

10/12/2026

The Week Ahead



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THINGS TO WATCH

September Inflation Trends

On Wednesday morning, BLS data is expected to show the headline consumer price index (CPI) accelerated to 0.6% in September from 0.4% and 0.1% the prior two months driven primarily by higher gasoline prices. Conversely, core CPI excluding volatile food and energy is projected to step down to 0.2% monthly (2.5% Y/Y). Following softer September payrolls growth and moderate wage increases, cooling underlying inflation reduces pressure on Fed officials to raise rates at the October 27–28 FOMC meeting, on the heels of their 25-basis-point rate hike in September.

Bank Earnings

Wall Street's largest banks kick off Q3 reporting this week, led by JPMorgan (JPM), Goldman Sachs (GS), Wells Fargo (WFC), and Citigroup (C) tomorrow, followed by Bank of America (BAC) and Morgan Stanley (MS) on Wednesday. Capital markets activity, including equity underwriting, and advisory fees, likely slowed in recent months following robust volumes in the first half of the year. One of the key debates across the group remains whether loan growth and fixed-asset repricing can outpace deposit cost pressures related to higher short-term rates. Credit quality appears stable heading into 4Q, with deposit growth at the largest U.S. lenders keeping pace with loan growth, suggesting solid core funding.

S&P 500 Breakout?

The S&P 500 Index closed at a new all-time high last Wednesday of 7,818.93, the benchmark's first record close since August 13 and its 28th of the year. After surging 20% from its year-to-date March 30 closing low of 6,370 to 7,609 on June 2, the S&P 500 has undergone a 4-month consolidation phase. Over this period, the benchmark's forward 12-month price-to-earnings ratio declined approximately 10% from 21x to 19x as valuation has not kept up with sharp upward revisions in profit expectations. This week, subdued inflation data and a strong start to the unofficial beginning of third quarter earnings season could power an upside breakout toward 8,000.

LAST WEEK'S ECONOMIC DATA

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ISM Services PMI	54.9	54.0	▲
Continuing Jobless Claims (Thousands)	1,716	1,821	▼
U. of Mich. Consumer Sentiment	46.3	55.2	▼
U. of Mich. 1YR Inflation Expectations	4.7%	4.2%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	51654.95	0.96%	8.80%	15.41%
NASDAQ	27366.17	0.65%	18.29%	23.99%
S&P 500	7811.54	1.17%	15.12%	20.58%
MSCI EAFE	3078.66	-0.53%	9.37%	15.93%
BB U.S. Aggregate	2290.52	0.39%	-2.38%	-1.96%

KEY BOND RATES

	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.14%	4.00%	3.94%
10-Year Treasury	5.24%	4.97%	4.03%

REPORTS DUE THIS WEEK

	LATEST
NFIB Small Business Optimism	98.7
Existing Home Sales (Millions Annualized)	3.98
Consumer Price Index (Y/Y)	3.4%
Core Consumer Price Index (Y/Y)	2.4%
Producer Price Index (Y/Y)	5.4%

Total returns are as of 10/9/26. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

14%

Brazil's Ibovespa Sao Paulo Stock Exchange Index surged 8% last week in local currency terms and 14% in U.S. dollar terms after Flavio Bolsonaro's surprise victory in the first round of the country's presidential elections. The positive equity market and currency reaction was driven by investors' expectations that a Bolsonaro presidency would pursue reductions in government spending and potentially lower tax rates.

15,000

The FCC approved SpaceX's deployment of 15,000 Starlink Mobile satellites to provide direct-to-cell service without requiring leasing deals with ground carriers. Complementing the regulatory green light, SpaceX agreed to buy a nationwide 800 MHz low-band spectrum portfolio from Grain Management. CEO Elon Musk said the acquisition will provide the critical obstacle-penetrating airwaves needed to enable indoor coverage and challenge legacy wireless carriers.

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