), a slower pace of expansion should help cap further increases in yields and support lower Treasury rates in the months ahead.
- **Inflation Pressures Still Likely To Ease**—Heading into the year, the Fed expected core inflation to ease to 2.5% by the end of 2026 as tariff effects faded, paving the way for additional policy easing. Instead, the unexpected US-Iran conflict sent oil prices soaring as much as 86% at their peak, reigniting inflation pressures. While oil has fallen from its high ($113/barrel), core PCE, the Fed's preferred inflation gauge, accelerated to 3.3% YoY in May, near its highest level in three years. Inflation concerns, coupled with the Fed's hawkish pivot, have been key drivers of higher yields this year. Looking ahead, however, we expect the inflation outlook to improve. Potential catalysts include a resolution to the US-Iran conflict (hopefully), continued restraint in shelter costs, slower economic growth, favorable YoY tariff comparisons, and planned changes to the PCE calculation. As a result, we expect the disinflation trend to reassert itself by early fall (RJ 2027 year-end core PCE estimate: +2.2%). Importantly, with wage growth slowing to 3.2% YoY, a five-year low, longer-term consumer inflation expectations remain anchored near the Fed's 2% target. Easing inflation pressures should remove a key source of upward pressure on Treasury yields.

Bottom Line | While the steady rise in yields since the onset of the US-Iran conflict has pushed the 10-year Treasury yield toward the upper end of the 4%-5% range we outlined at the start of the year, we believe additional upside is limited. With yields now at increasingly restrictive levels, growth tailwinds fading, and inflation pressures likely to ease, the backdrop for fixed income is becoming more supportive. While fiscal challenges and heavy corporate bond issuance may limit how far yields fall, demand for US Treasuries and corporate debt at these elevated levels remains healthy. Therefore, we continue to see room for lower rates as economic fundamentals evolve in the months ahead. At current levels, we believe high-quality bond yields offer an attractive entry point for long-term investors.

CHART OF THE WEEK

Yields Diverge From Slowing Economic Momentum

While the Citi US Economic Surprise Index has fallen to a four-month low, Treasury yields remain elevated—with the 10-year Treasury yield hovering near its highest level since January 2025.



Source: FactSet, Data as of 8/20/2026.

Economy

- The NAHB Housing Market Index surprised to the upside in August, increasing to 35 vs. expectations for 33, driven by stronger 'current' sales. Builder sentiment nevertheless remains weak as elevated mortgage rates and construction costs continue to weigh on demand.
- Housing starts plunged 12.4% MoM in July and were down 13.5% YoY, highlighting continued weakness in residential construction. Building permits, however, increased 5.0% MoM, suggesting builders remain willing to prepare for an improved environment ahead.
- Pending Home Sales were weaker than expected in July, declining 2.3% MoM as every region posted a monthly decline. The report highlighted that elevated mortgage rates and record-high home prices have kept pending contracts well below pre-pandemic levels.
- **Focus of the Week:** More housing reports, New Home Sales and FHFA/Case-Shiller Home Prices, will be released on Tuesday. While home price appreciation is expected to remain soft (sub-2% YoY), sales are expected to show little to no improvement amid elevated mortgage rates. Attention will then shift to July's PCE Price Index on Wednesday, where we expect core prices to soften to 3.2% YoY.

August 24 – August 28

MON		WED	PCE Q2 GDP (2nd Est.) Durable Orders	FRI	BLS Payroll Guidance (1st Est.)
TUE	New Home Sales Consumer Confidence FHFA/C-S Home Price Indices	THU	Wholesale Inventories	FUTURE EVENTS	9/1 JOLTS 9/3 Employment Report

Equity

- The S&P 500 has fallen nearly 2% week-to-date, snapping a three-week winning streak as higher oil prices and interest-rate volatility have weighed on sentiment. As our Chart of the Week highlights, bond yields and equity valuations often move inversely. When interest rates and the cost of capital rise, the present value of future earnings declines, putting pressure on valuation multiples. As a result, shifts in rate expectations can frequently drive equity volatility. However, because we expect yields to moderate over the next 12 months, we remain comfortable with our 23x P/E forecast for the S&P 500, which is broadly in line with current levels.
- While equities have been resilient despite rising interest rates, it is not surprising to see volatility pick up as 2Q earnings season winds down and investors shift focus from fundamental tailwinds to macro risks. Beyond higher yields, several factors could drive higher volatility near term. First, seasonality becomes less favorable, as September has historically been the weakest month of the year (down 0.6% on average since 1950), with steeper declines during midterm election years. Second, with no clear resolution to the Iran conflict, elevated energy prices could further pressure consumers and weigh on activity, a concern echoed by several retailers this week. While we expect volatility to rise near term, we would view any periods of market weakness as opportunities, as positive economic growth and a strong earnings backdrop should continue to support equities over the next 12 months (12-month S&P 500 target: 8,200).
- **Focus of the Week:** While earnings season is winding down, there are a few key names left to report. Next week, attention will shift back to the AI theme via earnings results from NVIDIA on Wednesday evening for insights into the demand outlook for AI infrastructure.

Fixed Income

- Longer-maturity Treasuries saw increased volatility, with the yield on the 30-year briefly hitting its highest level since 2007. The Treasury's plans to double the size of its long-end liquidity buyback operations briefly alleviated pressure on government bonds, but fiscal concerns with the national debt climbing over $40 trillion for the first time and upward pressure from global yields offset the Treasury's timely announcement. Despite the daily volatility, the 30-year ended the week down 2 bps to 5.23% and slightly lower MTD.
- Corporate issuance has shown little sign of a summer slowdown, with high-grade borrowers setting a new August issuance record ($157b). Despite the flood of supply, IG spreads (81 bps) have held relatively steady, with moves in rates driving performance. Meanwhile, CCC-rated spreads hit a new YTD high (852 bps) and their widest spread since April 2025—showing a deterioration in risk appetite among the weakest borrowers and a growing divergence between higher and lower-quality issuers.
- **Focus of the Week:** Warsh's Jackson Hole speech will be the week's key event as investors seek clarity on the Fed's policy stance after recent communication missteps fueled volatility across the Treasury market.

Washington Policy

- The Trump Administration's strategy toward Iran appears to be shifting away from military operations and toward economic pressure via sanctions. Treasury Secretary Scott Bessent indicated this week that an "unprecedented" sanctions campaign, coupled with the existing US naval blockade, is intended to avoid the need for another large-scale military campaign. We expect negotiations to remain in a ceasefire-negotiation-escalation loop, with uncertainty around the Strait of Hormuz to persist likely keeping oil prices elevated.
- President Trump paused the planned 50% duties on roughly $20b of Canadian imports just hours before they were set to take effect. The pause, now extended through Friday August 21, provides additional time for the US and Canada to continue negotiations and work to finalize a broader framework agreement likely covering market access, dairy, automobiles, digital trade, and economic security.

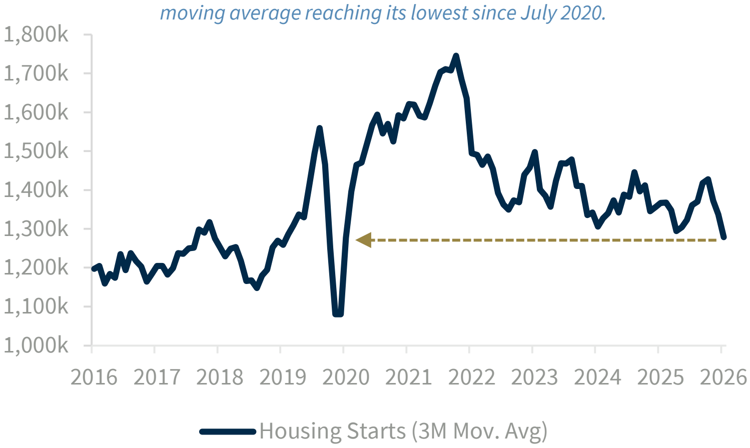
US Dollar

- The US dollar is on pace for its first quarterly decline since 2Q25's trade war turmoil. After peaking on July 27 with a YTD gain of 3.3%, the USD is now up just 0.4%. Four factors explain the turnaround. First, at the end of July there was a joint US-Japan intervention to boost the yen. Second, the CPI and PPI for July came in cooler than expected, which led investors to price in a lower probability of a Fed rate hike in 2026. Third, mixed data on the labor market also diminished Fed hike expectations. Finally, the Treasury's buyback decision lowered yields at the long end of the curve. As interest rate differentials shifted, exchange rates adjusted accordingly.
- Having noted in late July that the USD seemed overstretched, we now think the USD is close to fair value—the current EUR/USD exchange rate of 1.17 is near the midpoint of our 1.10-1.20 target range. For a significant move either up or down from current levels, a fresh catalyst—either domestic or international—would probably be needed. For example, a Russia/Ukraine ceasefire could boost the euro and pound. We are also watching the extent to which the yen is able to maintain its gains from last month's intervention.

Charts of the Week

Sluggish Housing Construction

Housing starts plunged 12.4% MoM in July, with the 3-month moving average reaching its lowest since July 2020.

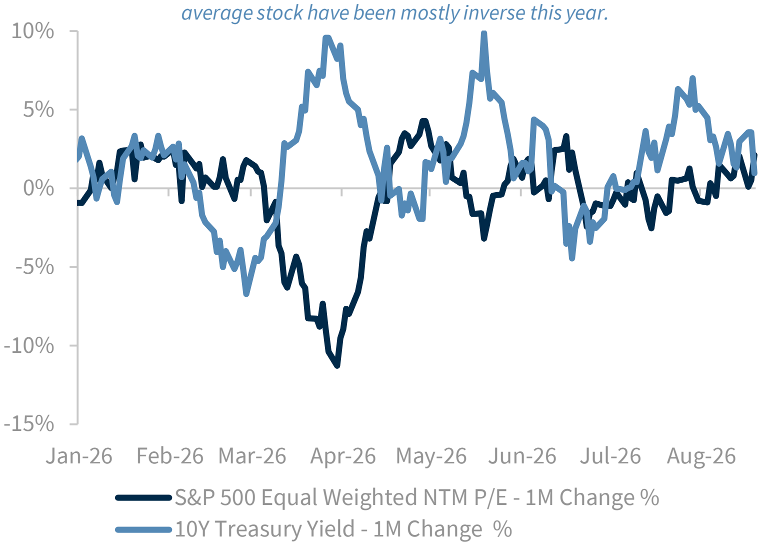


Homebuilder Sentiment Remains Weak

The NAHB Index ticked up to 35 in August but remains weak amid elevated mortgage rates and construction costs.

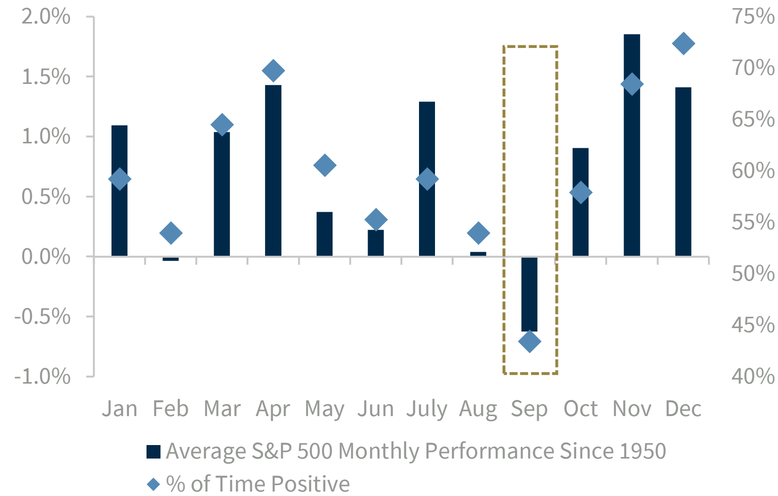
Rate Impact on Valuations

The relationship between interest rates and valuations of the average stock have been mostly inverse this year.



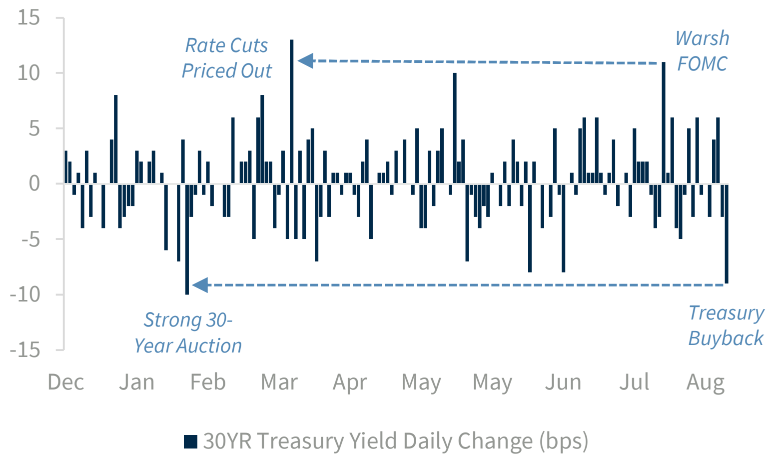
Seasonally Challenging Period

Dating back to 1950, September has historically been the weakest month of the year for the S&P 500.



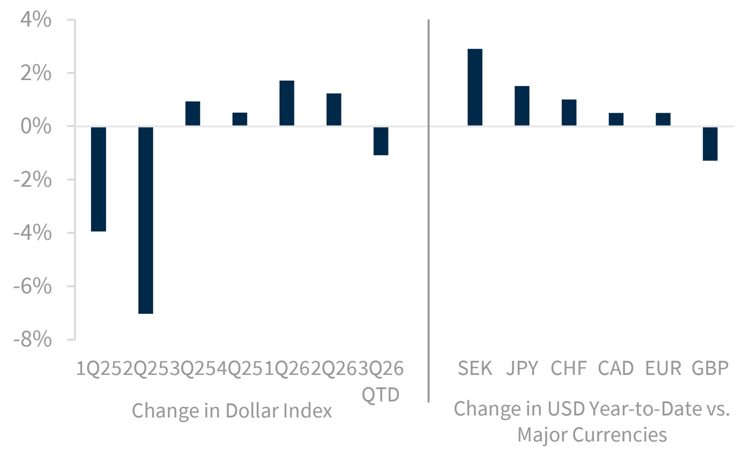
Long Treasury Bonds See Heightened Volatility

The 30-year yield saw its second largest daily decline of the year after the Treasury announced expanded liquidity buyback operations.



US Dollar Has Erased Nearly All Of Its YTD Gains

Among the currencies that comprise the US Dollar Index's basket, the Swedish krona is the weakest on a YTD basis, whereas the British pound is the strongest.



Source for charts: FactSet, as of 8/20/2026.

RAYMOND JAMES

Asset Class Performance | Distribution by Asset Class and Style (as of August 20)**

Weekly Returns (as of August 20)

US Equities (Russell indices)	Value	Blend	Growth
Large Cap	-1.0%	-2.0%	-3.1%
Mid Cap	-1.3%	-1.8%	-3.3%
Small Cap	-1.3%	-1.9%	-2.5%

International Equities (MSCI indices)	Dev. Mkt	World	Emerg. Mkt
Large Cap	-1.7%	-1.7%	-0.2%
Mid Cap	-1.1%	-1.7%	-0.9%
Small Cap	-1.4%	-1.3%	-1.0%

Fixed Income (Bloomberg indices)	1-3 YR	Medium	Long
Treasury	0.1%	-0.2%	-0.3%
Invest. Grade	0.0%	-0.2%	-0.4%
High Yield	-0.1%	-0.2%	-0.6%

Year-to-Date Returns (as of August 20)

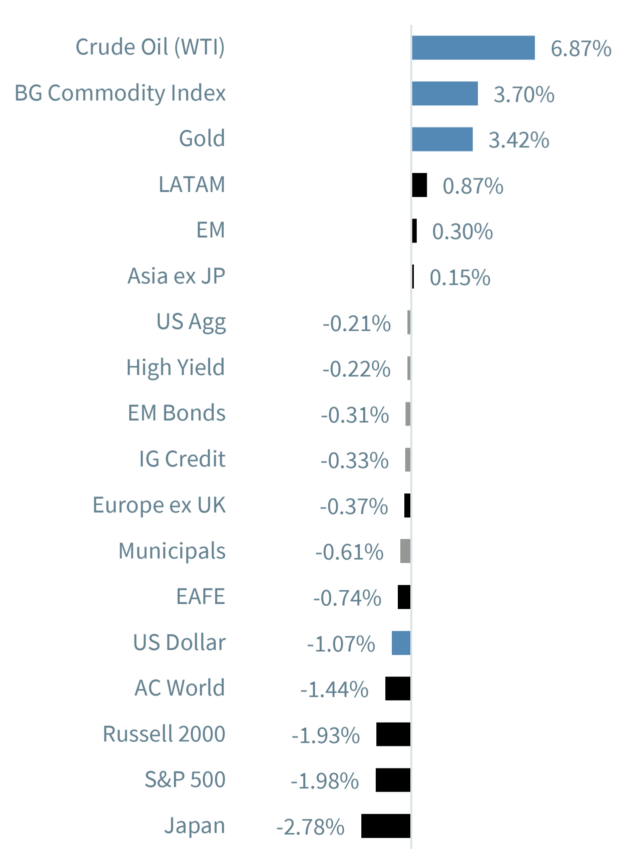
US Equities (Russell indices)	Value	Blend	Growth
Large Cap	22.8%	12.4%	3.3%
Mid Cap	22.1%	17.7%	4.2%
Small Cap	24.5%	21.4%	18.6%

International Equities (MSCI indices)	Dev. Mkt	World	Emerg. Mkt
Large Cap	14.2%	13.9%	23.2%
Mid Cap	13.7%	14.8%	23.5%
Small Cap	12.3%	17.4%	14.9%

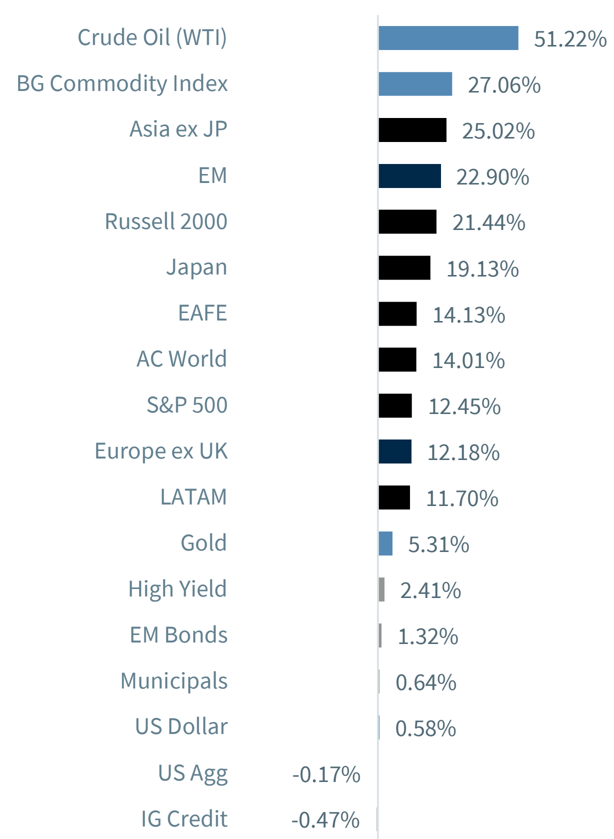
Fixed Income (Bloomberg indices)	1-3 YR	Medium	Long
Treasury	2.3%	-0.5%	-1.4%
Invest. Grade	1.6%	0.5%	-0.4%
High Yield	2.6%	2.4%	2.3%

Asset Class Performance | Weekly and Year-to-Date (as of August 20)**

Weekly***



Year-to-Date***



Commodities Equities Fixed Income

**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).

RAYMOND JAMES

Weekly Data

As of 8/20/2026 **

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	7641.2	(2.0)	2.1	12.5	20.9	22.0	13.1	15.2
DJ Industrial Average	52759.2	(2.0)	0.5	9.8	17.4	15.2	8.5	11.0
NASDAQ Composite Index	26067.2	(2.7)	2.7	12.2	23.1	25.1	12.1	17.4
Russell 1000	8009.0	(2.0)	2.3	12.4	18.9	19.0	12.1	14.8
Russell 2000	7437.0	(1.9)	2.2	21.4	34.2	15.1	7.1	10.6
Russell Midcap	11509.9	(1.8)	2.7	17.7	18.7	14.8	8.2	11.4

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	657.5	0.7	4.9	15.5	16.7	11.0	6.6	10.1
Industrials	1519.1	(3.3)	(0.0)	16.5	20.4	20.9	13.6	13.5
Comm Services	447.5	(2.4)	(2.0)	(0.6)	15.1	28.0	11.1	12.0
Utilities	443.1	(0.6)	(1.3)	4.0	4.5	14.8	7.9	9.2
Consumer Discretionary	1916.1	(1.5)	(0.3)	(0.2)	5.7	15.1	7.1	12.6
Consumer Staples	935.8	(1.4)	(0.5)	9.8	4.6	9.6	7.2	8.1
Health Care	2006.9	2.4	6.0	12.3	27.6	10.8	6.6	10.7
Information Technology	6818.9	(3.6)	4.1	20.4	32.1	33.4	21.0	25.4
Energy	973.0	4.6	7.2	44.4	53.6	16.7	27.6	10.5
Financials	945.6	(2.3)	(0.0)	4.9	9.4	20.8	10.6	13.5
Real Estate	289.7	(0.0)	(0.0)	17.4	16.8	12.6	3.3	7.1

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.8	0.1	0.2	2.3	3.9	4.7	3.7	2.4
2-Year Treasury (%)	4.2	0.0	0.4	1.1	2.8	4.2	1.7	1.6
10-Year Treasury (%)	4.7	(0.3)	0.4	(1.4)	1.2	3.1	(2.3)	(0.0)
Bloomberg US Corporate HY	7.6	(0.2)	0.7	2.4	5.4	8.9	4.3	5.4
Bloomberg US Aggregate	4.9	(0.2)	0.5	(0.2)	2.4	4.6	(0.3)	1.4
Bloomberg Municipals	--	(0.6)	0.2	0.6	4.9	3.5	0.6	2.0
Bloomberg IG Credit	5.4	(0.3)	0.4	(0.5)	2.1	5.5	(0.1)	2.3
Bloomberg EM Bonds	6.2	(0.3)	0.6	1.3	5.0	8.7	1.8	3.1

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	86.8	6.9	2.6	51.2	38.5	2.5	6.9	5.9
Gold ($/Troy Oz)	4571.4	3.4	11.3	5.3	34.9	33.6	20.7	13.0
Bloomberg Commodity Index	139.4	3.7	5.5	27.1	39.1	10.2	8.9	4.9

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	98.9	(1.1)	(1.0)	0.6	0.7	(1.5)	1.1	0.5
Euro	1.17	1.2	1.5	(0.5)	0.2	2.4	0.0	0.3
British Pound	1.36	0.9	1.3	1.4	1.2	2.3	0.0	0.4
Japanese Yen	158.72	0.3	0.3	(1.2)	(7.4)	(2.9)	(7.1)	(4.5)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1143.5	(1.4)	2.2	14.0	23.0	22.0	11.8	13.0
MSCI EAFE	3230.8	(0.7)	1.9	14.1	21.2	19.8	10.4	10.0
MSCI Europe ex UK	3568.4	(0.4)	2.4	12.2	20.1	19.1	9.7	10.9
MSCI Japan	5655.9	(2.8)	1.7	19.1	25.1	21.3	11.0	9.7
MSCI EM	1700.0	0.3	2.2	22.9	37.9	24.0	9.9	9.4
MSCI Asia ex JP	1126.7	0.2	2.2	25.0	39.2	25.6	10.2	10.2
MSCI LATAM	2961.4	0.9	(3.9)	11.7	34.6	14.2	11.8	7.0
Canada S&P/TSX Composite	26388.1	(1.1)	3.2	14.7	30.4	22.4	12.3	9.5

**Weekly performance calculated from Thursday close to Thursday close.

Disclosures

All expressions of opinion are those of Raymond James & Associates, Inc. (RJA) Investment Strategy and are subject to change. Nothing in this report constitutes investment, legal, accounting or tax advice or is a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you. This information should not be construed as a recommendation. The foregoing content is subject to change at any time without notice. Content provided herein is for informational purposes only. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Past performance is not a guarantee of future results. Indices and peer groups are not available for direct investment. Any investor who attempts to mimic the performance of an index or peer group would incur fees and expenses that would reduce returns. No investment strategy can guarantee success. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Diversification and asset allocation do not ensure a profit or protect against a loss. Further, portions of this report may include content generated, sourced, or created with assistance from artificial intelligence tools. Raymond James has reviewed and considers this content to be reliable, but Raymond James does not guarantee that such content is accurate or complete.

SMALL CAPS | Investing in small cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. The prices of small company stocks may be subject to more volatility than those of large company stocks.

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and heightened political and/or economic instability. These risks are greater in emerging markets.

ENERGY COMMODITIES | Investing in energy commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Oil prices are influenced by OPEC decisions and tend to be economically sensitive. Natural gas prices are influenced by weather.

MINING COMMODITIES | Investing in mining commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Prices of precious metals such as gold are influenced by central bank decisions. Prices of industrial metals such as copper tend to be economically sensitive.

SECTORS | Sector investments are companies focused on a specific economic sector and are presented here for illustrative purposes only. Sectors, including Tech, are subject to varying levels of competition, economic sensitivity, and political and regulatory risks. Investing in any individual sector involves limited diversification.

CURRENCIES | Currency investing is generally considered speculative, with high levels of volatility and limited market regulation. These risks are greater in emerging markets.

FIXED INCOME | Fixed-income securities (or bonds) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

MUNICIPAL BONDS | Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

US TREASURIES | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

PERSONAL CONSUMPTION EXPENDITURES | The Personal Consumption Expenditures (PCE) Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

PRODUCER PRICE INDEX | The Producer Price Index (PPI) is a measure of wholesale inflation, while the Consumer Price Index measures the prices paid by consumers.

CONSUMER PRICE INDEX | The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

CONSUMER SENTIMENT INDEX | The University of Michigan Consumer Sentiment Survey (MCSI) is a monthly survey measuring US consumer confidence regarding personal finances, business conditions, and buying conditions. It serves as a key leading economic indicator, forecasting consumer spending by interviewing approximately 600–1,000 households.

ISM MANUFACTURING INDEX | The ISM Manufacturing Index, or Purchasing Managers' Index (PMI), is a crucial monthly report on US economic activity based on surveys of manufacturing supply executives. It gauges sector health by tracking new orders, production, employment, supplier deliveries, and inventories. A reading above 50 indicates expansion; below 50 signals contraction.

ISM SERVICES INDEX | The ISM Services Index, now officially known as the Services PMI (Purchasing Managers' Index), is a monthly economic indicator released by the Institute for Supply Management. It measures the performance of the US service sector—which constitutes nearly 80% of the economy—based on surveys of over 400 purchasing managers across 60+ industries, such as finance, retail, and healthcare.

IMPORT/EXPORT PRICE INDICES | The Import and Export Price Indices are economic indicators that measure the average change in prices of goods and services imported into a country from foreign sources, or exported from the US, respectively. These indices act as key metrics for inflation, tracking how changing international costs affect domestic consumers, businesses, and economic policy.

US DOLLAR INDEX | The US Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies.

EMPLOYMENT COST INDEX | The Employment Cost Index (ECI) measures the change in the hourly cost of labor to employers, tracking both wages and salaries and employee benefits. It is a key economic indicator published quarterly by the US Bureau of Labor Statistics (BLS).

UNIT LABOR COST | Unit labor cost is how much a business pays its workers to produce one unit of output. It is measured by the US Bureau of Labor Statistics.

CITI US ECONOMIC SURPRISE INDEX | The Citigroup Economic Surprise Index is the sum of the difference between the actual value of various economic data and their consensus forecast. If the index is greater than zero, it means that the overall economic performance is generally better than expected, and the S&P 500 has a high probability of strengthening, and vice versa.

NEW HOME SALES INDEX | The New Home Sales report, released monthly by the US Census Bureau and the Department of Housing and Urban Development (HUD), tracks the number of newly constructed, privately-owned single-family homes sold across the US. As a key leading economic indicator, it measures new, signed sales contracts rather than closings.

EXISTING HOME SALES INDEX | The Existing Home Sales report is a monthly economic indicator released by the National Association of Realtors (NAR). It measures the total number of closed transactions for previously owned single-family homes, townhomes, condominiums, and co-ops across the United States.

LEADING ECONOMIC INDEX | The Leading Economic Index (LEI) is a monthly composite statistic published by The Conference Board that predicts future shifts in the business cycle, typically looking six to nine months ahead. It combines 10 forward-looking economic components, such as stock prices, building permits, and manufacturing orders, to signal upcoming economic expansions or recessions before they become evident in the overall economy.

MICHIGAN CONSUMER SENTIMENT INDEX | The Michigan Consumer Sentiment Index (MCSI) is a monthly survey-based economic indicator measuring US consumer confidence regarding their personal finances, business conditions, and buying power. It is a leading indicator for predicting consumer spending, which drives the majority of the US economy.

FHFA HOME PRICE INDEX |The FHFA Home Price Index is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties.

CASE SHILLER HOME PRICE INDEX | The Case Shiller Home Price Index , U.S. National Home Price NSA Index measures the change in the value of the U.S. residential housing market by tracking the purchase prices of single-family homes. The index is compiled and published monthly.

NFIB SMALL BUSINESS INDEX | The NFIB Small Business Optimism Index is a monthly composite indicator that measures the outlook of U.S. small business owners on economic conditions, employment, and business health.

NAHB/WELLS FARGO HOUSING MARKET INDEX (HMI) | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey-based gauge of sentiment among U.S. single-family home builders that reflects their views on current and near-term housing market conditions.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 08/20/2026

DOMESTIC EQUITY DEFINITION
DOW JONES INDUSTRIAL AVERAGE (DJIA) | The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

NASDAQ COMPOSITE INDEX | The Nasdaq Composite Index is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

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.

WILSHIRE 5000 INDEX | The Wilshire 5000 is a broad-market, free-float capitalization-weighted index that measures the performance of the entire U.S. stock market

S&P 500 | The S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

S&P 500 EQUAL WEIGHT INDEX | The S&P 500 Equal Weight Index: The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

S&P SMALL CAP 600 | The S&P Small Cap 600: The index tracks 600 US small-capitalization companies. It acts as a benchmark for the small-cap segment of the U.S. equity market and is used by investors to measure performance or gain exposure to smaller-tier growth companies.

LARGE GROWTH | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater- than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

MID GROWTH | Russell Mid Cap Growth Total Return Index: This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

LARGE BLEND | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

SMALL GROWTH | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater- than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

MID BLEND | Russell Mid Cap Total Return Index: This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

SMALL BLEND | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

MID VALUE | Russell Mid Cap Value Total Return Index: This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

SMALL VALUE | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

COMMODITY INDEX DEFINITION
BLOOMBERG COMMODITY INDEX (BCOM) | The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.

FIXED INCOME DEFINITION
AGGREGATE BOND | Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | Bloomberg US Corporate High Yield Total Return Index: The 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.

CREDIT | Bloomberg US Credit Total Return Index: The index measures the investment grade, US dollar-denominated, fixed- rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Disclosures

BLOOMBERG US CORPORATE INVESTMENT GRADE | The index commonly used as the standard benchmark for US investment-grade corporate debt, and tracks the performance of the USD-denominated, fixed-rate, taxable corporate bond market. It captures publicly issued securities across industrial, utility, and financial issuers by companies inside and outside the US.

BLOOMBERG MUNICIPAL BOND INDEX | The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

BLOOMBERG US CONVERTIBLE LIQUID BOND INDEX | The index tracks the performance of USD-denominated convertible securities, specifically bonds and convertible preferred stock, issued in the US market with a minimum amount outstanding of $350 million.

BLOOMBERG CAPITAL AGGREGATE BOND TOTAL RETURN INDEX | This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

BLOOMBERG EMERGING MARKET BOND INDEX | The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value-weighted index engineered to measure USD fixed-rate sovereign and corporate securities issued from emerging markets. The index includes both investment- grade and below-investment-grade securities.

BLOOMBERG WIRP FUTURES MODEL | The Bloomberg World Interest Rate Probability (WIRP) function calculates the implicit forecast for rates after each meeting over the next year for the biggest developed world central banks, based on pricing in futures and overnight index swaps markets.

BLOOMBERG TREASURY INDEX | The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. The Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The index includes securities with remaining maturity of at least one year.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe.

EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index: The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

NIKKEI 225 INDEX | The Nikkei 225 is Japan's main stock market index, tracking the performance of 225 large, highly traded "blue-chip" companies listed on the Tokyo Stock Exchange (TSE). It's a price-weighted index, meaning higher-priced stocks have a greater impact, similar to the Dow Jones Industrial Average, and serves as a key indicator of the Japanese economy.

FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

MSCI EAFE | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

MSCI ACWI | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

MSCI ACWI EX US | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

Disclosures

CANADA S&P/TSX COMPOSITE | The S&P/TSX Composite Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on primary stock exchange, the Toronto Stock Exchange.

STOXX EUROPE 600 | The Represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

INTERNAL DISCLOSURES

FOR CLIENTS IN THE UNITED KINGDOM | For clients of Raymond James Financial International Limited (RJFI) and Raymond James Wealth Management (RJWM): Raymond James Financial International Ltd. (RJFI) and Raymond James Investment Services, Ltd. (RJIS) are authorised and regulated by the Financial Conduct Authority (FCA). RJFI and RJIS are located at Ropemaker Place, 25 Ropemaker Street, London, England, EC2Y 9LY, +44 203 798 5600.This document is prepared for and distributed by either RJFI or RJWM, as applicable, and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in the FCA rules or persons described in Articles 19(5) (Investment professionals) or 49(2) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended)or any other person to whom this promotion may lawfully be directed. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients.

FOR CLIENTS IN FRANCE | For clients of Raymond James France (RJ France): RJ France is authorised and regulated by the Autorite de Controle Prudentiel et de Resolution and the Autorite des Marches Financiers. As of 30 November, 2020, RJ France is an unaffiliated entity of Raymond James Financial, Inc. and its subsidiaries. RJ France is located at SAS, 45 Avenue George V, 75008, Paris, France, +33 1 45 61 64 90. This document is prepared for and distributed by RJ France pursuant to an agreement with Raymond James & Associates, Inc. and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in "Code Monetaire et Financier" and Reglement General de l'Autorite des marches Financiers. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients.

FOR INSTITUTIONAL CLIENTS IN THE EUROPEAN ECONOMIC AREA (EE) OUTSIDE OF THE UNITED KINGDOM | This document (and any attachments or exhibits hereto) is intended only for EEA institutional clients or others to whom it may lawfully be submitted.

FOR CANADIAN CLIENTS | This document is not prepared subject to Canadian disclosure requirements, unless a Canadian has contributed to the content of the document. In the case where there is Canadian contribution, the document meets all applicable CIRO disclosure requirements.

INVESTMENT STRATEGY

Larry Adam
Chief Investment Officer
T 410.525.6217
larry.adam@raymondjames.com

Eugenio J. Alemán, Ph.D.
Chief Economist
T 727.567.2603
eugenio.aleman@raymondjames.com

Garrett Parr
Investment Strategy Analyst
T 410.525.6237
garrett.parr@raymondjames.com

Matt Barry
Senior Investment Strategist
T 410.525.6228
matt.barry@raymondjames.com

Mike Payne
Investment Strategy Analyst
T. 410.525.6232
mike.payne@raymondjames.com

Giampiero Fuentes
Economist
T 727.567.5776
giampiero.fuentes@raymondjames.com

Anne B. Platt
VP, Investment Strategy
T 727.567.2190
anne.platt@raymondjames.com

Tracey Manzi
Senior Investment Strategist
T 727.567.2211
tracey.manzi@raymondjames.com

Nicholas Schiavone
Investment Strategy Analyst
T 410.525.6256
nicholas.schiavone@raymondjames.com

Pavel Molchanov
Senior Investment Strategist
T 704.940.6398
pavel.molchanov@raymondjames.com

Lindsay Smith
Investment Strategy Analyst
T 727.567.3335
lindsay.smith@raymondjames.com

Kyle Noonan
Investment Strategy Analyst
T 410.525.6231
kyle.noonan@raymondjames.com

Matthew Ziyadeh
Investment Strategy Analyst
T 727.567.8984
matthew.kurayaziyadeh@raymondjames.com

RAYMOND JAMES®

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER
880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863 // RAYMONDJAMES.COM