What's on Our Minds

November 23, 2026

MARKET HIGHLIGHTS

- **The S&P 500 fell 8.6% last week,** entering a correction of more than 10% from its early October high. Despite blowout Nvidia earnings and an oversubscribed Anthropic IPO, capital concerns and regulatory scrutiny drove a repricing of the AI trade.
- **October Federal Open Market Committee minutes showed most members expecting further tightening in December,** with some favoring a 50-basis-point hike. Federal Reserve Governor Christopher Waller said markets need a "shock" to keep 3% inflation from becoming the norm.
- **October retail sales rose 0.2%** in line with estimates, but the control group, which feeds into gross domestic product, rose 0.6%, topping the 0.4% estimate. Job growth and higher asset prices are offsetting elevated gasoline prices.
- **Housing remains in recession.** The National Association of Home Builders Housing Market Index fell to 25, the lowest since April 2012, while building permits dropped 7.4% to their lowest level since May 2020.
- **October import prices rose 1.1%,** above the 0.7% estimate, driven largely by demand tied to the AI boom.

MARKET PERFORMANCE

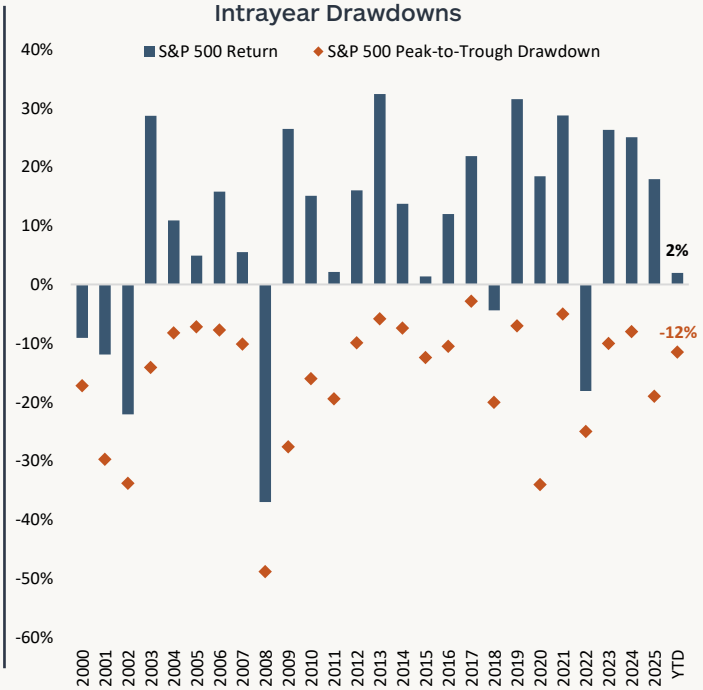
ASSET CLASS	1-WEEK	YTD
U.S. Aggregate Bond (Agg)	1.18%	-0.49%
Municipal Bonds 1-10Y	-0.22%	0.15%
U.S. High Yield	-0.88%	-0.40%
S&P 500	-8.57%	1.98%
Russell 2500 (SMID cap)	-7.27%	8.15%
MSCI EAFE (International)	-6.27%	2.85%
MSCI Emerging Markets	-8.38%	2.90%
MSCI ACWI (Global)	-8.09%	1.92%
Crude Oil (NYMEX WTI)	-1.85%	52.97%
Gold LBMA PM	-7.95%	-18.27%
60/40 ACWI/Agg Portfolio	-4.38%	0.96%

WHAT CAUGHT OUR EYES THIS WEEK

Well, We Were Due for a Correction

We woke up this morning prepared to write about how we viewed the recent volatility in stocks as a standard correction (which happens on average once per year and often presents good buying opportunities) rather than the first innings of a bear market. Like many, we were surprised to hear the news of the reinstatement of Jensen Huang as CEO of Nvidia, which spurred a broad jump for stocks in premarket trading. There are likely at least a few investors who sold in a panic on Friday looking at their screens with exasperation this morning. Times like these highlight the perils of trying to time markets, especially during volatile periods where violent moves in either direction could be a headline away. Sidestepping downturns in stocks is easier said than done. Looking ahead, although many of the recently highlighted risks to the AI trade are understandable, fundamentals for the major players in the AI ecosystem are largely intact, if not continuing to improve. In fact, we see some of current sources of potential restraint on the pace of the AI infrastructure build-out ultimately improving the durability of AI as its benefits continue to proliferate across the economy writ large.

S&P 500 Calendar Year Returns vs. Intrayear Drawdowns



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OUR KEY THEMES FOR 2026 (updated as of September)

1) Monetary policy moves to neutral or slightly restrictive, fiscal policy moves to neutral or slightly positive, and the AI infrastructure buildout remains a key structural tailwind.
2) OBBBA corporate tax changes are spurring a reacceleration in non-AI business investment.
3) Global growth on net remains positive as trend-or-better US growth offsets supply shocks overseas.
4) Broader economic activity lifts employment, while labor force growth remains sluggish.
5) Inflation remains above the Fed target, but progress should resume when the current supply shock fades.
6) We see a handful of rate hikes at the most, not another full-scale hiking cycle.
7) We see stability or slight upward pressure for long-term rates based on strong economic activity.
8) We believe it's hard to fight strong fundamentals for equity markets, with double-digit profit growth balancing high earnings multiples.
9) Better earnings breadth was delayed, not canceled.
10) International stocks still offer diversification benefits and an impressive fundamental outlook considering geopolitical headwinds.

IN CASE YOU MISSED IT

INSIGHTS

2026 Year-End Opportunities Guide

Our Institutional Consulting Fourth Quarter 2026 Investment Landscape

Video: Mid-November Update

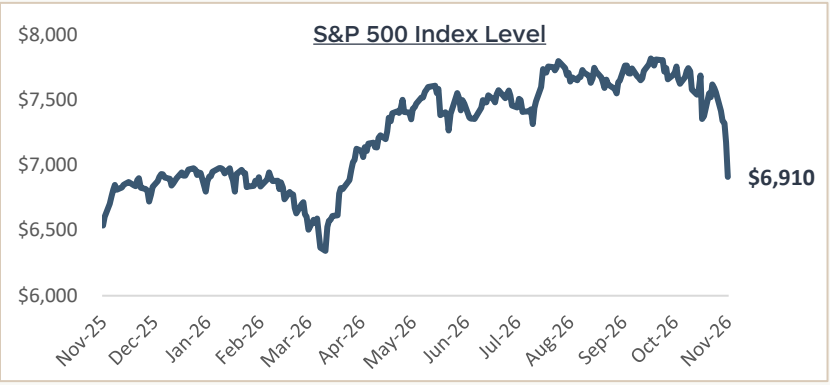
ARCHIVE

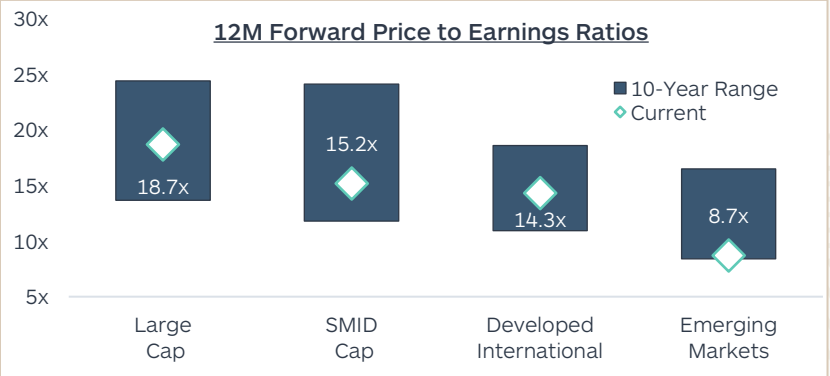
Historical Economic and Market Outlooks Insights

WEBINARS

Recording: Q4 2026 Market & Economic Outlook

EQUITIES





S&P 500 SECTOR	1-WEEK	YTD
Consumer Staples	-2.0%	20.2%
Utilities	-3.1%	2.2%
Real Estate	-4.3%	9.0%
Health Care	-6.2%	16.0%
Energy	-6.6%	38.4%
Consumer Discretionary	-6.8%	-3.9%
Financials	-6.9%	1.0%
Industrials	-7.4%	1.7%
Materials	-7.9%	6.8%
Comm. Services	-9.4%	-15.0%
Information Technology	-12.1%	-0.2%

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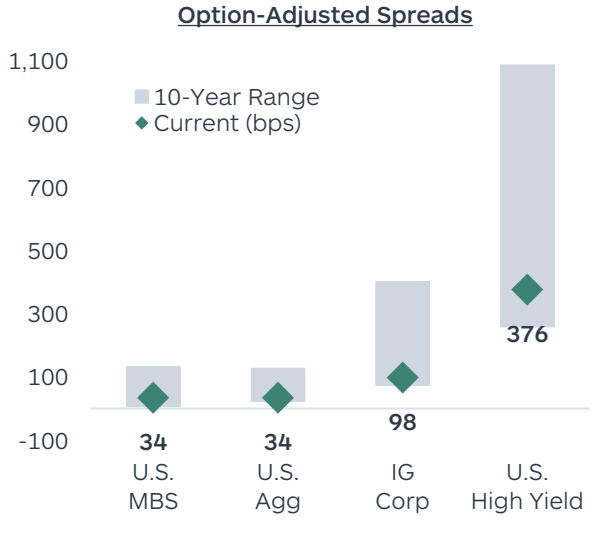
FIXED INCOME

KEY INTEREST RATES	11/20/2026	Δ YTD
Municipal Bonds 1-10Y	3.71%	0.74%
Effective Federal Funds Rate	3.88%	0.24%
3M T-Bill	4.22%	0.59%
10Y Treasury Yield	4.92%	0.76%
U.S. Aggregate	5.28%	0.96%
Prime Rate	7.00%	0.25%
30Y Mortgage Rate	7.33%	1.07%
U.S. High Yield	8.76%	1.68%



COMMODITIES, CURRENCIES, CRYPTO

Asset Class	11/20/2026
Crude Oil	$87.59
Gold	$3,569.80
U.S. Dollar Index	$103.81
Bitcoin	$58,305.00

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THE WEEK AHEAD

Nov. 23 (Mon.)

Nov. S&P Global Mfg. and Svc. PMI

Nov. 24 (Tue.)

Sep. FHFA Home Price Index

Nov. Consumer Confidence

Nov. 25 (Wed.)

Oct. PCE

Oct. Durable Goods Orders

Nov. 26 (Thu.)

Thanksgiving (Markets Closed)

Nov. 17 (Fri.)

Black Friday (Shortened Trading)

Coming Up

Nov. Employment Report (12/4)

FOMC Meeting (12/9)

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ABBREVIATIONS: Agg: Aggregate. EM: Emerging Markets. SOFR: Secured Overnight Financing Rate. MBS: Mortgage-backed securities. IG: Investment Grade.

CHART OF THE WEEK: Cerity Partners, Bloomberg, YTD is through 11/20/2026.

MARKET PERFORMANCE: All returns represent total return for the stated period. 1-Week and Year-to-Date (YTD) returns are as of 11/20/26. Underlying indices are in descending order: Bloomberg US Aggregate provided by Bloomberg Capital; Bloomberg Municipal Bond 10 Yr provided by Bloomberg Capital; ICE BofA US High Yield Index provided by Bloomberg Capital; S&P 500; provided by: Standard & Poor's. Index; Russell 2500; provided by: Russell Investments; MSCI Europe, Australasia, and the Far East (EAFE) provided by MSCI net official pricing; MSCI EM provided by MSCI net official pricing; MSCI All Country World Index (ACWI) provided by MSCI net official pricing; Crude Oil (WTI) provided by CME; LBMA Gold Price PM provided by FactSet. The 60/40 ACWI/Agg Portfolio (60% ACWI / 40% AGG) is not a recommendation and is provided for reference purposes only.

EQUITIES: Top Left-hand Chart. S&P 500 Index Level as of 11/20/26 and provided by Standard & Poor's. Bottom Left-hand Chart. Forward Price to Earnings Ratios refers to the price-to-earnings ratio for the forward 12 months, which is a valuation measure applied to respective broad equity indices as of 11/20/26. Large Cap data is proxied with the S&P 500 and provided by FactSet. SMID data is proxied by the Russell 2500 and provided by FactSet. Developed International data is proxied with the MSCI EAFE and provided by FactSet. Emerging Markets data is proxied by the MSCI EM and provided by FactSet. S&P 500 Sector performance table. Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends. 1-Week and Year-to-Date (YTD) returns are as of 11/20/26.

FIXED INCOME: Top Table. Effective Federal Funds Rate provided by FactSet. Composite Municipal Bond Yield provided by FactSet. Bloomberg US Aggregate provided by FactSet. 3-Month Treasury Bill rate provided by FactSet. 10-Year Treasury Yield provided by FactSet. 30-Year Mortgage Rate provided by FactSet. ICE BofA US High Yield Index provided by FactSet. Prime Rate provided by FactSet. Bottom Table. Option Adjusted Spreads as of 11/20/26. Bloomberg US Aggregate Securitized – MBS, Bloomberg US Aggregate, ICE BofA US Corporate, ICE BofA US High Yield data provided by Bloomberg Capital.

COMMODITIES, CURRENCIES, CRYPTO: WTI NYMEX Crude Oil provided by FactSet. Gold is proxied with the LBMA Gold PM and provided by FactSet. Bitcoin is proxied by the Bitcoin (CME) Continuous index and provided by FactSet. U.S Dollar prices are proxied with the U.S. Dollar Index and provided by FactSet.

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