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The Week Ahead



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THINGS TO WATCH

Fed's September Meeting Minutes

Wednesday's release of the September 15-16 FOMC minutes will offer insight into the committee's unanimous vote to raise rates by 25 basis points, its first hike since July 2023. Investors will scrutinize discussions regarding inflation progress, balance-sheet policy, and Chair Kevin Warsh's proposal to reduce scheduled annual FOMC meetings from eight to six. However, following cooler PCE inflation and softer payrolls data, fed funds futures odds for an October 28 rate hike tumbled to 18% on Friday from 64% the previous week, making the September hawkishness from Fed officials look a bit dated in hindsight.

U.S. Treasury Auctions

The U.S. Treasury Department is scheduled to sell \$39 billion in 10-year notes on Wednesday and \$22 billion of 30-year bonds on Thursday. Demand for this long-term supply will serve as an important barometer for market absorption amid a sharp backup in rates, which recently pushed the 10-year yield above 5.3% intraday for the first time since 2007. Fixed-income investors will scrutinize bidder participation and primary dealer concession pricing to gauge institutional appetite amid elevated interest rate volatility.

Delta Air Lines (DAL)

Have elevated jet fuel costs dented strong travel demand in the premium segment? Delta Air Lines' (DAL) 3Q results Friday morning could provide some insights into this question. Coming off a record Q2 with \$19.76 billion in revenue (+18.7% Y/Y) and an industry-leading 9% operating margin, investors will focus on premium travel trends and American Express remuneration, which grew 10% to over \$2 billion last quarter. Attention will also center on Delta's in-flight connectivity strategy following its decision to adopt Amazon's LEO satellite network for a 2028 rollout over SpaceX's Starlink.

LAST WEEK'S ECONOMIC DATA	LATEST 3MO PRIOR		CHANGE
Conf. Board Consumer Confidence	81.9	92.2	▼
JOLTS Job Openings (Millions)	7.08	7.54	▼
Core PCE Price Index (Y/Y)	3.0%	3.2%	▼
ISM Manufacturing PMI	54.5	53.3	▲
Non-Farm Payrolls (Thousands)	29	31	▼
Unemployment Rate	4.2%	4.2%	-

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	51176.96	-1.25%	7.76%	11.23%
NASDAQ	27190.86	0.46%	17.52%	20.08%
S&P 500	7722.72	-0.25%	13.79%	16.31%
MSCI EAFE	3095.35	-1.48%	9.96%	13.08%
BB U.S. Aggregate	2281.68	-0.60%	-2.73%	-2.06%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.09%	3.86%	3.94%
10-Year Treasury	5.27%	4.78%	4.08%

REPORTS DUE THIS WEEK	LATEST
ISM Services PMI	55.4
Continuing Jobless Claims (Thousands)	1,701
U. of Mich. Consumer Sentiment	48.1
U. of Mich. 1-year Inflation Expectations	4.6%

Total returns are as of 10/2/26. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

164,000

U.S. nonfarm payrolls added a combined 164,000 manufacturing and construction jobs through the first nine months of the year, accounting for 27% of the 612,000 net total additions. Hiring across these goods-producing sectors has been propelled by robust government tax incentives, ongoing supply chain reshoring, and the largescale buildout of AI data centers. The expansion underscores surprising resilience in industrial labor demand despite elevated borrowing costs.

-12.39%

The S&P 500 Utilities Index dropped 12.39% in 3Q26, marking its worst quarterly total return since 2020. Alongside a backup in Treasury yields, utilities faced a range of hurdles: PG&E and Edison International plunged over 20% after California omitted key utility protections from wildfire legislation, while NextEra Energy fell 14% amid Virginia regulatory pushback. Meanwhile, states like Texas moved to slow data-center expansion, dimming short-term power demand.

DISCLOSURES



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