SPIREPOINT
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WEEKLY MARKET OUTLOOK

Week Ahead – October 26, 2026

WEALTH MANAGEMENT & ADVISORY
VERO BEACH & PALM BEACH GARDENS, FL

THIS WEEK'S THEME | Four Signs the Economic Expansion Is "Mature," Not Over

01 · THE WEEK IN BRIEF

What happened. The S&P 500 slipped 0.47% to close Friday at 7,623.68, a second consecutive weekly decline that leaves the index 2.5% below its October 6 record and below its 50-day moving average for a second week. Beneath the surface, 8-of-11 sectors advanced, the average S&P 500 stock rose 1.1%, and small-cap stocks gained 2.00%, all while the seven largest technology companies fell 2.74% and semiconductor shares declined 3.21%, most of which took place Thursday when the Nasdaq dropped 2.6%. Energy and health care closed at fresh all-time highs, consumer staples rose for a third consecutive week, and the 10-Yr Treasury yield pulled back below 5% late in the week before ending Friday fixed to the 5.00% level.

Why it matters. Last week's economic data, earnings, and market price action all remained consistent with the cyclical narrative we have been tracking in recent weeks: the economic expansion is intact, albeit maturing towards an eventual "end." Oil futures closed out the week above $100/barrel, up 80%+ YTD; the primary trend in corporate bonds remains one of risk-aversion; the gap between shorter- and longer-term Treasury yields has compressed considerably since the extremes earlier this year; and the final consumer sentiment reading for October hovered near a record low. In contrast, jobless claims favorably held near multi-decade lows, below 200K, a key threshold for labor market resilience, and growth metrics showed the expansion continuing in the second half of 2026. Within the stock market, a defensive rotation persisted with capital flowing into value-oriented names and away from growth-focused tech and AI-related companies, partially due to concerns about spending trends in the latter group. The Chart of the Week lays out four gauges we monitor to judge where we stand within the cyclical expansion.

What we believe stocks are worth. On the median Wall Street estimate for next year's earnings ($420 per share), the S&P 500 trades at ~18X, **about 4.5% below the 19X we view as "fair value"** (the rough average market multiple of the past 10 years), compared with 4% below a week ago. The S&P 500's "earnings yield," or expected earnings as a percentage of the index level, sits at ~5.5%, versus 5.00% on the 10-Yr Treasury, a gap of roughly 0.5% that widened from 0.4% as Treasuries rallied and stocks declined.

What's the mood on Wall Street? CNN's Fear and Greed Index edged higher by 3 points from 18 to 21 last week, holding in the Extreme Fear Zone for a second week in a row (25 is the threshold). The AAII survey of retail investors showed bears outnumbering bulls 46% to 37%. The VIX eased to 19.45, and the SKEW Index reversed sharply lower from fresh 52-week highs, signaling lighter demand for protection from a steep market selloff, but also potentially reduced long exposure by institutional investors utilizing more complex options positions within portfolios.

S&P 500	10-YEAR TREASURY	SECTORS UP / DOWN	MARKET-BASED ODDS OF AN OCT. 28 RATE HIKE
−0.47%	5.00%	8 / 3	10%
7,624 · +11.4% this year · 2.5% below its October 6 record	down from 5.09% · dipped below 5% Thursday for the first time in a month	average S&P 500 stock (RSP) rose 1.1%; small caps +2.0%	down from 18% a week ago; fell to 6% on Thursday

02 Markets at a Glance

WEEK ENDED OCTOBER 23

MARKET	LEVEL	THIS WEEK	THIS YEAR	QUICK TAKE
S&P 500	7,624	−0.47%	+11.4%	A second weekly decline; 2.5% below its October 6 record.
Nasdaq	25,955	−0.71%	+11.7%	Fell 2.6% on Thursday on AI spending worries; semiconductors −6.7% the same session.
Dow Industrials	52,215	+0.41%	+8.6%	A third straight weekly gain.
Small Caps (Russell 2000)	2,776	+2.00%	+11.9%	Best major index last week; still 9.5% below its August record.
Dow Transports	20,042	+0.82%	+15.5%	A third straight weekly gain.
Growth Stocks (VUG)	86.76	−1.33%	+6.7%	Lagged value for a second week as mega-cap technology names declined, dragging the investment style lower.
Value Stocks (VTV)	225.05	+0.73%	+17.8%	Re-extended YTD lead over growth to 11%+.
Oil (WTI)	$103.44	+4.44%	+80.2%	Active month futures contract (Dec.) back above $100 amid rising geopolitical uncertainty.
Gold	$4,010	−4.22%	−7.4%	Continued to fall sharply for a second week as defensive and safe-haven money flows favor Treasuries over precious metals.
U.S. Dollar	101.75	−0.03%	+3.5%	Effectively flat on the week with limited safe-haven flows into the dollar relative to other major global currencies.

03 Sector Performance

ONE CHANGE, FOUR TO WATCH

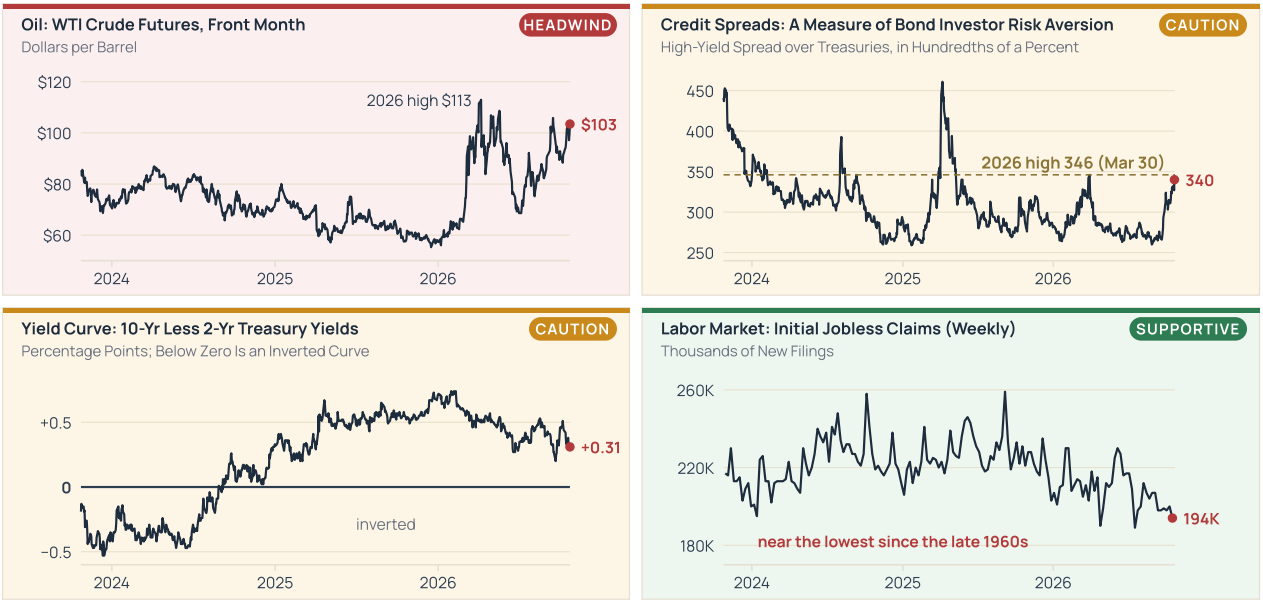
SECTOR	THIS WEEK	THIS YEAR	PERFORMANCE	NOTE
Energy	+1.60%	+55.1%	Outperforming	Record highs on the heaviest volume in a month; lead over the S&P 500 the widest since late March.
Health Care	+1.45%	+15.8%	Outperforming	A fresh set of record highs with its relative strength reading to the S&P 500 hitting a fresh 52-week high.
Consumer Staples	+0.73%	+13.6%	▲ Outperforming	**Moved up to outperforming**: a third straight gain on the heaviest volume since March; its lead over the S&P 500 is the best since April.
Technology	−0.13%	+27.3%	Neutral	A second week below its 13-week average on heavy volume; a further downgrade is possible.
Utilities	+0.83%	−0.3%	Neutral	A fourth straight weekly gain, albeit on fading volume as relative strength to the S&P 500 tests a critical 2026 downtrend line.
Materials	+0.77%	+13.1%	Underperforming	Second close above its 13-week average on light volume; not enough for an upgrade.
Financials	+0.68%	+2.1%	Underperforming	Cleared its 13-week average, approaching the $56 level it broke down from; potential for an upgrade intact.
Real Estate	+0.97%	+5.5%	Underperforming	A third straight gain on heavy volume, but it failed at its 13-week average; still to watch for an upgrade.
Communication Services	−4.36%	−10.4%	Underperforming	Worst sector of the week; a new 52-week low.
Consumer Discretionary	+0.57%	−5.3%	Underperforming	Rose, but failed another test of a key downtrend line.
Industrials	−1.87%	+6.1%	Underperforming	Lowest weekly close in over six months.

What changed. There was one trend change this week: consumer staples moved up to outperforming. That leaves 3 sectors outperforming (consumer staples, energy and health care), 2 neutral and 6 underperforming, with four to watch. Eight of eleven sectors rose in a week the S&P 500 fell: money leaving the largest technology and communication services names is being put to work elsewhere in the market, not leaving it altogether.

Performance column. *Outperforming: rising faster than the S&P 500 over recent weeks. Underperforming: lagging the S&P 500 over recent weeks. Neutral: moving roughly in line with the index. Based on 14 weeks of relative price movement. An observation about relative performance, not a recommendation to buy or sell any security. ▲▼ marks a change from last week.*

Four Ways to Measure the Economic Expansion

Weekly data, three years through Oct. 23, 2026. Sources: Yahoo Finance (WTI futures); FRED (ICE BofA spread, Treasury yields, Dept. of Labor claims). Tile colors reflect our assessment of each gauge.



Three of the four gauges above are behaving in a manner consistent with the later stages of an expansion: oil futures are above $100/barrel and up 80% YTD; credit spreads, the extra yield lower-rated companies pay to borrow, have risen to 3.40%, approaching the March high of 3.46%; and the gap between the 10-Yr and 2-Yr Treasury yields has narrowed to 0.31% from 0.74% in February, with a move below zero the development that would raise concern. The fourth gauge, initial jobless claims, has not turned. Claims were 194K last week, near the lowest since the late 1960s, and in each of the past four recessions claims rose for months before the economy contracted, which is why we characterize the expansion as mature, not over.

05 Rates and the Fed

WHAT THE COST OF MONEY IS DOING

10-YEAR TREASURY	30-YEAR MORTGAGE RATE	FED'S NEXT MEETING · OCT 28
5.00%	7.32%	10% odds of a hike
▼ 0.09 pt on the week · dipped below 5% Thursday for the first time in a month	down from 7.40% · the first decline in three weeks	market-based · down from 18% a week ago current range 3.75–4.00%

Treasury yields fell for a second week, led by longer-term bonds. The 30-Yr yield fell 0.10% to 5.33%, the 10-Yr yield fell 0.09% to 5.00%, and the 2-Yr yield slipped 0.05% to 4.69%. Most of the move came on Thursday, when the 10-Yr yield dropped 0.17% in a single session to 4.96% as investors moved out of technology shares and into Treasuries. The market-based odds of a rate hike on October 28 (our estimate, calculated from futures contracts tied to the Fed's policy rate) fell to 10% from 18%, and the expected policy rate at yearend eased from 4.07% to 4.04% as another rate hike in 2026 is being priced as less of a certainty than recent weeks. Futures now price the peak rate for this cycle at 4.56% in the fall of 2027, down from 4.64%. No change is expected Wednesday, so the statement's inflation language and Chair Warsh's press conference will be the key catalysts to watch this week.

What it means for you. The average 30-year mortgage rate eased to 7.32% from 7.40%, its first decline in three weeks, though it remains near the highest since November 2023. For savers, shorter-term Treasuries, CDs and money-market funds continue to offer yields above 4% with limited price risk, and longer-term Treasuries yield 5.0% to 5.3%. With the 10-Yr yield backing off from multi-decade highs in recent weeks, the appeal of locking in a 5% yield on longer duration government Notes and Bonds is improving, and potentially worth discussing with your advisor.

06 The Week Ahead

OCTOBER 26 – 30

Last week's economic data supports the thesis that the economy is continuing to expand but with measurable strains on the housing market and household sentiment alike: jobless claims fell to 194K, pending home sales plunged 7.3% to a record low, and consumer sentiment ended October near an all-time low of its own data set.

WHAT WE'RE WATCHING

- Wednesday's Fed decision; market-based hike odds 10%, December in focus.
- Microsoft, Alphabet, and Amazon: what they earn relative to what they spend.
- Thursday's GDP and consumer spending data after record-low home sales.

DAY	RELEASE	WHY IT MATTERS
Tue Oct 27 10:00 AM	**Confidence; new home sales** **Boeing, Visa earnings**	Household mood after the pending home sales report; Visa reports card volumes.
Wed Oct 28 2:00 PM · KEY RELEASE	**Fed decision; 2:30 press conf.** **Microsoft, Alphabet after close**	No change expected (market-based hike odds 10%); the inflation language, then big tech's spending plans.
Thu Oct 29 8:30 AM · KEY RELEASE	**Q3 GDP; spending, PCE** **Claims; Amazon, Intel earnings**	Any resolution to the gap between consumer sentiment (dismal) and spending (resilient).
Fri Oct 30 8:30 AM	**Employment cost index (Q3)** **Exxon, Chevron earnings**	Wage costs with inflation at 3.7%; energy earnings at $100 oil.

Times are Eastern. Consensus estimates are not shown; we report outcomes, not forecasts. Election Day is Tuesday, November 3.

THE BOTTOM LINE

The economic expansion is intact, but it is in a mature state: oil is above $100, lower-rated companies are paying the most to borrow capital since the pandemic, and both pending home sales and consumer sentiment are sitting at or near record lows. Survey-based data tends to lead "hard data," so the consumer spending component of Thursday's GDP release will be critical to watch. Stocks have been pricing the gap between sentiment and spending for weeks, underscored by the rotation away from mega-cap tech names and into value style stocks. Reports from Microsoft, Alphabet, and Amazon will help clarify a key question for 2026: **Are these companies earning enough to sustain massive AI-focused spending plans?** Earlier this month, the Financial Times reported OpenAI's revenue was running ~$20B/year short of what investors had been told, a sign the AI behemoth may be burning cash faster than it's bringing it in. With inflation at 3.7%, we are watching for early signs of labor market deterioration via jobless claims (a sudden rise towards 260K would be a concern), stress in corporate bonds (credit spreads breaking out to 52-week highs would be negative), whether the 10-Yr can hold at or below 5%, and if oil prices can back off from multi-month highs. These "gauges" are flashing conflicting signals, some better, some worse, but importantly, none have "broken" in a manner that would signal a cycle *beginning to end*. As always, please feel free to reach out to our team with any questions regarding the latest market developments, or to let us know if your long-term goals have changed.

Data sources. U.S. Department of the Treasury; CME Group; ICE BofA Indices; Cboe Global Markets; CNN Business; American Association of Individual Investors; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Labor; Federal Reserve Board; Freddie Mac; National Association of Realtors; University of Michigan; Yahoo Finance.

Disclosure: This Weekly Market Outlook is prepared by DTR Capital Management, LLC as of October 26, 2026 and disseminated by SpirePoint Private Client, a registered investment advisor with the SEC. Registration does not imply a certain level of skill or training. The views expressed are those of DTR Capital Management and do not necessarily reflect the views of SpirePoint. This commentary is for informational purposes only and is not individualized investment, legal, or tax advice, nor an offer or solicitation to buy or sell any security. Market data and other information are from the sources identified in the commentary and are believed to be reliable, but their accuracy and completeness are not guaranteed. The information and views are as of October 26, 2026 and may change. Past performance is not indicative of future results. All investments involve risk, including possible loss of principal. Contact your SpirePoint advisor before making any investment decision.